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NAFWB

NATIONAL ASSOCIATION OF FREE WILL BAPTISTS

JULY 20-21, 2020

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COMING FALL 2020

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Digest of
National Agency Reports

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National Association of Free Will Baptists
84th Annual Convention
July 20-21, 2020

REPORT FROM THE EXECUTIVE SECRETARY

It is an honor to report to the National Association of Free Will Baptists, Inc. I am thankful for the opportunity to serve and indebted to my predecessor, Keith Burden, for the wonderful job he performed during his tenure. I arrived September 1, 2019, and for several weeks, Brother Keith helped acclimate me to the position. He provided important guidance until he and Mrs. Debbie departed to Oklahoma for some well-deserved rest and time with their family.

These days, I often find myself thankful for those who have gone before us. For the first time in the 85-year history of the National Association, we will be unable to meet in person as a body. Our forefathers anticipated the possibility of a situation like this when they crafted Section 13 of the Constitution of the National Association of Free Will Baptists, Inc. "Should necessity arise from war, or pestilence or any cause which prevents a regular meeting of the National Association, whether such a condition is of a local or general condition, then the General Board shall be privileged to call and act with full authority in all matters pertaining to the general welfare of the National Association."[1] They established a means by which we can conduct business this year.

Denominations are as important today as they ever have been. Last fall I discussed the need for denominations at the Theological Commission Symposium at Welch College. The presentation can be accessed on the Theological Commission website.[2] Denominations act like guardrails, especially during times of shifting ideology. Denominations help us develop roots, teach and serve more effectively, and become a vital part of larger initiatives than a single church could do alone.

Last year, the Committee on Denominational Research conducted two surveys. The first survey was for pastors and the second for churches. These surveys revealed the greatest need for both pastors and churches is training and equipping. In the church survey, 56% indicated they never provided training to teachers and volunteers, while 34% reported doing so annually. Our office has seen this as an opportunity to help equip our people (Ephesians 4:11-12) to minister more effectively in our culture today.

Equip Free Will Baptists to be healthier and more effective in ministry (Ephesians 4:11-12).

These efforts fall into four primary areas: podcasts, webinars, written resources, and strategic efforts at our various meetings.

Better Together Podcast

Last fall, North American Ministries purchased the equipment to make it possible for the Executive Office to launch the ***Better Together Podcast*** in January. At this writing, we have published 34 podcasts. Another 34 episodes already have been recorded and are scheduled for launch. We are using these podcasts to provide resources for people to use on the go. These short, informative interviews are designed to pique the interest of people while highlighting Free Will Baptists and close friends to our denomination. Free Will Baptists have much to offer the United States and world, and we are making an effort to highlight the important contributions of our people. We also have a ***YouTube*** channel with 45 videos currently.

Webinars/Seminars

Our webinars provide in-depth information regarding particular issues. We hope to provide seminars on a regional basis in the future to equip those who cannot attend the National Convention or Leadership Conference.



Written Resources

There is great value in putting tangible resources into a person's hands. We have provided an online prayer journal that can be customized individually or for a particular church, as well as resources like the Free Will Baptist Catechism compiled by Dr. Paul Harrison. Additionally, we have produced graphics and memes that can be shared online or printed and taken around in one's pocket. The idea is to provide individuals with resources they need as they interact with family, friends, co-workers, and classmates (2 Peter 4:2; Numbers 15:37-39; Colossians 4:4-6).

The Executive Office also provides a bi-weekly email update. The ***NAFWB News*** shares the latest news, announcements, and events for denominational departments and ministires.

National Convention/Leadership Conference/Association Meetings

We are very strategic in the seminars and material provided at our meetings, which can serve as a boost to Christians in that area. Our hope is to provide training for pastors and laypeople. We are also making a concerted effort to provide this material online for those unable to attend meetings in person.

What can you do? We need your help to disseminate and utilize this material. Please share, like, and review our content on social media. Share this information with your congregation. Use these resources for training in your church, at association meetings, and with presbytery boards.

Increase Hispanic Ministry and Outreach (Acts 1:8).

The world is coming to North America, and many of them speak Spanish. This is a unique opportunity for Free Will Baptists. The denomination has more Free Will Baptist churches in the South than any other region of the country. Since 2008, the South also has experienced the greatest growth among Latinos (33%).[3] Free Will Baptists are uniquely positioned to seize this opportunity. For some time, North American Ministries has ministered effectively to people who speak Spanish. The 2021 Power Conference (originally planned for this year but rescheduled due to COVID-19) will be offered in Spanish. IM, Inc. has effectively ministered in many Spanish speaking countries, WNAC has a ministry to Spanish speakers, and Welch College has hired a director to develop a Hispanic institute. What can we do to seize this opportunity?

We launched a Spanish version of the NAFWB Facebook site. We have provided our resources, both written and online, in Spanish. We also have begun offering webinars in Spanish, and we will begin offering Spanish seminars at the National Convention in 2021 (originally planned for 2020).

What can you do? Develop ministries for Spanish speaking people. Involve Spanish speakers in your churches and associations.

Increase the Health and Retention of our Churches and Pastors (Acts 2:42-44).

As I discussed at the Leadership Conference in December, our denomination faces many of the same challenges as other denominations. When the Committee on Denominational Research (CDR) asked churches to describe themselves, 22% said they were declining, 36% said they were neither declining nor growing, 42% said they were growing, and only 2% described themselves as exploding. On average, 40 NAFWB churches close or leave the denomination every year. Another challenge identified by the studies indicates that 55% of our pastors are over age 50. A follow-up study conducted by the CDR this fall also indicated 76% of churches do not have anyone preparing to preach. In our present state, we do not have enough pastors in the pipeline to replace those who will retire over the next few decades as discussed at the Leadership Conference.[4]

Our efforts in this area are focused upon pastors and laypeople. We need healthy pastors so we can retain them, and they need to be effective so they are capable of turning a struggling church around. Further, we need laypeople who are outwardly-focused rather than inwardly-focused and effective in the ministry so they can support the work of the clergy. ***Healthy and effective pastors and laypeople are the key to healthy and effective churches.*** This, of course will strengthen the denomination.



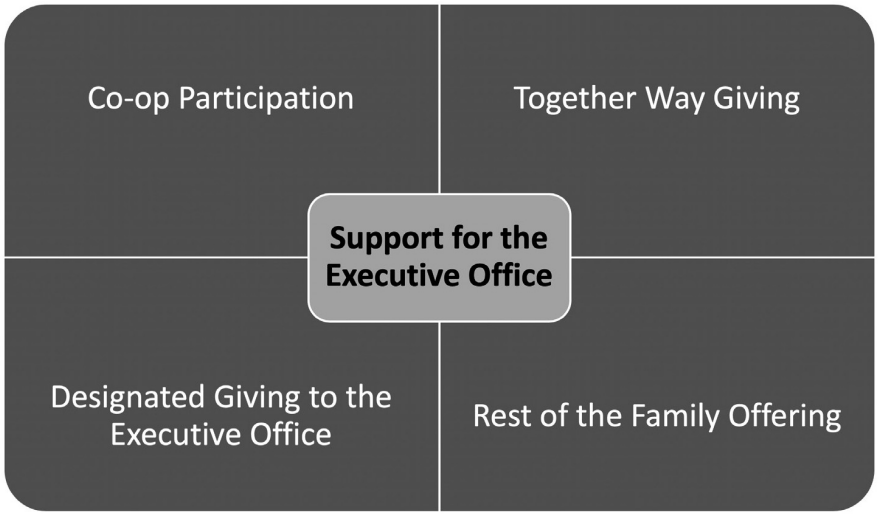
Refresh

In fall 2019, the Executive Office and North American Ministries began to look for ways to help our churches. We combined our efforts and developed Refresh. One aspect of ***Refresh*** is training coaches. Dr. Danny Dwyer has been administrating the ***Rekindle*** program for struggling churches. In March, he trained 16 coaches in these techniques. In September, we will train another 15 coaches, with an additional 15 at the Leadership Conference in December.

What can you do? Provide your own expertise. Find and train your own replacement. Develop, disciple, and mentor those in your area. Pray that the Lord will send more laborers, and that men will answer the call to the ministry. We also need funding for Rekindle as Dr. Dwyer has become a coach of coaches.

Increase cooperative, The Together Way, and overall giving

We need more resources. However, I am convinced Free Will Baptists have all we need if we are good stewards of what God has given us. In particular, the Executive Office receives funding from four areas: co-op participation, The Together Way giving, designated giving, and the Rest of the Family offering.



As you will see in the reports that follow, co-op giving and The Together Way giving continues to trend downward. In 2019, 39 churches, individuals, or entities gave a total of $9,802.51 to the Rest of the Family offering. The top ten giving churches to the Rest of the Family offering are listed below:

Rest of the Family Offering

Liberty Free Will Baptist Church	Manning, South Carolina	$1,039.83
Liberty Free Will Baptist Church	Marion, North Carolina	$1,000.00
Gahanna Free Will Baptist Church	Gahanna, Ohio	$862.00
Shady Grove Free Will Baptist Church	Whitesburg, Tennessee	$628.00
Tabernacle Free Will Baptist Church	Coward, South Carolina	$500.00
Liberty Free Will Baptist Church	Ayden, North Carolina	$480.00
Walnut Grove Free Will Baptist Church	Walnut Grove, Arkansas	$410.00
First Free Will Baptist Church	Checotah, Oklahoma	$407.68
White Plains Free Will Baptist Church	Colquitt, Georgia	$351.00
Deep Creek Free Will Baptist Church	Georgia	$350.00
Harmony Free Will Baptist Church	Warren, Arkansas	$325.00
Porter Free Will Baptist Church	Wheelersburg, Ohio	$250.00

The funding to the Executive Office can be confusing, so we developed The Together Way brochure (also in Spanish and French) to help explain the funding. Thank you all for the support you have provided.

Please find a way to give. Consider putting the Executive Office in your budget. Receive a Rest of the Family offering or put the offering in your budget. Most importantly, pray for our effectiveness.

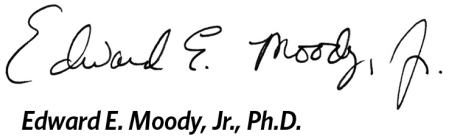
Provide Support to Agencies and States.

The goal of our office is to increase strategic behavior and cohesion among our national departments and state offices. As COVID-19 began to impact our country, we met regularly with state leaders and coaches to assess ways to minister effectively during the pandemic. In the fall of 2019, we began work on a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats). The NAFWB agencies are developing a 2030 strategic plan.

We are trying to increase our effectiveness by meeting regularly and looking for ways to support our collective work. We are trying to help our people see denominational ministries as a unified team by highlighting our efforts in a bi-weekly email. We also have established a denominational social media team to support one another in our efforts.

The phrase "one another" appears so many times in the Scripture for a reason. Each agency, working together, helps the whole to be more effective. How do we fulfill the Great Commission (Acts 1:8) without North American Ministries and IM, Inc.? The sun never sets on the alumni of Welch College and consider the impact the College is having on the evangelical community. How can we be good stewards (Matthew 25) of the limited resources we have? The Board of Retirement enables pastors and others involved in ministry to get the most from their resources. The Free Will Baptist Foundation has the potential to be a game changer for churches and agencies. What will happen if more people tithe and give offerings on their estates? The potential endowments would enable these gifts to be used until our Lord returns. Consider the resources WNAC has distributed for missions and educational purposes. Where would missionaries, students, and Free Will Baptist women be without their work?

What can you do to help? Try to attend the National Convention and Leadership Conference. Stay informed. Be willing to serve on committees and boards on the local, state, and national, levels. By working together we will be stronger and more effective. We are truly Better Together.



Edward E. Moody, Jr., Ph.D.
Executive Secretary, National Association of Free Will Baptists, Inc.

[1] Treatise, 64.

[2] https://www.facebook.com/commisionfortheologicalintegrity/videos/406201493604515/

[3] https://www.pewresearch.org/fact-tank/2019/07/08/u-s-hispanic-population-reached-new-high-in-2018-but-growth-has-slowed/

[4] https://nafwb.podbean.com/e/bonus-content-2019-leadership-conference-eddie-moody/

NAFWB

Tracking The Together Way Totals

DESIGNATED		CO-OP		TOTAL	
2005					
3,946,786.84	8.69%	813,333.89	3.92%	4,760,120.73	7.84%
83%		17%			
2006					
4,193,622.91	6.25%	832,178.34	2.32%	5,025,801.25	5.58%
83%		17%			
2007					
4,168,077.00	-0.61%	874,548.07	5.09%	5,042,625.07	0.33%
83%		17%			
2008					
4,083,286.89	-2.03%	892,767.28	2.08%	4,976,054.17	-1.32%
82%		18%			
2009					
3,970,587.35	-2.76%	877,543.24	-1.71%	4,848,130.59	-2.57%
82%		18%			
2010					
3,719,114.31	-6.33%	830,020.39	-5.42%	4,549,134.70	-6.17%
82%		18%			
2011					
3,557,541.45	-4.34%	839,056.49	1.09%	4,396,597.94	-3.35%
81%		19%			
2012					
3,805,921.98	6.98%	867,489.00	3.39%	4,673,410.98	6.30%
81%		19%			
2013					
3,384,687.36	-11.07%	899,627.83	3.70%	4,284,315.19	-8.33%
79%		21%			
2014					
3,376,818.07	-0.23%	840,505.88	-6.57%	4,217,323.95	-1.56%
80%		20%			
2015					
3,172,270.35	-6.06%	824,395.83	-1.92%	3,996,666.18	-5.23%
79%		21%			
2016					
3,517,079.10	10.87%	851,229.28	3.25%	4,368,308.38	9.30%
81%		19%			
2017					
3,236,515.99	-7.98%	830,153.64	-2.48%	4,066,669.63	-6.91%
80%		20%			
2018					
3,294,858.27	1.80%	900,631.19	8.49%	4,195,489.46	3.17%
79%		21%			
2019					
3,173,069.93	-3.70%	851,469.97	-5.46%	4,024,539.90	-4.07%
79%		21%			

The Together Way Totals Increase/Decrease from 2005-2019

Designated	-19.60%	CO-OP	4.69%

2019
Contributions to the Executive Office

		Co-op	Designated	Rest of Family	Total	% of Total Gifts
1	Missouri	$110,898.17	$0.00	$54.40	$110,952.57	27.02%
2	Oklahoma	81,888.76	258.66	106.61	82,254.03	20.03%
3	Arkansas	74,800.69	600.00	128.95	75,529.64	18.40%
4	Tennessee	21,320.32	3,821.00	232.99	25,374.31	6.18%
5	North Carolina	15,384.10	8,450.15	268.43	24,102.68	5.87%
6	Ohio	19,090.85	1,262.00	304.75	20,657.60	5.03%
7	Georgia	13,948.27	-	199.83	14,148.10	3.45%
8	Illinois	12,256.78	-	17.54	12,274.32	2.99%
9	Florida	8,540.91	-	22.09	8,563.00	2.09%
10	Alabama	2,139.05	4,858.39	52.66	7,050.10	1.72%
11	Kentucky	5,095.52	200.00	-	5,295.52	1.29%
12	Mississippi	4,242.43	982.00	-	5,224.43	1.27%
13	South Carolina	112.50	3,164.50	278.93	3,555.93	0.87%
14	Michigan	2,728.19	475.00		3,203.19	0.78%
15	New Mexico	3,044.91	-	-	3,044.91	0.74%
16	West Virginia	1,223.55	813.27	17.54	2,054.36	0.50%
17	California	1,649.82	-	-	1,649.82	0.40%
18	Virginia	1,088.96	300.00	-	1,388.96	0.34%
19	Texas	1,359.17	-	17.54	1,376.71	0.34%
20	Oregon	1,012.50	-	-	1,012.50	0.25%
21	Indiana	326.71	440.35	-	767.06	0.19%
22	Virgin Islands	425.00	-	-	425.00	0.10%
23	Canada	329.29	66.43	-	395.72	0.10%
24	Kansas	174.14	-	17.57	191.71	0.05%
25	Arizona	81.00	-	-	81.00	0.02%
	TOTALS	***$383,161.59***	***$25,691.75***	***$1,719.83***	***$410,573.17***	***100.00%***

Arkansas, Missouri and Oklahoma giving makes up 65% of total.

93.32% of Executive Office Income is from Co-op.

FWB's have churches in 38 states + CN, MX, VI.

HHA
Hill, Harper & Associates
A Professional Limited Liability Company
Certified Public Accountants

Independent Auditors' Report

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

Report on the Financial Statements
We have audited the statements of financial position of the Executive Office of the National Association of Free Will Baptists, Inc. (a nonprofit organization) as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2019 and 2018 , and changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Hill Harper & Associates

A Professional Limited Liability Company
Franklin, Tennessee
April 29, 2020

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

Statements of Financial Position

December 31, 2019 and 2018

Assets

	2019	2018
Current assets:		
Cash in bank		
Executive Office	$ 139,426	225,415
Convention	184,260	296,497
Special Projects - Hymnal royalties	26,629	107,160
Total cash in bank	350,315	629,072
Funds held by Free Will Baptist Foundation	-	17,021
Receivables:		
Randall House royalties	3,050	1,161
Other departmental and agency charges	66,517	32,162
Total receivables	69,567	33,323
Total current assets	419,882	679,416
Equipment:		
Office equipment and furniture	53,219	39,756
Automobiles	34,469	34,469
	87,688	74,225
Less accumulated depreciation	65,535	59,097
Equipment, net of depreciation	22,153	15,128
Other assets:		
Deposits for future conventions	10,898	17,398
	$ 452,933	711,942

Liabilities and Net Assets

Current liabilities:		
Accounts payable	$ 1,880	1,183
Hymnal royalty liability	2,147	74,984
Current portion of long term debt	-	3,804
Funds held for Church on the Ridge building improvements	-	17,021
Total current liabilities	4,027	96,992
Long term debt	-	10,019
Total liabilities	4,027	107,011
Net assets:		
Without donor restrictions	429,240	588,508
With donor restrictions	19,666	16,423
Total net assets	448,906	604,931
	$ 452,933	711,942

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, 2019 and 2018

	2019			2018		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues:						
Executive Office:						
The Together Way Plan	$ 4,024,540	-	4,024,540	4,195,490	-	4,195,490
Disbursed to agencies and departments	(3,619,305)	-	(3,619,305)	(3,764,379)	-	(3,764,379)
Executive Office portion of Together Way Plan	405,235	-	405,235	431,111	-	431,111
Offerings	1,720	-	1,720	1,825	-	1,825
Other	16,771	-	16,771	10,598	-	10,598
	423,726	-	423,726	443,534	-	443,534
Convention:						
Convention revenues	374,530	-	374,530	402,266	-	402,266
Contributions	7,046	-	7,046	8,442	-	8,442
Other	1,010	-	1,010	1,468	-	1,468
	382,586	-	382,586	412,176	-	412,176
Special Projects:						
Hymnal royalties	6,718	-	6,718	8,885	-	8,885
Rekindle contributions	-	14,618	14,618	-	760	760
Other income	412	-	412	642	-	642
	7,130	14,618	21,748	9,527	760	10,287
Total revenues	813,442	14,618	828,060	865,237	760	865,997
Expenses:						
Program services						
Executive Office	406,243	-	406,243	313,110	-	313,110
Convention	464,118	-	464,118	416,373	-	416,373
Special Projects	13,704	-	13,704	27,759	-	27,759
	884,065	-	884,065	757,242	-	757,242
Supportive services						
Administration	100,020	-	100,020	96,356	-	96,356
Total expenses	984,085	-	984,085	853,598	-	853,598
Change in net assets from operating activities	(170,643)	14,618	(156,025)	11,639	760	12,399
Non-operating activities:						
Grant from Free Will Baptist Foundation - Rekindle	-	-	-	-	15,000	15,000
Net assets released from restrictions	11,375	(11,375)	-	11,446	(11,446)	-
Change in net assets from non-operating activities	11,375	(11,375)	-	11,446	3,554	15,000
Change in net assets	(159,268)	3,243	(156,025)	23,085	4,314	27,399
Net assets as restated:						
Beginning of year	588,508	16,423	604,931	565,423	12,109	577,532
End of year	$ 429,240	19,666	448,906	588,508	16,423	604,931

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, 2019 and 2018

	2019						2018					
	Program Services						Program Services					
	Executive Office	Convention	Special Projects	Totals	Administrative	Totals	Executive Office	Convention	Special Projects	Totals	Administrative	Totals
Expenses of operations:												
Employment costs:												
Salaries	$ 118,941	119,652	-	238,593	61,197	299,790	77,314	86,319	-	163,633	56,093	219,726
Housing allowance	24,000	-	-	24,000	2,667	26,667	18,000	-	-	18,000	2,000	20,000
Employee fringe benefits and health insurance	42,966	12,031	-	54,997	11,712	66,709	24,087	4,245	-	28,332	14,940	43,272
Payroll taxes	13,648	7,777	-	21,425	5,055	26,480	13,214	6,927	-	20,141	4,444	24,585
Total employment costs	199,555	139,460	-	339,015	80,631	419,646	132,615	97,491	-	230,106	77,477	307,583
Other operating costs:												
Support to One Magazine	102,479	18,445	-	120,924	-	120,924	100,470	18,083	-	118,553	-	118,553
Auditorium and other convention services	-	219,860	-	219,860	-	219,860	-	233,501	-	233,501	-	233,501
Office rental	33,748	-	-	33,748	3,617	37,365	32,552	-	-	32,552	3,617	36,169
Travel	43,202	59,897	-	103,099	-	103,099	26,634	40,719	-	67,353	-	67,353
Supplies, office expense	-	7,103	-	7,103	5,131	12,234	-	10,693	-	10,693	5,099	15,792
Copier lease	4,886	-	-	4,886	404	5,290	3,641	-	-	3,641	404	4,045
Executive Committee and General Board	-	7,137	-	7,137	-	7,137	-	6,225	-	6,225	-	6,225
Depreciation	6,018	-	-	6,018	420	6,438	3,774	-	-	3,774	420	4,194
Interest expense	606	-	-	606	-	606	794	-	-	794	-	794
Legal and audit	-	-	-	-	8,578	8,578	-	-	-	-	7,888	7,888
Payroll service	-	-	-	-	509	509	-	-	-	-	709	709
Printing and promotion	6,090	3,600	-	9,690	-	9,690	1,785	3,435	-	5,220	-	5,220
Postage / mail services	563	214	-	777	-	777	1,303	183	-	1,486	-	1,486
Telephone	4,413	1,069	-	5,482	490	5,972	4,514	2,063	-	6,577	502	7,079
International Fellowship	-	-	-	-	240	240	-	-	-	-	240	240
Support to WNAC	4,683	-	-	4,683	-	4,683	4,953	-	-	4,953	-	4,953
Royalties	-	-	2,147	2,147	-	2,147	-	-	3,177	3,177	-	3,177
Royalty management fee	-	-	-	-	-	-	-	-	12,860	12,860	-	12,860
Church directory	-	-	182	182	-	182	-	-	276	276	-	276
Rekindle	-	-	11,375	11,375	-	11,375	-	-	11,446	11,446	-	11,446
Church security video	-	-	-	-	-	-	75	-	-	75	-	75
Impact Project	-	1,245	-	1,245	-	1,245	-	1,815	-	1,815	-	1,815
Nominating Committee	-	4,888	-	4,888	-	4,888	-	965	-	965	-	965
Other	-	1,200	-	1,200	-	1,200	-	1,200	-	1,200	-	1,200
Total expenses	$ 406,243	464,118	13,704	884,065	100,020	984,085	313,110	416,373	27,759	757,242	96,356	853,598

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, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Change in net assets	$ (156,025)	27,399
Adjustments to reconcile change in net assets to net operating activities :		
Depreciation	6,438	4,194
Change in deposits for future conventions	6,500	-
Increase in:		
Receivables	(36,244)	(21,378)
Increase (decrease) in:		
Funds held for Church on the Ridge building improvements	(17,021)	(1,050)
Accounts payable and accrued expenses	(72,140)	17,221
Net operating activities	(268,492)	26,386
Cash Flows from Investing Activities		
Purchase of office equipment	(13,463)	(1,800)
Net investing activities	(13,463)	(1,800)
Cash Flows from Financing Activities		
Repayment of installment debt	(13,823)	(3,618)
Net financing activities	(13,823)	(3,618)
Increase (decrease) in cash and cash equivalents	(295,778)	20,968
Cash and cash equivalents:		
Beginning of year	646,093	625,125
End of year	$ 350,315	646,093
Cash and cash equivalents consist of:		
Cash in bank	$ 350,315	629,072
Funds held by Free Will Baptist Foundation	-	17,021
	$ 350,315	646,093
Supplemental Information:		
Interest paid and charged to operations	$ 606	794
Automobile acquired through finance agreement		
Asset recorded	$ -	19,469
Debt recorded	$ -	19,469

See accompanying notes to financial statements.

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

Notes to Financial Statements

December 31, 2019 and 2018

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.

The Executive Office exists to serve the national body, various boards, state organizations, local churches and individual members of the National Association of Free Will Baptists, Inc. as it's administrative and service office which houses the Executive Secretary of the denomination whose duties includes the following:

To administer the affairs of the Executive Office and carry out the responsibilities delegated to him by the National Association and the Executive Committee;

Seek to show through general promotion the correlation and interrelation of all the national ministries and departments;

Serve as consultant on general denominational affairs and as official representative when occasion demands, and will represent the National Association to other bodies when in the interest of the denomination;

Serve as editor-in-chief of the association's official magazine (One Magazine);

Provide a program of stewardship education that will produce increased support for the denominational ministries through The Together Way Plan and other methods of proportionate sharing. In general to serve as the treasurer and business manager of the National Association;

Expedite the planning and production of the annual National Convention; and

To serve as chairmen of the Management Committee of the National Offices facilities (Building Services Fund).

(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 implemented ASU 2016-4, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities with it's effective date for the year ended December 31, 2018. As required by generally accepted accounting principles, The Executive Office reports information regarding its financial position and activities according to two classes of net assets, as applicable:

Net assets without donor restrictions - Net assets not subject to donor imposed stipulations. These funds may be designated for specific purposes by action of the governing body.

Net assets with donor restrictions - Net assets whose use is subject to donor imposed stipulations and / or the passage of time.

Certain amounts in the prior-year financial statements may have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

The amount of each of the classes of net assets are presented in the statements of financial position and the change in each class of net assets is presented in the statements of activities.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to ongoing activities, including investment income. Non-operating activities are limited to resources that generate return from investment, if any, and other activities of a more unusual or non recurring nature.

Cash and Cash Equivalents

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

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

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in statement of activities. These expenses are presented by their natural classification in the statement of functional expenses by individual component of program service and administrative expenses. Administrative expenses are allocated and estimated as follows:

100% of salary and related costs of accounting / administrative assistant, audit and legal, dues and subscriptions, supplies and office expense, payroll processing fee;

10% of Executive Secretary salary and related costs, building rental, depreciation, copier lease and telephone.

Use of Estimates

The preparation of financial statements 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.

Accounts Receivable

Accounts receivable are deemed to be fully collectible by management and no reserve is considered necessary.

Fair Value Measurements

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.

Contributions, Including Grants

Contributions received are recorded as net assets without donor restriction or net assets with donor restriction depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Compensated Absences

Employees of 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 impractical to estimate the amount of compensation for future absences and accordingly, no liability has been recorded in the accompanying financial statements. The policy is to recognize the cost of compensated absences when actually paid to employees.

Income Taxes

The Executive Office is exempt from Federal and state income taxes; accordingly, no provision for income taxes is made in the accounts. There is no unrelated business income for 2019 and 2018. Further, management believes that The Executive Office has no activities which will lead to income taxes being levied.

Equipment

Equipment are recorded at cost or at fair value as of the date contributed. Expenditures for acquisition of assets in excess of $500 are capitalized and depreciated over their usable lives on 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.

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

Subsequent Events

Subsequent events have been evaluated for potential recognition and disclosure through April 29, 2020 the date these financial statements were available to be issued.

On March 19, 2020, a national emergency was declared by the President of the United States relating to the COVID-19 virus pandemic. COVID-19 has caused business disruption beginning March 2020 which is expected to be temporary, but the duration of the disruption is uncertain. Therefore, the Executive Office expects the matter be negatively impact it's operations. However, the related total financial impact cannot be reasonably estimated at this time. The following summarizes known financial impacts:

The annual national convention scheduled July 2020 in Oklahoma City, Oklahoma has been canceled. The effect on operations cannot be determined. Further, it is unknown if there will be cancellation fees required for hotel and other contracted locations, if deposits will be refunded or the amount of legal fees that may be required to settle the affairs of the 2020 canceled convention. The convention held in 2019 experienced losses of $85,494. A modified convention will be held in Nashville, Tennessee with only the General Board in attendance.

In order to mitigate the negative impact, the United States has implemented the "Payroll Protection Program" which is a low interest loan program (ultimately may become a grant if conditions are met) to cover two and half months of total payroll costs. The Executive Office has made application to participate in this program with a potential loan amount of approximately $56,300.

(2) **Liquidity and Availability of Financial Assets**

The following reflects Executive Office's financial assets as of balance sheet dates available for expenditure within one year from the balance sheet date.

		2019	2018
Financial assets at end of year:			
Cash in bank	$	350,315	629,072
Funds held by Free Will Baptist Foundation		-	17,021
Accounts receivable		69,567	33,323
Financial assets available to meet general expenditures the next twelve months		419,882	679,416
Less amount not available to be used within one year:			
Net assets with donor restriction - Rekindle		19,666	16,423
Hymnal royalty liability		2,147	74,984
Funds held for Church on the Ridge building improvements		-	17,021
Amount not available to be used within one year		21,813	108,428
Net financial assets available for expenditure within one year	$	398,069	570,988

The Executive Office's goal is to generally maintain financial assets to meet 90 days of operating expenses. Excess cash is available to be invested with related Free Will Baptist entities, as necessary.

(3) **Installment Debt**

		2019	2018
4.94% installment obligation, secured by vehicle, repayable monthly at $368 (including principal and interest) - retired during 2019	$	-	13,823
Less current installments of debt		-	3,804
Long term debt	$	-	10,019

(4) Net Assets

Net assets with donor restrictions and net assets released from restrictions are summarized as follows:

	2019	2018
Rekindle		
A program to provide long-term health and revitalization for FWB churches		
Grants from Free Will Baptist Foundation	$ -	15,000
Private contributions	14,618	760
Total revenues	14,618	15,760
Expenditures for program purposes - net assets released	11,375	11,446
	3,243	4,314
Net assets with donor restrictions, beginning of year	16,423	12,109
Net assets with donor restrictions, end of year	$ 19,666	16,423

Net assets without donor restrictions are summarized as follows:

	Undesignated	Designated			
	Executive Office	Convention	Special Projects	Total	Overall Total
For year ending December 31, 2019					
Revenues	$ 423,726	382,586	7,130	389,716	813,442
Expenses					
Program services	406,243	464,118	13,704	477,822	884,065
Administrative	96,058	3,962	-	3,962	100,020
Total expenses	502,301	468,080	13,704	481,784	984,085
Change in net assets from operating activities	(78,575)	(85,494)	(6,574)	(92,068)	(170,643)
Non-operating activities:					
Net assets released from restrictions - Rekindle	-	-	11,375	11,375	11,375
Increase (decrease) in net assets	(78,575)	(85,494)	4,801	(80,693)	(159,268)
Net assets, beginning of year	354,262	164,555	69,691	234,246	588,508
Net assets, end of year	$ 275,687	79,061	74,492	153,553	429,240
For year ending December 31, 2018					
Revenues	$ 443,534	412,176	9,527	421,703	865,237
Expenses					
Program services	313,110	416,373	27,759	444,132	757,242
Administrative	92,459	3,897	-	3,897	96,356
Total expenses	405,569	420,270	27,759	448,029	853,598
Change in net assets from operating activities	37,965	(8,094)	(18,232)	(26,326)	11,639
Non-operating activities:					
Net assets released from restrictions - Rekindle	-	-	11,446	11,446	11,446
Increase in net assets	37,965	(8,094)	(6,786)	(14,880)	23,085
Net assets beginning of year	316,297	172,649	76,477	249,126	565,423
Net assets, end of year	$ 354,262	164,555	69,691	234,246	588,508

(5) Concentration of Credit Risk

The Executive Office bills the Free Will Baptist denomination with respect to convention planning and other administrative services and has an accounting risk of loss to the extent of these unsecured accounts receivable and funds held by Free Will Baptist Foundation. Further, bank balances in excess of the amount of FDIC insurance are subject to risk of accounting loss. Management does not anticipate nonperformance by the financial institutions.

(6) Operating Leases

The Executive Office has entered into noncancelable lease arrangements relating to a copy machine. Total rental expenses amounted to $5,290 in 2019 and $4,045 in 2018. Minimum annual payments required amount to $6,855 in 2020; $7,036 in 2021 and 2022; and $1,173 in 2023.

(7) Commitments for Future Conventions

Contractual obligations for conventions have been executed into future years. Deposits amounting to $10,898 in 2019 and $17,398 in 2018 are recorded as other assets. Additional costs for facilities only and estimated production costs for the next five years are paid in the respective year of the convention as follows:

	Facilities	Production
2020 - Oklahoma City, OK	Cancelled	
2021 - Memphis, TN	#	100,000
2022 - Birmingham, AL	#	100,000
2023 - Raleigh, NC	20,000	100,000
2024 - Tampa, FL	32,000	100,000

\# Auditorium space may be complimentary based on room nights

(8) Pension

The Executive Office participates in the master pension plan of the Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc. The plan is contributory and a contribution of 5% of compensation is made by the Executive Office. Employees may participate at date of employment. Pension expense amounts to $17,083 in 2019 and $11,580 in 2018. The pension plan is a defined contribution plan. Under the plan, an account is maintained for each participant and upon retirement the participant can either receive a lump-sum distribution or purchase one of several types of annuity contracts.

(9) Related Party Transactions

The denomination began the publication - One Magazine - in 2005 to combine the publications of certain Free Will Baptist agencies and organizations. One Magazine is funded by contributions from each of these agencies and organizations. The Executive Office provided $120,924 in 2019 and $118,553 in 2018.

The Executive Office provided support for WNAC (Woman Nationally Active for Christ) in the amount of $4,683 in 2019 and $4,953 in 2018.

The Free Will Baptist Foundation held accounts in the amount of $17,021 in 2018.

The Executive Office provides office space, accounting and certain administrative services at no cost to One Magazine and Building Services Fund of the National Association of Free Will Baptists, Inc.

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. Office lease expense amounted to $37,365 in 2019 and $36,170 in 2018. Office rent for 2020 will approximate $37,700.

The Executive Office provides and maintains The Together Way Plan, a program of giving to support all member agencies of the National Association of Free Will Baptists and other Free Will Baptist organizations. Undesignated giving is shared by member agencies through a predetermined percentage, whereas designated giving is passed through to the intended party. Please see note 10 for detail information relating to this giving program.

(10) 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, 2019 and 2018.

	2019			2018		
Receipts:	**Designated**	**Cooperative**	**Total**	**Designated**	**Cooperative**	**Total**
Alabama	$ 14,268	4,753	19,021	14,994	-	14,994
Arkansas	480,839	166,224	647,063	468,242	166,171	634,413
California	210	3,666	3,876	-	5,459	5,459
Florida	226	18,980	19,206	2,330	16,679	19,009
Georgia	454,918	30,996	485,914	451,587	29,442	481,029
Illinois	103,603	27,237	130,840	108,834	25,490	134,324
Indiana	4,858	726	5,584	9,677	950	10,627
Kentucky	200	11,323	11,523	-	13,600	13,600
Michigan	168,489	6,063	174,552	155,937	6,094	162,031
Mississippi	982	9,427	10,409	380	9,341	9,721
Missouri	416,499	246,440	662,939	490,533	244,634	735,167
New Mexico	-	6,766	6,766	-	5,342	5,342
North Carolina	38,405	34,187	72,592	72,799	45,550	118,349
Ohio	141,230	42,424	183,654	162,125	46,748	208,873
Oklahoma	498,139	181,975	680,114	533,796	222,929	756,725
South Carolina	645,913	250	646,163	697,325	250	697,575
Tennessee	8,909	47,378	56,287	6,098	47,311	53,409
Texas	189,325	3,020	192,345	109,235	4,105	113,340
Virginia	1,200	2,420	3,620	2,502	2,469	4,971
West Virginia	2,540	2,719	5,259	2,357	2,480	4,837
Canada	2,216	732	2,948	5,933	1,220	7,153
Contributions totaling $2,500 or less	101	3,764	3,865	174	4,368	4,542
Total receipts	$ 3,173,070	851,470	4,024,540	3,294,858	900,632	4,195,490
Disbursements:						
Executive Office	$ 25,692	383,162	405,235	25,827	405,284	431,111
FWB Foundation	1,524	4,682	6,206	1,523	4,954	6,477
Home Missions	510,720	103,028	613,748	563,522	108,977	672,499
IM, Inc.	2,269,675	103,028	2,372,703	2,312,572	108,977	2,421,549
Master's Men	4,470	-	4,470	17,737	-	17,737
Retirement & Insurance	2,871	56,197	59,068	3,814	59,442	63,256
Welch College	215,124	103,028	318,152	242,499	108,977	351,476
WNAC	8,542	79,613	88,155	10,137	84,209	94,346
Historical Commission	169	4,683	4,852	327	4,953	5,280
Media Commission	105	4,683	4,788	394	4,953	5,347
Music Commission	450	4,683	5,133	854	4,953	5,807
Theological Integrity Commission	163	4,683	4,846	353	4,953	5,306
Randall University	62,136	-	62,136	43,073	-	43,073
Other	71,429	-	75,048	72,226	-	72,226
Total disbursements	$ 3,173,070	851,470	4,024,540	3,294,858	900,632	4,195,490

2021
EXECUTIVE OFFICE
ADMINISTRATIVE BUDGET

PROJECTED EXPENSES	2019 Budget	2019 Actuals*	2020 Budget	2021 Budget
Salaries	$131,380.79	$180,646.80	$133,704.55	$133,704.55
Housing	20,000.00	26,666.72	20,000.00	20,000.00
Social Security	17,219.25	18,702.55	17,566.18	5,950.62
Retirement	7,569.04	15,641.88	7,685.23	19,300.79
Employees Insurance (Dental/Disability/Health/Life/Travel)	27,859.75	36,004.02	44,236.60	48,776.90
Auditing/Legal	4,600.00	4,615.53	4,600.00	4,600.00
Books/Dues/Registrations	750.00	459.19	750.00	750.00
Car Lease/Purchase	4,411.32	605.72	4,500.00	4,500.00
Computer Supplies	1,750.00	3,474.52	4,500.00	4,500.00
Copier Lease	4,200.00	5,290.06	4,500.00	4,500.00
Equipment Maintenance	100.00	0.00	0.00	0.00
General Insurance	3,000.00	3,032.34	2,500.00	2,500.00
Int'l. Fellowship of FWB Churches	240.00	240.00	240.00	240.00
Office Rental ($1.26 per sq. ft. x 2,491)	37,365.00	37,365.00	37,663.92	37,663.92
Office Supplies/Expense	1,200.00	1,197.39	900.00	900.00
Postage	500.00	563.24	500.00	500.00
Printing	1,000.00	719.74	1,000.00	1,000.00
Promotion	1,300.00	5,369.90	1,000.00	1,000.00
Telephone	4,300.00	4,903.25	4,300.00	4,300.00
Travel	31,000.00	43,201.50	31,000.00	31,000.00
One Magazine	102,479.39	102,479.40	102,479.39	102,479.39
Contingency Fund	3,316.01	0.00	374.13	0.00
Women Nationally Active for Christ	4,500.00	4,683.09	5,000.00	5,000.00
Totals	$410,040.55	$495,861.84	$429,000.00	$433,166.17
PROJECTED INCOME				
The Together Way Plan				
Cooperative Gifts	$378,540.55	$383,161.59	$395,000.00	$395,000.00
Designated Gifts	24,000.00	22,073.60	26,000.00	26,000.00
Travel Reimbursement	2,000.00	3,353.00	2,000.00	2,000.00
Other Income	5,500.00	13,968.27	6,000.00	6,000.00
Totals	$410,040.55	$422,556.46	$429,000.00	$429,000.00

***Budget comparison does not include depreciation expense.**

2021
EXECUTIVE OFFICE
ADMINISTRATIVE BUDGET
SALARY BREAKDOWN

	2019		2020		2021	
Executive Secretary						
Salary	$53,707.45	2.00%	$55,918.67	3.00%	$55,918.67	0.00%
Housing and Utilities	20,000.00		20,000.00		20,000.00	
Social Security	11,277.24	15.30%	11,615.56	15.30%	0.00	
Retirement	3,685.37	5.00%	3,795.93	5.00%	3,795.93	5.00%
Retirement in Lieu of Social Security	0.00		0.00		11,615.56	15.30%
Insurance (Health/Dental/Life)	10,292.04		27,429.71		30,172.68	
Disability/Travel	484.87		535.88		535.88	
Christmas Bonus	0.00		0.00		0.00	
NOTE: Office car furnished.						
	99,446.98		119,295.76		122,038.72	
Executive Accountant						
Salary	52,212.54	2.00%	53,778.92	3.00%	53,778.92	0.00%
Social Security	3,994.26	7.65%	4,114.09	7.65%	4,114.09	7.65%
Retirement	2,610.63	5.00%	2,688.95	5.00%	2,688.95	5.00%
Insurance	10,711.14		10,576.41		11,634.05	
Disability	308.05		344.19		344.19	
Christmas Bonus	0.00		0.00		0.00	
	69,836.62		71,502.55		72,560.19	
Yearbook Coordinator/						
Registration Coordinator						
Salary	25,460.81	2.00%	24,006.96 *	3.00%	24,006.96	0.00%
Social Security	1,947.75	7.65%	1,836.53	7.65%	1,836.53	7.65%
Retirement	1,273.04	5.00%	1,200.35	5.00%	1,200.35	5.00%
Insurance	5,913.42		5,396.78		5,936.46	
Disability	150.22		153.64		153.64	
Christmas Bonus	0.00		0.00		0.00	
	34,745.24		32,594.26		33,133.94	

*The 2020 portion of the Registration Coordinator's Salary ($17,384.35)
will appear in the Convention Budget.

CONVENTION BUDGET
National Association of Free Will Baptists, Inc.
July 19-22, 2020
Oklahoma City, Oklahoma

	2019 Budget	2019 Actuals*	2020 Budget
PROJECTED REVENUE			
Booth Fees	$36,750.00	$36,615.85	$36,750.00
Host State (Oklahoma)	40,000.00	40,000.00	40,000.00
Offerings	8,000.00	7,045.60	8,000.00
State Representation Fees ($175 per church)	308,100.00	297,915.00	308,100.00
Other	8,600.00	2,630.02	8,600.00
TOTALS	**401,450.00**	**384,206.47**	**401,450.00**
PROJECTED EXPENDITURES			
Auditorium	200,140.42	206,211.20	200,140.42
Printing and Promotion	22,695.09	22,004.73	22,695.09
Convention Office	134,650.69	132,345.87	134,650.69
Convention Personnel			
Meals	5,104.00	5,368.13	5,104.00
Travel	3,506.36	2,074.49	3,506.36
Lodging	7,261.32	-1,412.83	7,261.32
Convention Officials	5,803.84	5,688.03	5,803.84
Volunteer Staff	8,420.12	8,685.68	8,420.12
Honorariums	1,200.00	1,200.00	1,200.00
Decorator Services	8,792.50	11,497.18	8,792.50
Meal Functions	2,317.36	2,450.98	2,317.36
Executive Committee	4,050.00	4,050.00	4,050.00
Pre-Convention Expenses	16,900.00	38,420.96	16,900.00
National Committee Expenses	13,000.00	29,496.46	13,000.00
Sub-Totals	433,841.70	468,080.88	433,841.70
Surplus Revenue (Operating Capital for Future Conventions)	-32,391.70	-83,874.41	-32,391.70
TOTALS	**$401,450.00**	**$384,206.47**	**$401,450.00**

***Budget comparison does not include depreciation expense.**

2019
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	$0.00	$0.00	$0.00	$0.00	$102.15	$92.03	$361.98	$87.81	$593.37	$371.51	$129.93	$400.27	$2,139.05
Arizona	0.00	0.00	0.00	0.00	0.00	40.50	0.00	0.00	40.50	0.00	0.00	0.00	81.00
Arkansas	3,958.28	9,340.33	5,649.42	5,100.45	8,598.75	5,099.45	5,242.69	7,204.58	5,881.84	4,208.48	10,042.26	4,474.16	74,800.69
California	277.32	0.00	265.61	187.94	129.01	0.00	227.24	90.23	0.00	257.08	0.00	215.39	1,649.82
Canada	114.48	0.00	0.00	0.00	0.00	0.00	214.81	0.00	0.00	0.00	0.00	0.00	329.29
Florida	637.50	562.50	771.79	637.50	637.50	704.01	637.50	637.50	705.13	637.50	1,275.00	697.48	8,540.91
Georgia	1,580.76	1,060.96	692.46	1,736.88	994.64	944.64	1,867.77	1,137.19	539.27	1,503.92	632.83	1,256.95	13,948.27
Illinois	1,175.15	1,091.86	725.91	1,205.37	1,020.50	1,163.70	954.07	994.46	912.39	1,010.85	1,112.69	889.83	12,256.78
Indiana	54.00	0.00	13.50	48.60	3.61	144.00	63.00	0.00	0.00	0.00	0.00	0.00	326.71
Kansas	0.00	0.00	58.01	0.00	0.00	40.01	0.00	0.00	0.00	0.00	76.12	0.00	174.14
Kentucky	349.20	339.14	584.16	596.23	503.42	626.91	296.06	336.53	402.15	256.74	340.37	464.61	5,095.52
Maryland	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	414.75	162.18	249.12	191.84	143.02	0.00	188.18	211.84	449.71	21.90	465.08	230.57	2,728.19
Mississippi	350.01	0.00	717.14	419.94	282.17	347.97	547.15	348.66	263.18	306.44	259.17	400.60	4,242.43
Missouri	13,039.50	8,850.06	7,034.41	12,618.70	7,667.54	7,311.01	12,114.59	8,643.38	7,301.81	10,828.33	7,290.14	8,198.70	110,898.17
New Mexico	400.50	240.53	0.00	482.45	0.00	190.94	447.53	0.00	231.26	197.01	408.15	446.54	3,044.91
North Carolina	2,109.36	1,289.61	1,994.09	3,030.04	217.88	2,038.27	351.71	1,188.67	1,223.93	533.00	301.78	1,105.76	15,384.10
Ohio	1,718.84	1,557.26	1,001.79	2,232.12	2,098.45	1,075.61	1,770.56	1,410.45	1,519.74	2,133.06	1,248.39	1,324.58	19,090.85
Oklahoma	8,123.61	7,290.23	5,933.80	5,790.83	6,938.15	7,832.52	6,939.16	5,462.07	7,289.34	6,988.72	6,213.40	7,086.93	81,888.76
Oregon	162.00	81.00	0.00	162.00	81.00	0.00	162.00	101.25	0.00	81.00	182.25	0.00	1,012.50
South Carolina	0.00	0.00	11.25	22.50	0.00	11.25	11.25	11.25	0.00	22.50	11.25	11.25	112.50
Tennessee	5,077.16	826.01	589.62	2,050.69	786.92	1,127.02	4,405.26	1,368.73	658.13	2,430.39	890.55	1,109.84	21,320.32
Texas	166.00	58.95	118.18	139.00	146.68	115.18	129.01	82.60	99.81	83.64	117.29	102.83	1,359.17
Utah	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
Virgin Islands	74.41	37.88	45.35	30.95	26.43	0.00	42.32	74.19	47.43	24.50	21.54	0.00	425.00
Virginia	95.21	87.36	95.96	120.65	65.97	121.42	69.87	80.24	100.22	87.47	69.14	95.45	1,088.96
West Virginia	147.86	93.99	89.83	110.54	108.45	67.67	97.23	92.48	105.30	91.80	153.86	64.54	1,223.55
TOTALS	$40,025.90	$32,969.85	$26,641.40	$36,915.22	$30,552.24	$29,094.11	$37,140.94	$29,564.11	$28,364.51	$32,075.84	$31,241.19	$28,576.28	$383,161.59

2019
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	$723.93	$314.88	$343.05	$637.68	$303.77	$324.61	$463.05	$309.90	$359.20	$472.34	$287.08	$318.90	$4,858.39
Arizona	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
Arkansas	50.00	50.00	50.00	50.00	0.00	50.00	100.00	50.00	50.00	50.00	50.00	50.00	600.00
California	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
Canada	21.57	0.00	0.00	0.00	0.00	0.00	44.86	0.00	0.00	0.00	0.00	0.00	66.43
Florida	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
Georgia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Illinois	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
Indiana	38.63	0.00	0.00	144.04	34.79	0.00	0.00	101.82	0.00	39.08	81.99	0.00	440.35
Kansas	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	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00
Maryland	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	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	375.00	0.00	0.00	0.00	475.00
Mississippi	70.00	50.00	50.00	62.00	50.00	65.00	50.00	70.00	350.00	50.00	50.00	65.00	982.00
Missouri	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Mexico	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
North Carolina	920.00	225.00	1,217.00	51.00	1,435.00	300.00	675.15	1,045.00	860.00	51.00	1,671.00	0.00	8,450.15
Ohio	310.00	10.00	10.00	10.00	210.00	10.00	210.00	210.00	10.00	52.00	210.00	10.00	1,262.00
Oklahoma	68.39	0.00	0.00	0.00	62.85	0.00	60.88	0.00	0.00	66.54	0.00	0.00	258.66
Oregon	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	334.33	174.84	248.22	384.40	232.10	242.39	280.14	252.77	255.80	312.63	202.05	244.83	3,164.50
Tennessee	372.00	20.00	20.00	454.00	20.00	20.00	565.00	20.00	20.00	2,270.00	20.00	20.00	3,821.00
Texas	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
Utah	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
Virgin Islands	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Virginia	0.00	0.00	0.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00
West Virginia	73.03	53.62	69.74	64.38	64.01	62.87	73.50	69.37	78.63	74.55	63.14	66.43	813.27
TOTALS	$3,181.88	$998.34	$2,008.01	$1,857.50	$2,412.52	$1,374.87	$2,522.58	$2,128.86	$2,358.63	$3,438.14	$2,635.26	$775.16	$25,691.75

2019 Gifts to National Ministries

States	Executive	FWB Foundation	North American Ministries	IM, Inc.	Retirement & Insurance	Welch College	WNAC	Commission for Theological Integrity	Historical Commission	Media Commission	Music Commission	Totals
Alabama	$7,050.10	$258.46	$412,011.63	$475,053.58	$355.61	$63,503.23	$5,000.10	$72.34	$72.33	$72.32	$26.13	$963,475.83
Alaska	0.00	0.00	0.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00
Arizona	81.00	1.00	114,329.63	50,135.76	11.88	946.78	226.84	1.00	1.00	1.00	1.00	165,736.89
Arkansas	75,529.64	1,258.52	149,328.69	762,140.48	11,073.28	94,034.00	23,409.61	915.14	915.08	915.08	914.25	1,120,433.77
California	1,649.82	20.16	492,607.06	569,163.04	241.96	3,119.47	1,485.80	20.16	20.16	20.16	20.16	1,068,367.95
Canada	395.72	4.03	4,764.19	5,507.82	48.30	3,057.57	68.41	4.03	4.03	4.03	4.03	13,862.16
Colorado	0.00	0.00	47,007.66	960.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	48,567.66
Connecticut	0.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00
Delaware	0.00	0.00	0.00	495.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	495.00
Florida	8,563.00	163.37	96,323.99	180,849.12	1,270.23	51,236.75	3,718.10	104.53	104.52	104.52	104.38	342,542.51
Georgia	14,148.10	703.99	138,609.48	394,182.30	2,204.60	139,393.10	9,951.51	171.86	171.76	171.76	170.48	699,878.94
Hawaii	0.00	0.00	1,392.00	1,320.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	2,812.00
Idaho	0.00	0.00	289.24	8,892.05	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	10,681.29
Illinois	12,274.32	196.62	80,064.63	278,615.34	1,811.61	28,022.62	5,317.32	149.90	149.89	155.42	149.78	406,907.45
Indiana	767.06	72.74	43,035.48	34,626.65	139.58	2,178.44	309.55	67.21	72.74	3.99	3.99	81,277.43
Iowa	0.00	0.00	2,710.00	3,850.00	25.54	0.00	0.00	0.00	0.00	0.00	0.00	6,585.54
Kansas	191.68	48.97	34,094.86	20,023.11	761.29	1,512.94	341.31	2.25	2.24	2.24	2.13	56,983.02
Kentucky	5,295.52	62.29	89,304.92	211,953.32	0.00	11,480.04	6,568.74	62.29	62.29	62.29	62.29	324,913.99
Louisiana	0.00	0.00	0.00	150.00	0.00	250.00	0.00	0.00	0.00	0.00	0.00	400.00
Maine	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
Maryland	0.00	0.00	0.00	9,752.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,752.84
Massachusetts	0.00	0.00	0.00	2,650.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,650.00
Michigan	3,203.19	1,343.37	53,790.09	201,690.86	400.15	6,015.89	1,086.87	33.37	33.37	33.37	33.37	267,663.90
Mid-Atlantic Association	0.00	0.00	1,779.00	0.00	0.00	48.96	0.00	0.00	0.00	0.00	0.00	1,827.96
Minnesota	0.00	0.00	0.00	970.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	970.00
Mississippi	5,224.43	51.86	91,245.30	69,039.55	622.23	26,967.71	1,064.24	51.86	51.86	51.86	51.86	194,422.76
Missouri	110,952.57	1,500.65	168,778.87	597,617.62	16,308.30	85,260.94	28,863.87	1,355.81	1,355.78	1,355.78	1,355.43	1,014,705.62
Montana	0.00	0.00	2,059.41	1,015.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,074.41
Nebraska	0.00	0.00	0.00	650.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	650.00
Nevada	0.00	0.00	0.00	125.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00
New Hampshire	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,100.00
New Jersey	0.00	0.00	0.00	745.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	745.00
New Mexico	3,044.91	37.23	3,939.70	5,399.45	446.59	998.66	850.34	37.23	37.23	37.23	37.23	14,865.80
New York	0.00	0.00	25,010.49	60,603.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	85,613.49
North Carolina	24,102.68	958.69	670,517.48	855,305.12	3,169.75	151,067.36	9,886.98	243.89	243.76	243.76	363.04	1,716,102.51
Northeast Association	0.00	0.00	0.00	6,435.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,435.00
Northwest Association	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ohio	20,657.60	1,046.96	163,344.64	137,619.51	3,042.27	20,166.68	28,576.43	235.43	235.28	235.28	233.33	375,393.41
Oklahoma	82,254.03	1,285.50	208,541.25	713,221.18	12,095.09	80,400.63	29,206.93	1,001.60	1,001.54	1,001.54	1,000.86	1,131,010.15
Oregon	1,012.50	12.38	0.00	260.00	148.50	272.26	210.38	12.38	12.38	12.38	12.38	1,965.54
Pennsylvania	0.00	0.00	67,972.32	17,753.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	86,225.32
Rhode Island	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
South Carolina	3,555.93	746.08	108,536.37	531,002.42	298.81	115,751.04	8,530.66	3.32	3.19	3.19	1.40	768,432.41
South Dakota	0.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,400.00
Tennessee	25,374.31	882.60	679,511.43	955,707.16	4,517.21	286,155.56	13,538.91	277.18	277.06	277.06	260.57	1,966,779.05
Texas	1,376.71	63.45	96,841.59	191,995.38	213.29	17,339.09	3,160.33	16.73	16.72	16.72	16.61	311,056.62
Utah	0.00	0.00	0.00	2,225.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,225.00
Virginia	1,388.96	13.30	228,833.54	118,205.52	159.72	5,079.39	4,032.31	13.30	13.30	13.30	13.30	357,765.94
Washington	0.00	0.00	6,751.26	10,336.95	0.00	2,491.50	0.00	0.00	0.00	0.00	0.00	19,579.71
West Virginia	2,054.39	61.81	100,476.89	105,583.71	1,006.65	6,556.67	1,509.35	15.10	15.09	15.09	14.97	217,309.72
Wisconsin	0.00	0.00	0.00	6,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,200.00
Wyoming	0.00	0.00	970.00	5,240.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,210.00
Puerto Rico	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Virgin Islands	425.00	5.19	46,310.57	8,461.04	62.35	1,733.33	108.07	5.19	5.19	5.19	5.19	57,126.31
Other	0.00	0.00	208,122.85	115,293.13	0.00	180.00	4,683.09	0.00	0.00	0.00	0.00	328,279.07
Foundation	0.00	0.00	30,158.62	173,548.46	0.00	10,335.21	0.00	0.00	0.00	44.85	0.00	214,087.14
WNAC	0.00	0.00	4,680.00	32,810.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37,490.38
TOTALS	$410,573.17	$10,799.22	$4,675,145.13 *	$7,938,228.85 *	$60,434.79 *	$1,218,255.82	$191,706.05 *	$4,873.10	$4,877.79	$4,859.41	$4,858.16	$14,524,611.49
2018 Comparisons	$433,695.75	$11,793.87	$4,817,079.37	$7,124,145.93	$64,874.92	$1,244,464.67	$149,932.01	$5,326.84	$11,316.50	$5,359.11	$5,818.09	$13,873,807.06

*NAM--Other includes interest, miscellaneous sources and states.

*IM, Inc.--Other includes Co-op, miscellaneous incomes and sources, investment gains or losses, and gifts in kind.

*Retirement & Insurance--Total includes designated, undesignated, Co-op, Rest of the Family Offering and gifts.

*WNAC--Total does not include sales or gifts designated to other departments.

HHA
Hill, Harper & Associates
A Professional Limited Liability Company
Certified Public Accountants

Independent Auditors' Report

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

Report on the Financial Statements
We have audited the statements of financial position of the Building Services Fund of the National Association of Free Will Baptists, Inc. (a nonprofit organization) as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, statements of functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2019 and 2018, and changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Hill Harper & Associates

A Professional Limited Liability Company
Franklin, Tennessee
April 29, 2020

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

Statements of Financial Position

December 31, 2019 and 2018

Assets

	2019	2018
Current assets:		
Cash and cash equivalents:		
Cash in bank	$ 177,093	415,889
Funds held by Free Will Baptist Foundation	165,937	173,387
	343,030	589,276
Accounts receivable	2,996	28,486
Investment in funds held by Board of Retirement & Insurance of the National Association of Free Will Baptists, Inc.	255,421	-
Total current assets	601,447	617,762
Property, plant and equipment:		
Land and land improvements	232,228	232,228
Building	1,673,750	1,667,030
Building services equipment	86,697	84,970
Departmental workstations	77,228	77,228
	2,069,903	2,061,456
Less accumulated depreciation	1,800,619	1,788,190
Net property, plant and equipment	269,284	273,266
Deposit	6,100	6,100
	$ 876,831	897,128

Liabilities and Net Assets

Current liabilities:		
Accounts payable	$ 3,611	37,610
Funds held in connection with other Free Will Baptist departments:		
Stewardship promotion	39,987	33,699
Security training	8,204	5,515
Employee health insurance	100,944	124,372
Total funds held in connection with other Free Will Baptist departments	149,135	163,586
Total current liabilities	152,746	201,196
Net assets:		
Net assets without donor restrictions:		
Operations	430,601	415,251
Net investment in property, plant and equipment	269,284	273,266
Designated for maintenance and building and equipment replacement	24,200	7,415
Total net assets	724,085	695,932
	$ 876,831	897,128

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, 2019 and 2018

	2019 Net Assets Without Donor Restrictions			2018 Net Assets Without Donor Restrictions		
	Operations	Designations	Total	Operations	Designations	Total
Revenues:						
Building rental	$ 301,575	-	301,575	291,925	-	291,925
Leadership conference	29,124	-	29,124	30,109	-	30,109
Interest income	3,383	547	3,930	3,289	334	3,623
Other	2,343	-	2,343	2,552	-	2,552
Total revenues	336,425	547	336,972	327,875	334	328,209
Expenses:						
Program services						
Building operations	278,349	-	278,349	265,736	-	265,736
Leadership conference	30,457	-	30,457	30,508	-	30,508
	308,806	-	308,806	296,244	-	296,244
Supportive services						
Administration	5,517	-	5,517	5,588	-	5,588
Total expenses	314,323	-	314,323	301,832	-	301,832
Change in net assets from operating activities	22,102	547	22,649	26,043	334	26,377
Non-operating activities:						
Return on investments	5,421	-	5,421	-	-	-
Net excess (deficit) from inter-departmental billings for shared costs	83	-	83	(525)	-	(525)
Provision for replacements	(16,238)	16,238	-	(9,000)	9,000	-
Expenditures from reserve for replacements	-	-	-	6,104	(6,104)	-
Change in net assets from non-operating activities	(10,734)	16,238	5,504	(3,421)	2,896	(525)
Increase in net assets	11,368	16,785	28,153	22,622	3,230	25,852
Net assets:						
Beginning of year as restated	688,517	7,415	695,932	665,895	4,185	670,080
End of year	$ 699,885	24,200	724,085	688,517	7,415	695,932

See accompanying notes to financial statements.

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

Statements of Functional Expenses

For the years ended December 31, 2019 and 2018

	2019				
	Program Services				
	Building Operations	Leadership Conference	Totals	Supporting Services	Totals
Employee compensation:					
Salaries	$ 81,213	-	81,213	-	81,213
Payroll taxes	6,270	-	6,270	-	6,270
Retirement	4,314	-	4,314	-	4,314
Employer provided insurance	30,184	-	30,184	-	30,184
	121,981	-	121,981	-	121,981
Operating expenses:					
Utilities / telephone	37,984	-	37,984	-	37,984
Janitorial services	28,857	-	28,857	-	28,857
General insurance	26,287	-	26,287	-	26,287
Repairs and maintenance	30,815	-	30,815	-	30,815
Supplies and office expense	10,165	-	10,165	-	10,165
Audit and legal	-	-	-	5,517	5,517
Depreciation	12,429	-	12,429	-	12,429
Conferences	-	30,457	30,457	-	30,457
Mailroom and other	9,831	-	9,831	-	9,831
	156,368	30,457	186,825	5,517	192,342
Total expenses	$ 278,349	30,457	308,806	5,517	314,323

	2018				
	Program Services				
	Building Operations	Leadership Conference	Totals	Supporting Services	Totals
Employee compensation:					
Salaries	$ 77,434	-	77,434	-	77,434
Payroll taxes	6,022	-	6,022	-	6,022
Retirement	4,229	-	4,229	-	4,229
Employer provided insurance	40,990	-	40,990	-	40,990
	128,675	-	128,675	-	128,675
Operating expenses:					
Utilities / telephone	34,823	-	34,823	-	34,823
Janitorial services	29,260	-	29,260	-	29,260
General insurance	27,906	-	27,906	-	27,906
Repairs and maintenance	7,852	-	7,852	-	7,852
Supplies and office expense	9,392	-	9,392	-	9,392
Audit and legal	-	-	-	5,588	5,588
Depreciation	17,293	-	17,293	-	17,293
Annual conference	-	30,508	30,508	-	30,508
Mailroom and other	10,535	-	10,535	-	10,535
	137,061	30,508	167,569	5,588	173,157
Total expenses	$ 265,736	30,508	296,244	5,588	301,832

See accompanying notes to financial statements.

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

Statements of Cash Flows

For the years ended December 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Increase in net assets	$ 28,153	25,852
Adjustments to reconcile change in net assets to net operating activities:		
Depreciation	12,429	17,293
Unrealized return on investment	(5,421)	-
(Increase) decrease in receivables	25,490	(27,400)
Increase (decrease) in funds held for other Free Will Baptist departments	(14,451)	26,428
Increase (decrease) in accounts payable	(33,999)	37,610
Net operating activities	12,201	79,783
Cash Flows from Investing Activities		
Investment in funds held by the Board of Retirement & Insurance of the National Association of Free Will Baptists, Inc.	(250,000)	-
Purchase of property and equipment	(8,447)	(19,884)
Net investing activities	(258,447)	(19,884)
Increase (decrease) in cash and cash equivalents	(246,246)	59,899
Cash and cash equivalents, at beginning of year	589,276	529,377
Cash and cash equivalents, at end of year	$ 343,030	589,276
Cash and cash equivalents consists of:		
Cash in bank	$ 177,093	415,889
Funds held by Free Will Baptist Foundation	165,937	173,387
	$ 343,030	589,276

See accompanying notes to financial statements.

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

December 31, 2019 and 2018

Building Services operates under the auspices of the National Association of Free Will Baptists, Inc., and is governed by a management committee 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.

The purpose of Building Services is to maintain the National Office Facility and to assess rents to Departments that occupy the facility. Further, joint services (i.e. health, disability, auto, workers comp insurance; postage and shipping costs; telephone, etc.) are provided and billed to departments based on their usage.

(1) Summary of Significant Accounting Policies

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

Building Services implemented ASU 2016-4, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities with it's effective date for the year ended December 31, 2018. As required by generally accepted accounting principles, Building Services reports information regarding its financial position and activities according to two classes of net assets, as applicable:

Net assets without donor restrictions - Net assets not subject to donor imposed stipulations. These funds may be designated for specific purposes by action of the governing body.

Net assets with donor restrictions - Net assets whose use is subject to donor imposed stipulations and / or the passage of time.

Certain amounts in the prior-year financial statements may have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

The amount of each of the classes of net assets are presented in the statements of financial position and the change in each class of net assets is presented in the statements of activities.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to ongoing activities, including investment income. Non-operating activities are limited to resources that generate return from investment, if any, and other activities of a more unusual or non recurring nature.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in statement of activities. These expenses are presented by their natural classification in the statement of functional expenses by individual component of program service and administrative expenses. Administrative expenses consist of administration and other general expenses.

Cash and Cash Equivalents

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

Use of Estimates

The preparation of financial statements 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.

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

Accounts Receivable

Accounts receivable are deemed to be fully collectible by management and no reserve is considered necessary.

Investments

Investments are recorded at cost if purchased, or at fair value if donated. Thereafter, investments are reported at their values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Gains and losses on sales of investments are recorded in the statements of activities as realized if sold and as unrealized if measured by changes in market values. Investment earnings are recorded when earned.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy which gives the highest priority to observable inputs such as quoted prices in active markets for identical assets or liabilities (Level 1), the next highest priority to inputs from observable data other than quoted prices (Level 2) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. All investments are held by related Free Will Baptist entities and are valued at market using Level 2 inputs - see note 3.

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.

Contributions, Including Grants

Contributions received are recorded as net assets without donor restriction or net assets with donor restriction depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Compensated Absences

Employees of Building Services are entitled to paid vacation, 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. Building Services' policy is to recognize the cost of compensated absences when actually paid to employees.

Income Taxes

Building Services is exempt from Federal and state income taxes; accordingly, no provision for income taxes is made in the accounts. There is no unrelated business income for 2019 and 2018. Further, management believes that Building Services has no activities which will lead to income taxes being levied.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost or at fair value as of the date contributed. Expenditures for acquisition of assets in excess of $2,000 are capitalized and depreciated over their usable lives on 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.

Subsequent Events

Subsequent events have been evaluated for potential recognition and disclosure through April 29, 2020 the date these financial statements were available to be issued.

On March 19, 2020, a national emergency was declared by the President of the United States relating to the COVID-19 virus pandemic. COVID-19 has caused business disruption beginning March 2020 which is expected to be temporary, but the duration of the disruption is uncertain. Therefore, Building Services expects the matter to potentially negatively impact it's operations. However, the related total financial impact cannot be reasonably estimated at this time. The following summarizes known financial impacts:

Market values of the investments held by the Board of Retirement and Insurance of NAFWB are in a loss position of $15,075 as of March 31, 2020 from its value as reported in these financial statements for 2019. These losses related to changes in market and are not considered to be permanent.

In order to mitigate the negative impact, the United States has implemented the "Payroll Protection Program" which is a low interest loan program (ultimately may become a grant if conditions are met) to cover two and half months of total payroll costs. Building Services has made application to participate in this program with a potential loan amount of approximately $14,600.

(2) Liquidity and Availability of Financial Assets

The following reflects Building Service's financial assets as of balance sheet dates available for expenditure within one year from the balance sheet date.

		2019	2018
Financial assets at end of year:			
Cash in bank	$	177,093	415,889
Funds held by Free Will Baptist Foundation		165,937	173,387
Investment in funds held by Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc.		255,421	
Accounts receivable		2,996	28,486
Financial assets available to meet general expenditures the next twelve months		601,447	617,762
Less amount not available to be used within one year:			
Net assets designated for maintenance and building and equipment replacement		24,200	7,415
Funds held in connection with other Free Will Baptist departments		149,135	163,586
Amounts not available to be used within one year		173,335	171,001
Net financial assets available for expenditure within one year	$	428,112	446,761

Building Service's goal is to generally maintain financial assets to meet 90 days of operating expenses. Excess cash is invested with related Free Will Baptist entities - see note 3.

(3) Investments

Investments are held by the Board of Retirement and Insurance of NAFWB in grouped investment funds. This investment was purchased for a cost $250,000 and at December 31, 2019 had a market value of $255,421 which results in a return on investment of a unrealized gain of $5,421.

See Subsequent Event note above for market value losses related to Pandemic.

(4) Funds Held in Connection With Other Free Will Baptist Departments

Building Services bills other Free Will Baptist organizations for the following purposes and future needs:

	2019	2018
Stewardship promotion		
Accumulated funds to provide material to foster special giving offerings for various other Free Will Baptist organizations	$ 39,987	33,699
Security training		
Accumulated annual billings totaling $3,000, net of expenditures, to departments housed in the Free Will Baptist building for the purpose of security training and other related costs	8,204	5,515
Employee health insurance		
Excess billings of monthly premium amounts to departments housed in the National Office Facility to fund health insurance deductibles	100,944	124,372
	$ 149,135	163,586

(5) Concentration of Credit Risk

Building Services holds real property which is used to house certain departments and agencies of the National Association of Free Will Baptists, Inc. Further, Building Services provides group benefit and other services which are billed to the respective departments at the appropriate costs. Certain receivables remain from year to year relating to these aforementioned services. Building Services has an accounting risk of loss to the extent of the balances of these unsecured accounts receivable and funds held by Free Will Baptist Entities. Further, bank balances in excess of the amount of FDIC insurance are subject to risk of accounting loss. Management does not anticipate nonperformance by the financial institutions.

(6) Pension

Building Services 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 a contribution of 5% of compensation is made by Building Services. Employees may participate at date of employment. Pension expense amounted to $4,314 in 2019 and $4,229 in 2018. 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.

(7) Operating Leases

Building Services has entered into noncancelable lease arrangements relating to mailing equipment. Total rent expense amounted to $8,220 for 2019 and $7,132 in 2018. The minimum annual payments required are $5,989 for 2020; and $1,497 in 2021.

(8) Related Party Transactions

Building Services rents office space of the National Office Building located in Antioch, Tennessee to various denominational agencies. The lease covers a period of one year, to be renegotiated and renewed by mutual agreement effective January 1 of each year. Each lease agreement is cancelable by either party with a 90 day written notice. Rental income amounted to $301,575 in 2019 and $291,925 in 2018; rental income for 2020 will approximate $304,000.

The Executive Office of the National Association of Free Will Baptists, Inc. provides accounting and administrative services to Building Services at no cost.

Investments for operations are held by the Board of Retirement and Insurance of NAFWB which were valued at $255,421 at December 31, 2019. See Subsequent Event note on page 8 for discussion of market declines to the the Pandemic.

Free Will Baptist Foundation holds funds for Building Services amounting to $165,937 in 2019 and $173,387 in 2018.

2021
BUILDING SERVICES
BUDGET

PROJECTED INCOME	2019 Budget	2019 Actuals*	2020 Budget	2021 Budget
Square Footage (20,105 @ $1.26 = $25,332.30 mo.)	$301,575.00	$301,575.00	$303,987.60	$303,987.60
Building Security Reimbursement	0.00	3,000.00	3,000.00	3,000.00
Total Income	$301,575.00	$304,575.00	$306,987.60	$306,987.60
PROJECTED EXPENSES				
Audit & Legal	$5,400.00	$5,516.91	$5,800.00	$5,800.00
Replacement Reserve	16,237.80	16,237.80	18,000.00	18,000.00
Building Security	500.00	310.97	3,500.00	3,500.00
General Supplies	5,500.00	6,002.00	5,500.00	5,500.00
Insurance (Employee)	38,923.51	30,184.32	31,500.00	35,086.21
Insurance (Plant)	28,000.00	26,286.58	30,500.00	30,500.00
Janitorial Services	34,000.00	28,857.21	35,000.00	35,000.00
Janitorial Supplies	3,000.00	2,391.85	3,500.00	3,500.00
Mail Room	13,000.00	8,220.33	9,000.00	9,000.00
General Maintenance/Contingency Fund	24,413.33	30,814.83	28,491.47	28,491.47
Network Expense	3,000.00	1,503.17	3,000.00	3,000.00
Payroll Taxes (Employer's S.S.)	6,122.93	6,270.01	6,306.62	6,306.62
Postage Meter/UPS	600.00	267.73	700.00	700.00
Retirement	3,589.07	4,313.99	4,500.00	4,500.00
Salaries	80,038.36	81,213.34	82,439.51	82,439.51
Telephone	750.00	62.50	750.00	750.00
Utilities	37,000.00	37,921.77	37,000.00	37,000.00
Other	1,500.00	1,300.00	1,500.00	1,500.00
Total Expenses	$301,575.00	$287,675.31	$306,987.60	$310,573.81

***Budget comparison does not include depreciation expense.**

2021
BUILDING SERVICES
BUDGET
SALARY BREAKDOWN

	2019		2020		2021	
Maintenance Superintendent/						
Mail Room Supervisor						
Salary	$37,695.09	2%	$38,825.94	3%	$38,825.94	0%
Social Security	2,883.67	7.65%	2,970.18	7.65%	2,970.18	7.65%
Insurance (Dental/Health/Life)	27,500.00		20,500.00		22,550.00	
Disability	222.40		229.07		229.07	
Retirement	1,884.75	5%	1,941.30	5%	1,941.30	5%
Christmas Bonus	0.00		0.00		0.00	
	70,185.92		64,466.50		66,516.49	
Receptionist/Phone System						
Administrator/Assistant Bookkeeper						
Salary	$34,086.25	2%	35,108.84	3%	35,108.84	0%
Social Security	2,607.60	7.65%	2,685.83	7.65%	2,685.83	7.65%
Insurance (Dental/Health/Life)	10,000.00		11,000.00		12,100.00	
Disability	201.11		207.14		207.14	
Retirement	1,704.31	5%	1,755.44	5%	1,755.44	5%
Christmas Bonus	0.00		0.00		0.00	
	48,599.27		50,757.25		51,857.25	
Part-time Worker		75 days		75 days		75 days
Salary	8,257.02	(13.76 hr.)	8,504.73	(14.17 hr.)	8,504.73	(14.17 hr.)
Social Security	631.66	7.65%	650.61	7.65%	650.61	7.65%
	8,888.68		9,155.34		9,155.34	

HHA
Hill, Harper & Associates
A Professional Limited Liability Company
Certified Public Accountants

Independent Auditors' Report

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

Report on the Financial Statements
We have audited the statements of financial position of One Magazine of the National Association of Free Will Baptists, Inc. (a nonprofit organization) as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, statements of functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of One Magazine of the National Association of Free Will Baptists, Inc. as of December 31, 2019 and 2018, and changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Hill Harper & Associates

A Professional Limited Liability Company
Franklin, Tennessee
April 29, 2020

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ONE MAGAZINE
OF THE NATIONAL ASSOCIATION OF
FREE WILL BAPTISTS, INC.

Statements of Financial Position

December 31, 2019 and 2018

Assets

	2019	2018
Current assets:		
Cash and interest bearing deposits	$ 101,433	332,297
Accounts receivable	17,296	4,016
Investment in funds held by Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc.	264,237	-
Total current assets	382,966	336,313
Other assets:		
Investment in funds held by Free Will Baptist Foundation for endowment fund purposes	21,824	19,873
Fixed assets:		
Furniture and equipment	17,035	17,035
Less accumulated depreciation	(14,326)	(12,052)
Net fixed assets	2,709	4,983
	$ 407,499	361,169

Net Assets

Net assets:		
Net assets without donor restriction	370,675	334,411
Net assets with donor restriction	36,824	26,758
Total net assets	407,499	361,169
	$ 407,499	361,169

See accompanying notes to financial statements.

ONE MAGAZINE
OF THE NATIONAL ASSOCIATION OF
FREE WILL BAPTISTS, INC.

Statements of Activities and Changes in Net Assets

For the years ended December 31, 2019 and 2018

	2019			2018		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues:						
Assessments from Free Will Baptist departments and agencies	$ 443,157	-	443,157	430,954	-	430,954
Other	15	-	15	450	-	450
Total revenues	443,172	-	443,172	431,404	-	431,404
Expenses:						
Program services						
Magazine productions	418,729	-	418,729	423,373	-	423,373
Supportive services						
Administration	10,344	-	10,344	9,966	-	9,966
Total expenses	429,073	-	429,073	433,339	-	433,339
Change in net assets from operating activities	14,099	-	14,099	(1,935)	-	(1,935)
Non-operating activities:						
Grant from Free Will Baptist Foundation	-	15,000	15,000	-	14,500	14,500
Endowment distributions	1,043	(1,043)	-	1,095	(1,095)	-
Investment gain	14,237	2,994	17,231	-	(1,222)	(1,222)
Net assets released from restrictions	6,885	(6,885)	-	7,615	(7,615)	-
Change in net assets from non-operating activities	22,165	10,066	32,231	8,710	4,568	13,278
Increase in net assets	36,264	10,066	46,330	6,775	4,568	11,343
Net assets:						
Beginning of year	334,411	26,758	361,169	327,636	22,190	349,826
End of year	$ 370,675	36,824	407,499	334,411	26,758	361,169

See accompanying notes to financial statements.

ONE MAGAZINE
OF THE NATIONAL ASSOCIATION OF
FREE WILL BAPTISTS, INC.

Statements of Functional Expenses

For the years ended December 31, 2019 and 2018

	2019			2018		
	Program Services	Supporting Services		Program Services	Supporting Services	
	Magazine Production	Administration	Totals	Magazine Production	Administration	Totals
Employee compensation:						
Salary	$ 74,404	-	74,404	72,771	-	72,771
Payroll Taxes	5,692	-	5,692	5,567	-	5,567
Retirement	4,617	-	4,617	4,527	-	4,527
Other employee benefits	12,208	-	12,208	15,915	-	15,915
	96,921	-	96,921	98,780	-	98,780
Expenses:						
Direct cost of publication:						
Printing	161,507	-	161,507	162,031	-	162,031
Postage and mailing services	90,829	-	90,829	94,917	-	94,917
Design	38,917	-	38,917	38,605	-	38,605
Graphics expense	5,808	-	5,808	5,592	-	5,592
Writer's fees	2,665	-	2,665	1,900	-	1,900
	299,726	-	299,726	303,045	-	303,045
Operating expenses:						
Supplies	4,259	-	4,259	4,185	-	4,185
Computer services	1,377	-	1,377	3,692	-	3,692
Promotion	2,337	-	2,337	2,257	-	2,257
Website	471	-	471	1,251	-	1,251
Travel	11,364	-	11,364	8,171	-	8,171
Audit and professional	-	5,417	5,417	-	5,488	5,488
Books, dues and registration	-	1,295	1,295	-	1,468	1,468
Other	-	3,632	3,632	-	3,010	3,010
Graduate school tuition	-	-	-	-	-	-
Depreciation	2,274	-	2,274	1,992	-	1,992
Total operating expenses	22,082	10,344	32,426	21,548	9,966	31,514
Total expenses	$ 418,729	10,344	429,073	423,373	9,966	433,339

See accompanying notes to financial statements.

ONE MAGAZINE
OF THE NATIONAL ASSOCIATION OF
FREE WILL BAPTISTS, INC.

Statements of Cash Flows

For the years ended December 31, 2019 and 2018

		2019	2018
Cash Flows from Operating Activities			
Increase in net assets	$	46,330	11,343
Adjustments to reconcile increase in net assets to net operating activities:			
Depreciation		2,274	1,992
(Gain) loss from investments		(17,231)	1,222
Distributions from endowment funds held by Free Will Baptist Foundation		1,043	1,095
(Increase) decrease in accounts receivable		(13,280)	4,437
Net operating activities		19,136	20,089
Cash Flows from Investing Activities			
Purchase of equipment		-	(4,811)
Investment in funds held by Board of Retirement of the National Association of Free Will Baptists, Inc.		(250,000)	-
Net investing activities		(250,000)	(4,811)
Increase (decrease) in cash and cash equivalents		(230,864)	15,278
Cash and cash equivalents, at beginning of year		332,297	317,019
Cash and cash equivalents, at end of year	$	101,433	332,297

See accompanying notes to financial statements.

ONE MAGAZINE
OF THE NATIONAL ASSOCIATION OF
FREE WILL BAPTISTS, INC.

Notes to Financial Statements

December 31, 2019 and 2018

One Magazine operates under the auspices of the National Association of Free Will Baptists, Inc., and is governed by an oversight committee chaired by the Executive Secretary of the National Association of Free Will Baptists, Inc. The oversight committee is composed of the directors of the Departments which participate in One Magazine.

One Magazine was formed as follows:

At the 2004 convention of the National Association of Free Will Baptists, Inc., approval was given to cease publication of Contact Magazine (the official publication of the Executive Office of the National Association of Free Will Baptists, Inc.) effective December 2004. Approval was also given to begin One Magazine to provide information for the denomination regarding the activities of the various ministries of Free Will Baptists.

Further, effective December 31, 2004, the Executive Office of the National Association of Free Will Baptists, Inc. Contact Magazine division, transferred funds amounting to $21,000 held by Free Will Baptist Foundation which were designated as Endowment funds.

One Magazine is funded by monthly assessments to certain Free Will Baptist organizations as indicated in note 5.

(1) Summary of Significant Accounting Policies

Basis of Presentation

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

One Magazine implemented ASU 2016-4, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities with it's effective date for the year ended December 31, 2018. As required by generally accepted accounting principles, One Magazine reports information regarding its financial position and activities according to two classes of net assets, as applicable:

Net assets without donor restrictions - Net assets not subject to donor imposed stipulations. These funds may be designated for specific purposes by action of the governing body.

Net assets with donor restrictions - Net assets whose use is subject to donor imposed stipulations and / or the passage of time.

Certain amounts in the prior-year financial statements may have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

The amount of each of the classes of net assets are presented in the statements of financial position and the change in each class of net assets is presented in the statements of activities.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to ongoing activities, including investment income. Non-operating activities are limited to resources that generate return from investment, if any, and other activities of a more unusual or non recurring nature.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in statement of activities. These expenses are presented by their natural classification in the statement of functional expenses by individual component of program service and administrative expenses. Administrative expenses consist of administration and other general expenses.

Cash and Cash Equivalents

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

ONE MAGAZINE
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 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.

Accounts Receivable

Accounts receivable are deemed to be fully collectible by management and no reserve is considered necessary.

Investments

Investments are recorded at cost if purchased, or at fair value if donated. Thereafter, investments are reported at their values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Gains and losses on sales of investments are recorded in the statements of activities as realized if sold and as unrealized if measured by changes in market values. Investment earnings are recorded when earned.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy which gives the highest priority to observable inputs such as quoted prices in active markets for identical assets or liabilities (Level 1), the next highest priority to inputs from observable data other than quoted prices (Level 2) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. All investments are held by related Free Will Baptist entities and are valued at market using Level 2 inputs - see note 4.

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.

Contributions, Including Grants

Contributions received are recorded as net assets without donor restriction or net assets with donor restriction depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Compensated Absences

Employees of One Magazine are entitled to paid vacation, paid 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. One Magazine's policy is to recognize the cost of compensated absences when actually paid to employees.

Income Taxes

One Magazine is exempt from Federal and state income taxes; accordingly, no provision for income taxes is made in the accounts. There is no unrelated business income for 2019 and 2018. Further, management believes that One Magazine has no activities which will lead to income taxes being levied.

ONE MAGAZINE
OF THE NATIONAL ASSOCIATION OF
FREE WILL BAPTISTS, INC.

Notes to Financial Statements, continued

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

Fixed Assets

Furniture and equipment are recorded at cost or at fair value as of the date contributed. Expenditures for acquisition of assets in excess of $500 are capitalized and depreciated over their usable lives on 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.

Subsequent Events

Subsequent events have been evaluated for potential recognition and disclosure through April 29, 2020 the date these financial statements were available to be issued.

On March 19, 2020, a national emergency was declared by the President of the United States relating to the COVID-19 virus pandemic. COVID-19 has caused business disruption beginning March 2020 which is expected to be temporary, but the duration of the disruption is uncertain. Therefore, One Magazine expects the matter to negatively impact it's operations. However, the related total financial impact cannot be reasonably estimated at this time. The following summarizes known financial impacts:

One Magazine revenues for the year ending 2020 will be decreased through a 15% rebate of budgeted assessments, amounting to approximately $66,000, to the Free Will Baptist Departments and Agencies that support the magazine.

Market values of the investments held by the Board of Retirement and Insurance of NAFWB are in a loss position of $63,422 as of March 31, 2020 from its value as reported in these financial statements for 2019. These losses are related to changes in market and not considered to be permanent.

In order to mitigate the negative impact, the United States has implemented the "Payroll Protection Program" which is a low interest loan program (ultimately may become a grant if conditions are met) to cover two and half months of total payroll costs. One Magazine has made application to participate in this program with a potential loan amount of approximately $15,500.

(2) **Liquidity and Availability of Financial Assets**

The following reflects One Magazine's financial assets as of balance sheet dates available for expenditure within one year from the balance sheet date.

		2019	2018
Financial assets at end of year:			
Cash in bank	$	101,433	332,297
Investment in funds held by Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc.		264,237	-
Funds held by Free Will Baptist Foundation for endowment		21,824	19,873
Accounts receivable		17,296	4,016
Financial assets available to meet general expenditures the next twelve months		404,790	356,186
Less amount not available to be used within one year:			
Net assets with donor restrictions		36,824	26,758
	$	367,966	329,428

One Magazine's goal is to generally maintain financial assets to meet 90 days of operating expenses. Excess cash is invested with related Free Will Baptist entities - see note 4.

(3) Endowment Funds

Contributions to the endowment fund are subject to donor restrictions that stipulate the original principal of the gift is to be held and invested indefinitely, and the income earned be expended for the mission of One Magazine. As required by generally accepted accounting principles, net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

One Magazine is subject to the State Prudent Management of Institutional Funds Act (SPMICA) and, therefore, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions until appropriated for expenditure. The Board of Trustees have interpreted SPMIFA as requiring maintenance of only the original gift amount contributed to the endowment fund. As a result of this interpretation, One Magazine would consider the fund to be underwater if the fair value of the fund is less than the sum of the original value of the contribution and subsequent gifts donated to the fund. One Magazine has interpreted SPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. The fund was underwater in 2018. See below.

Investments of endowment funds are held by Free Will Baptist Foundation and are valued using Level 2 inputs (as described earlier) based on fair market valuation. As required by generally accepted accounting principles, the original donor contribution is maintained as net assets with donor restriction. All resulting net accumulated investment gains or losses are maintained separately and included as net assets with donor restrictions. The balances relating to endowment funds are as follows:

		2019	2018
Original donor investment (corpus)	$	21,000	21,000
Accumulated gains (losses) on endowment funds	$	824	(1,127)
Funds held by Free Will Baptist Foundation for Endowment and net assets with donor restriction	$	21,824	19,873
Amount of endowment accumulated losses (underwater balance)	$	-	(1,127)

(4) Investments

The following is summary of investments:

		2019			2018		
		Cost or Basis	Market Value	Change Gain (loss)	Cost or Basis	Market Value	Change Gain (loss)
Endowment	$	21,000	21,824	824	21,000	19,873	(1,127)
Operations	$	250,000	264,237	14,237	-	-	-

The above investments are held by the following Free Will Baptist entities in grouped investment funds:
Endowment - Free Will Baptist Foundation

Operations - Board of Retirement and Insurance of the NAFWB

See Subsequent Event note on page 8 for market value losses related to Pandemic.

		2019	2018	2019	2018
		Endowment		Operations	
Change in annual gain (loss) market value to cost	$	1,951	(2,317)	14,237	-
Income distributions		1,043	1,095	-	-
	$	2,994	(1,222)	14,237	-

(5) **Assessments to Publish One Magazine from Free Will Baptist Departments and Agencies**

The following assessments were made to entities of the National Association of Free Will Baptists, Inc.:		2019	2018
Executive Office:			
Administrative budget	$	102,479	100,470
Convention budget		18,445	18,083
Free Will Baptist Foundation		49,193	48,229
Welch College		49,141	48,178
Board of Home Missions		75,014	73,544
IM, Inc.		57,389	52,747
Master's Men		8,853	8,680
Randall House Publications		49,193	48,229
Board of Retirement and Insurance		24,597	24,114
Women Nationally Active for Christ		8,853	8,680
	$	443,157	430,954

Revenues are expected to approximate $380,000 in 2020 (amount budgeted less rebate as discussed in Subsequent Event note on page 8).

(6) **Concentration of Credit Risk**

One Magazine has an accounting risk of loss relating to the amount of funds held by Free Will Baptist Entities and accounts receivable from various Free Will Baptist departments. Further, bank balances in excess of the amount of FDIC insurance are subject to risk of accounting loss. Management does not anticipate nonperformance by the financial institutions.

(7) **Net Assets**

Net assets are as follows for each of the years ended December 31, 2019 and 2018:

		2019	2018
Net assets with donor restrictions:			
Endowment funds:			
Fund corpus	$	21,000	21,000
Accumulated gains (losses)		824	(1,127)
		21,824	19,873
Specific Purpose:			
Production costs from Free Will Baptist Foundation for Pulpit Magazine		15,000	6,885
	$	36,824	26,758
Net assets without donor restrictions:			
Undesignated funds	$	370,675	334,411
Net assets released from restrictions:			
Satisfaction of purpose restrictions			
Grant from Free Will Baptist Foundation for Pulpit Magazine expenditures (see note 8)	$	6,885	7,615

(8) Related Party Transactions

One Magazine is funded by assessments to other Free Will Baptist agencies and organizations who provide material of to be published in the magazine. See note 5.

The Executive Office of the National Association of Free Will Baptists, Inc. provides office space, accounting and certain administrative services to One Magazine at no cost.

Endowment investments are held by Free Will Baptist Foundation, as further discussed in note 3 and 4 above. Further the Foundation provided grants for the cost of production of the special Pulpit Magazine of $15,000 in 2019 and $14,500 in 2018 - see note 7.

Investments for operations are held by the Board of Retirement and Insurance of NAFWB which were valued at $264,237 at December 31, 2019. See Subsequent Event note on page 8 for discussion of market declines to the the Pandemic.

Randall House Publications provides printing and related services to One Magazine. For these services, One Magazine expended $216,172 in 2019 and $219,591 in 2018.

(9) Pension

One Magazine 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 a contribution of 5% of compensation is made by One Magazine. Employees may participate at date of employment. Pension expense amounted to $4,617 in 2019 and $4,527 in 2018. 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.

2021
ONE MAGAZINE
BUDGET

REVENUE	2019 Budget	2019 Actuals*	2020 Budget	2021 Budget
Convention	$18,445.09	$18,445.08	$18,445.09	$18,445.09
Executive Office	102,479.39	102,479.40	102,479.39	102,479.39
Free Will Baptist Foundation	49,193.14	49,193.16	49,193.14	49,193.14
Home Missions	75,014.39	75,014.40	75,014.39	75,014.39
International Missions**	53,802.08	57,388.92	53,802.08	53,802.08
Master's Men	8,853.26	8,853.24	8,853.26	8,853.26
Randall House Publications	49,193.14	49,193.16	49,193.14	49,193.14
Retirement & Insurance	24,596.57	24,596.52	24,596.57	24,596.57
Welch College	49,141.26	49,141.32	49,141.26	49,141.26
WNAC	8,853.26	8,853.24	8,853.26	8,853.26
Endowment	0.00	1,042.68	0.00	0.00
Reimbursements	500.00	15,000.00	500.00	500.00
Subscription Revenue	0.00	15.00	0.00	0.00
Total Revenue	$440,071.58	$459,216.12	$440,071.58	$440,071.58
EXPENSES				
Salary & Benefits	$92,786.58	$90,781.92	$88,427.13	$88,427.13
Auto/Cell Phone Allowance	6,139.49	6,139.38	6,000.00	6,000.00
Audit & Legal	5,350.00	5,416.91	5,500.00	5,500.00
Books, Dues & Registrations	1,500.00	1,295.00	1,500.00	1,500.00
Computer Software/Services	5,000.00	1,376.60	5,000.00	5,000.00
Design	42,000.00	38,916.55	42,000.00	42,000.00
Graphics	6,000.00	5,807.51	6,000.00	6,250.00
Mail Services	4,500.00	3,599.96	4,500.00	4,500.00
Postage	95,000.00	86,199.95	95,000.00	95,000.00
Postal Returns	2,000.00	1,029.01	1,000.00	1,250.00
Printing	160,000.00	154,624.08	160,000.00	160,000.00
Promotion	2,000.00	2,336.52	2,500.00	2,500.00
Pulpit Issue	0.00	6,885.49	0.00	0.00
Supplies	5,000.00	4,260.45	5,000.00	5,000.00
Travel	7,000.00	11,364.29	7,500.00	7,000.00
Website	1,200.00	471.00	1,200.00	1,000.00
Writer's Fees	2,500.00	2,665.06	2,500.00	2,500.00
Other	2,095.51	3,630.86	6,444.45	6,644.45
Total Expenses	$440,071.58	$426,800.54	$440,071.58	$440,071.58

***Budget comparison does not include depreciation expense or Foundation Grant.**
****IM, Inc. added a page in 2019**

2021
ONE MAGAZINE
BUDGET
SALARY BREAKDOWN

	2019		2020		2021	
Salary	$66,693.53	2.00%	$68,694.34	3.00%	$68,694.34	0.00%
Auto/Cell Phone Allowance	5,858.30		6,000.00		6,000.00	
Cell Phone (Office Use)	281.20		0.00		0.00	
Social Security	5,571.73	7.65%	5,714.12	7.65%	5,714.12	7.65%
Retirement	3,334.68	5.00%	3,434.72	5.00%	3,434.72	5.00%
Insurance						
Medical/Dental/Life	16,620.38		9,602.30		10,562.53	
Disability	393.49		540.00		540.00	
Worker's Compensation	131.10		400.00		400.00	
UNUM Travel	41.67		41.67		41.67	
	$98,926.07		$94,427.14		$95,387.37	

FREE WILL BAPTIST FOUNDATION

Director's Report

It was the best of times, it was the worst of times

These are the opening lines of Charles Dickens' novel *Tale of Two Cities* and is an appropriate description of this report as I tell of the best year we have ever had and describe what could potentially be our worst year.

2019 Financial Overview

- Total assets increased by $11.5 million the highest increase in assets in our history.
- Two reasons—big increase in Money Management Trust deposits and big stock market increase.
- Net income for 2019 is $136,510 however it could have been around $150,000 higher
- We decided to accelerate the depreciation on all our automobiles
- This will reduce expenses for the next two years by more than $40,000 each year.
- It will also result in an operational capital gain when we sell them.
- We recognized over $83,000 in cancelations but anticipate less than $10,000 a year going forward.

Current Financial Overview

- The Covid-19 crisis has stopped our estate planning ministry in its tracks as of the first week of March.
- We have not made deliveries or presentations since then.
- I have looked at the 2019 income statement and made projections of which expenses will be reduced and which income items will be reduced.
- I have used 150 delivered estate plans as the worst and 175 delivered estate plans as the best we will do in 2020.
- We have 39 delivered with around 61 binders on hand so we are at 100 as soon as we can travel so 150-175 should be doable once we resume seminars again.
- With all these factors in mind I project negative income of between $30,000 and $90,000.
- However, we are applying for the second round of PPP loans and hope to get $115,000 to $120,000 which would bring our income to $30,000 to $90,000.
- We also had a conference call with Timothy Horner an attorney with Warner, Norcross and Judd, LLP in Grand Rapids, MI.
- John Brummitt heard his presentation at a retirement board meeting and recommended we talk with him.
- His opinion is that what we are doing regarding the MMT program for individuals needs some adjustments.
- We need to use a different document instead of a revocable trust. He believes a demand note document will work.
- We also need to register with many of the states we do business in to run this program.
- There are a couple of states we will need to withdraw from due to onerous regulations.

- However, we have no MMTs in one of those states and perhaps only one or two in the other.
- We will simply return their funds in that state.
- Mr. Horner's firm will help us come into compliance with our documents and registrations.
- We hope to complete this in 2020 and start with new documents in 2021.
- I have included a $40,000 cost in my projections we will also have annual filings in some states that will be an ongoing expense.
- Good news we have actually recently realized a capital gain on a stock we sold that totaled $161,000.

Estate Plans

- We delivered 258 estate plans in 2019 and are approaching a total of 1900 delivered plans year to date.
- The loss is $429,000 and have already reduced estate planning salaries by around $35,000 for 2020.
- Obviously, we are way behind in 2020 due to the disruption in travel. We are at 39 but probably would be at almost 100 otherwise.
- We have had only 40 new sign ups through the first two months before we suspended seminars.

Grants

- Regular grants were suspended and the board decided to award grants specifically for emergency operation income because of the COVID 19 and limited them to National Departments.
- For 2020 we awarded Welch College $400,000, Randall House Publications $100,000 and WNAC $100,000
- However, we look forward to evaluating and awarding regular grants at a later date.
- Good news the $161,000 capital gain we generated means we now have a total of $949,00 in realized capital gains that will be available for grants.
- With the $600,000 that was awarded in 2020 we still have $349,000 available for future grants.

Budget

- Our proposed budget for 2021 is $2.264 million and salaries are frozen at 2020 levels.
- This budget has been cut by 8.3%.

Loans

- All loans are up to date with no late payments.
- We are allowing all loans to pay interest only through the end of the year.
- Due to the impact of the COVID 19 pandemic Randall House asked for and received a $1.5 million line of credit

July 22, 2019

The six-month financial report was approved. A motion made to change policy so that realized capital gains from the Money Management Trust pool will be designated by the board for future grants was approved.

December 9, 2019

The Executive Director, Field Director and CFO ten-month financial reports were approved. A report from Mike Wootton, Cornerstone Estate Planning, was heard and received as information. Rules of decorum for the conducting of meetings by email and telephone was approved. The bylaw amendments were executed by the board members present. The code of conduct document was executed by each board member. Investment committee report was approved. A committee was appointed to investigate how the boards of other denominational foundations are elected and how conflicts of interest are addressed. A committee was appointed to design a rubric to evaluate future grant requests. Since more than $500,000 was available in the grant pool, a motion was made for the grant pool in 2020 to be $500,000 with the remainder held for future year grants.

January 15

An email meeting was called to order and approved the rubric for future grant applications

April 1, 2020

An email meeting was called to grant an exception to the covenant barring Welch College from pursuing additional loans. This was done to allow Welch to apply for the Small Business Administration PPP loan program. It was approved with the note that Welch could only apply for SBA loans that did not require collateral.

April 30, 2020

The Executive Director, Field Director, and CFO first quarter financial report were approved. The audit was presented and approved. The budget committee report was amended to add $500,000 for grants in 2021. The Investment committee report was approved, and the following items were approved. Developing an Investment Policy Statement, A process to provide information to the committee before a change in the MMT rate, develop an investment Committee Charter, To allow all loans to have an option to pay interest only from May 1 to the end of the year. Regular grant guidelines were suspended and instead grants were made to provide emergency operating funds for National departments. The following grants were made. Welch College $400,000, Randall House Publications $100,000, WNAC $100,000. The rest of the grant pool will be held for future grants. The board approved a $1.5 million line of credit for Randall House Publications.

Joel D. Collum, Jr.
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Free Will Baptist Foundation, Inc.
Antioch, Tennessee

I have audited the accompanying financial statements of the Free Will Baptist Foundation, Inc., (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my 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, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Joel D. Collum, Jr., CPA

Nashville, Tennessee
May 2, 2020

P.O. Box 291561 • Nashville, Tennessee 37229 • 615.974.2918 • joelcollumcpa@yahoo.com

FREE WILL BAPTIST FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

ASSETS

	2019	2018
ASSETS		
Cash and cash equivalents	$ 3,507,314	$ 1,843,960
Accrued earnings receivable	-	40,930
Other receivables	624,562	683,255
Office equipment and automobiles, net of accumulated depreciation	34,680	216,251
	4,166,556	2,784,396
Investments, at fair market value		
U.S. Government instruments	2,565,548	2,794,586
Common stocks	30,612,632	22,821,844
Master limited partnerships	305,247	202,167
FWB Ministries Partnership	912,932	873,620
Real estate investments	5,529,191	4,190,620
Mutual funds	18,987,164	15,806,153
Corporate bonds	205,349	191,948
Municipal bonds	3,404,240	4,193,114
Trusts	240,000	240,000
Total investments	62,762,303	51,314,052
Notes receivable		
Notes receivable Welch College	16,343,517	17,124,860
Notes receivable other	1,399,457	1,911,742
Total notes receivable	17,742,974	19,036,602
TOTAL ASSETS	$ 84,671,833	$ 73,135,050

LIABILITIES AND NET ASSETS

LIABILITIES		
Operating liabilities:		
Accrued expense	$ 23,363	$ -
Liabilities to beneficial owners		
Interest bearing revocable trusts	66,680,555	60,897,025
Future gifts interest payable	3,470,553	3,260,382
Funds held in trust	9,322,623	8,238,855
Liabilities held for future grants	788,537	-
Unrealized gains and losses - unallocated	3,379,382	(131,522)
Total liabilities	83,665,013	72,264,740
NET ASSETS		
Without donor restrictions		
Operating	1,006,820	870,310
Total net assets	1,006,820	870,310
TOTAL LIABILITIES AND NET ASSETS	$ 84,671,833	$ 73,135,050

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

FREE WILL BAPTIST FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019				2018			
	Without Donor Restrictions				Without Donor Restrictions			
	Operating	Grants	Estate Planning	Total	Operating	Grants	Estate Planning	Total
REVENUE AND SUPPORT								
Investment income:								
Interest and dividends, net of investment fees	$2,808,872	$ -	$ -	$2,808,872	$2,043,417	$ -	$ -	$2,043,417
Realized gains (losses) on sale of investments	97,893	1,288,537	-	1,386,430	633,329	500,000	-	1,133,329
Unrealized gains (losses) from investments	5,107,116	-	-	5,107,116	(5,872,737)	-	-	(5,872,737)
Total investment income	8,013,881	1,288,537	-	9,302,418	(3,195,991)	500,000	-	(2,695,991)
Support through "The Together Way" Plan and other contributions	19,619	-	-	19,619	18,261	-	-	18,261
Gain (loss) on sale of property and equipment	(7,081)	-	-	(7,081)	1,935	-	-	1,935
Estate planning fees	-	-	596,605	596,605	-	-	712,825	712,825
Interest income - note receivable	811,870	-	-	811,870	1,060,382	-	-	1,060,382
Total Support and Revenue	8,838,289	1,288,537	596,605	10,723,431	(2,115,413)	500,000	712,825	(902,588)
Allocation of earnings to revocable trusts, beneficiaries and annuitants	(3,746,061)	-	-	(3,746,061)	(1,001,835)	-	-	(1,001,835)
Allocation of earnings grant control	-	(788,537)	-	(788,537)	-	-	-	-
Allocation to unrealized gains and losses - unallocated	(3,593,951)	-	-	(3,593,951)	4,609,703	-	-	4,609,703
Revenue and support after allocations	1,498,277	500,000	596,605	2,594,882	1,492,455	500,000	712,825	2,705,280

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

FREE WILL BAPTIST FOUNDATION, INC.
STATEMENTS OF ACTIVITIES - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019				2018			
	Without Donor Restrictions				Without Donor Restrictions			
	Operating	Grants	Estate Planning	Total	Operating	Grants	Estate Planning	Total
EXPENSES								
Salaries and benefits	$ 306,897	$ -	$ 392,754	$ 699,651	$ 355,047	$ -	$ 399,389	$ 754,436
Equipment expense	10,807	-	-	10,807	11,694	-	-	11,694
Travel	105,918	-	116,087	222,005	131,071	-	132,871	263,942
Promotion	83,349	-	10,632	93,981	57,887	-	13,184	71,071
Board expense	29,944	-	-	29,944	19,906	-	-	19,906
Office expense	65,019	-	-	65,019	63,862	-	-	63,862
Rent expense	46,075	-	-	46,075	46,085	-	-	46,085
Printing and publications	7,133	-	-	7,133	-	-	-	-
One magazine	51,738	-	-	51,738	52,166	-	-	52,166
Interest	-	-	-	-	8,959	-	-	8,959
Training and education	11,965	-	-	11,965	15,035	-	-	15,035
Legal and accounting	16,755	-	-	16,755	28,375	-	-	28,375
Depreciation	200,237	-	-	200,237	47,714	-	-	47,714
Grants	-	500,000	-	500,000	-	500,000	-	500,000
Fees	-	-	418,660	418,660	-	-	574,629	574,629
Cancellations	-	-	83,751	83,751	-	-	246,156	246,156
Miscellaneous	651	-	-	651	573	-	-	573
Total expenses	936,488	500,000	1,021,884	2,458,372	838,374	500,000	1,366,229	2,704,603
Increase (decrease) in operating net assets	561,789	-	(425,279)	136,510	654,081	-	(653,404)	677
Net assets - beginning of year				870,310				869,633
Net assets - end of year				$1,006,820				$ 870,310

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

FREE WILL BAPTIST FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received for:		
Contributions	$ 19,619	$ 18,261
Interest and dividends	2,908,495	2,359,450
Other income	1,408,475	1,773,207
Cash paid to suppliers and employees	(2,234,772)	(2,657,025)
Allocated to payment of future grants	(788,537)	
Allocation of earnings to revocable trusts, beneficiaries and annuitants	(3,593,951)	4,609,703
Allocation to unrealized gains and losses - unallocated	(3,746,061)	(1,001,835)
Net Cash Provided (Used) By Operating Activities	(6,026,732)	5,101,761
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of office equipment and automobiles	(64,753)	(80,783)
Proceeds from the sale of office equipment and automobiles	39,006	36,306
New loans made	(777,281)	(3,412,003)
Principal payments received on notes receivable	2,070,909	2,055,755
Proceeds from sale or call of investment securities	9,443,158	7,027,919
Purchase of investment securities	(13,609,326)	(6,579,179)
Net Cash Provided (Used) By Investing Activities	(2,898,287)	(951,985)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from additions, net of withdrawals, to future gift interest and revocable trusts	(1,822,001)	(13,095,300)
Contributions to funds held in trust	12,410,374	9,489,894
Proceeds from line of credit	-	1,000,000
Repayment of line of credit	-	(1,000,000)
Net Cash Provided (Used) by Financing Activities	10,588,373	(3,605,406)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,663,354	544,370
Cash and cash equivalents at beginning of years	1,843,960	1,299,590
Cash and cash equivalents at end of years	$ 3,507,314	$ 1,843,960
RECONCILIATION OF INCREASE IN NET ASSETS TO CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	$ 136,510	$ 677
Depreciation	200,237	47,714
Loss (gain) on sale of property and equipment	7,081	(1,935)
Realized and unrealized (gains) losses on investment transactions	(6,493,546)	4,739,408
Decrease (increase) in accrued investment income	40,930	16,416
Decrease (increase) in other accounts receivable	58,693	299,617
Increase (decrease) in operating liabilities	23,363	(136)
Net Cash Provided (Used) By Operating Activities	$(6,026,732)	$ 5,101,761

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

FREE WILL BAPTIST FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

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 as net assets with donor restrictions or net assets without donor restrictions based on the existence of donor-imposed restrictions.

Income Taxes

The Foundation 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 Baptist, Inc. In addition, the Foundation 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 2019 and 2018.

Cash and Cash Equivalents

For purposes of the statements 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 collectability 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.

Cost Allocation

The Board believes that the expenses are properly classified as expended. Accordingly allocation of costs is not required.

FREE WILL BAPTIST FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - CONTINUED

Investments

Investments in marketable securities are reported at fair value with gains and losses included in the statements 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.

Office Equipment and Automobiles

Office 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 5 years for automobiles and 5 years for equipment.

2. INVESTMENTS

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

	2019		
	Market Value	Cost	(Depreciation) Appreciation
Investments:			
Marketable Securities:			
U.S. Government instruments	$ 2,565,548	$ 2,481,218	$ 84,330
Common stocks	30,612,632	22,931,323	7,681,309
Master limited partnerships	305,247	506,313	(201,066)
FWB Ministries Partnership	912,932	912,932	-
Mutual Funds	18,987,164	20,083,426	(1,096,262)
Corporate bonds	205,349	197,374	7,975
Municipal bonds	3,404,240	3,371,685	32,555
Trusts	240,000	240,000	-
Real estate held for resale	185,327	185,327	-
Real estate investment trust	5,343,864	3,912,465	1,431,399
Total Investments	$ 62,762,303	$ 54,822,063	$ 7,940,240

2. INVESTMENTS - CONTINUED

	2018		
	Market Value	Cost	(Depreciation) Appreciation
Investments:			
Marketable Securities:			
U.S. Government instruments	$ 2,794,586	$ 2,827,143	$ (32,557)
Common stocks	22,821,844	18,760,252	4,061,592
Master limited partnerships	202,167	274,685	(72,518)
FWB Ministries Partnership	873,620	873,620	-
Mutual Funds	15,806,153	18,407,732	(2,601,579)
Corporate bonds	191,948	196,837	(4,889)
Municipal bonds	4,193,114	4,146,557	46,557
Trusts	240,000	240,000	-
Real estate held for resale	185,000	185,000	-
Real estate investment trust	4,005,620	3,328,769	676,851
Total Investments	$ 51,314,052	$ 49,240,595	$ 2,073,457

Total investment income (loss) amounted to $9,302,418 for 2019, consisting of investment gains (losses) of $6,493,546 and interest and dividends of $2,808,872 (net of investment fees of $240,892). This investment income (loss) represents yields of 16.31% and 17.78% based on the average market value and average cost of such investments for 2019.

Total investment income (loss) amounted to ($2,695,991) for 2018, consisting of investment gains (losses) of ($4,739,408) and interest and dividends of $2,043,417 (net of investment fees of $230,788). This investment income (loss) represents yields of (5.00%) and (5.52%) based on the average market value and average cost of such investments for 2018.

3. NOTES RECEIVABLE

Notes receivable consist of loans to other Free Will Baptist organizations. The monthly payment and the length of the note varies and the interest rate on the notes is 4.5%. The notes allow Foundation to declare the entire balance of unpaid principal due immediately if the borrower is more than 90 days late in making any payment. At December 31, 2019 no amounts were past due on any of the loans.

4. INTEREST BEARING REVOCABLE TRUSTS

The Foundation maintains revocable trusts which totaled $66,680,555 and $60,897,025 at December 31, 2019 and 2018, 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 7-60 day notice, is without penalty, and the trusts are without maturity.

5. FUTURE GIFTS PAYABLE

The Foundation maintains charitable trusts amounting to $2,548,812 and $2,393,008 and gift annuities amounting to $921,741 and $867,374 as of December 31, 2019 and 2018, respectively. These future gift interests pay interest at specified rates ranging from 5.0% to 9.5%.

6. FUNDS HELD IN TRUST

The Foundation holds funds in trusts that 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. Interest is distributed from the endowments at a rate of 5% annually. As of December 31, 2019 and 2018, the permanently restricted endowment funds totaled $9,322,623 and $8,238,855 respectively.

7. INFORMATION REGARDING FINANCIAL STATEMENTS

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, 2019 and 2018:

	2019		
	Account Balance	Amount Insured/ Secured	Amount of Accounting Risk of Loss
Cash and cash equivalents	$ 646,087	$ 250,000	$ 396,087
Short term liquid investments	2,861,227	1,097,750	1,763,477
U.S. Government instruments	2,565,548	2,565,548	-
Master limited partnerships	305,247	-	305,247
Common Stocks	30,612,632	-	30,612,632
FWB Ministries Partnership	912,932	912,932	-
Mutual funds	18,987,164	-	18,987,164
Corporate bonds	205,349	-	205,349
Municipal bonds	3,404,240	-	3,404,240
Real estate held for resale	185,327	185,327	-
Real estate investment trust	5,343,864	-	5,343,864
Trusts	240,000	-	240,000
Investment in Welch College loan	16,343,517	16,343,517	-
Receivables	1,399,457	1,399,457	-
Total Investments	$ 84,012,591	$ 22,754,531	$ 61,258,060

7. INFORMATION REGARDING FINANCIAL STATEMENTS - CONTINUED

	2018		
	Account Balance	Amount Insured/ Secured	Amount of Accounting Risk of Loss
Cash and cash equivalents	$ 859,925	$ 250,000	$ 609,925
Short term liquid investments	985,035	985,035	-
U.S. Government instruments	2,794,586	2,794,586	-
Master limited partnerships	202,167	-	202,167
Common Stocks	22,821,844	-	22,821,844
FWB Ministries Partnership	873,620	873,620	-
Mutual funds	15,806,153	-	15,806,153
Corporate bonds	191,948	-	191,948
Municipal bonds	4,193,114	-	4,193,114
Real estate held for resale	185,000	185,000	-
Real estate investment trust	4,005,620	-	4,005,620
Trusts	240,000	-	240,000
Investment in Welch College loan	17,124,860	17,124,860	-
Receivables	1,911,742	1,911,742	-
Total Investments	$ 72,195,614	$ 24,124,843	$ 48,070,771

8. OFFICE EQUIPMENT AND AUTOMOBILES

A summary of office equipment and automobiles is as follows:

	2019	2018
Automobiles - six	$ 202,883	$ 220,933
Office equipment	57,087	57,087
Furnishings	19,463	19,463
Software	29,581	29,581
	309,014	327,064
Accumulated Depreciation	(274,334)	(110,813)
	$ 34,680	$ 216,251

9. LEASE AND OCCUPANCY EXPENSE

Under the terms of a lease agreement with an affiliate, the Foundation leases 3,105 square feet of office and storage space for $1.23 ($1.23 in 2018) per square foot per month. The Foundation shares a portion of the space with the Free Will Baptist Board of Retirement. Total lease payments were $46,075 and $46,085 for the years ended December 31, 2019 and 2018, respectively.

10. COMMITMENTS

The Foundation has a $20,000,000 line of credit with a local financial institution. The line is secured by the investments of the Foundation and carries an interest rate of the 30 day LIBOR plus 2.25%. This line of credit is open ended and the advances payable were $-0- and $-0- at December 31, 2019 and 2018 respectively. During 2019 the Foundation paid $-0- in interest payments related to borrowings on the line of credit ($8,959 in 2018).

11. PENSION PLAN

The Foundation participates in the master pension plan of the Board of Retirement and Insurance of the National Association of Free Will Baptists. The Foundation contributes to the plan on behalf of its employees. Pension expenses amounted to $44,482 ($43,995 in 2018). 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.

12. FAIR VALUE MEASUREMENTS

The Foundation's investments are reported at fair value in the accompanying statement of net assets available for benefits.

	Fair Value Measurements at December 31, 2019 Using			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government instruments	$ 2,565,548	$ 2,565,548	$ -	$ -
Common stocks	30,612,632	30,612,632	-	-
Master limited partnerships	305,247	-	305,247	-
FWB Ministries Partnership	912,932	-	912,932	-
Real estate investments	5,529,191	5,132,599	-	396,592
Mutual funds	18,987,164	18,987,164	-	-
Corporate bonds	205,349	-	205,349	-
Municipal bonds	3,404,240	-	3,404,240	-
Trusts	240,000	-	240,000	-
	$62,762,303	$57,297,943	$ 5,067,768	$ 396,592

12. FAIR VALUE MEASUREMENTS - CONTINUED

	Fair Value Measurements at December 31, 2018 Using			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government instruments	$ 2,794,586	$ 2,794,586	$ -	$ -
Common stocks	22,821,844	22,821,844	-	-
Master limited partnerships	202,167	-	202,167	-
FWB Ministries Partnership	873,620	-	873,620	-
Real estate investments	4,190,620	3,794,354	-	396,266
Mutual funds	15,806,153	15,806,153	-	-
Corporate bonds	191,948	-	191,948	-
Municipal bonds	4,193,114	-	4,193,114	-
Trusts	240,000	-	240,000	-
	$51,314,052	$45,216,937	$ 5,700,849	$ 396,266

The Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Fair Value Measurements establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Board uses the appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 1 Fair Value Measurements - The fair value of the investments are based the closing price reported on the active market where the securities are traded.

Level 2 Fair Value Measurements - The fair value of the investments are based on inputs other than quoted prices within Level 1 that are observable for the asset, either directly, or indirectly.

Level 3 Fair Value Measurements - The fair value of the investments are based on at least one significant unobservable input.

12. FAIR VALUE MEASUREMENTS - CONTINUED

Level 3 Reconciliation:

	2019	2018
Real estate investments:		
Beginning balance	$ 396,266	$ 2,741,488
Purchases	-	-
Transfer to Level 1	-	-
Gains (losses) on value	326	-
Sales	-	(2,345,222)
Ending balance	$ 396,592	$ 396,266
Total gains or losses for the year included in the statement of activities attributable to the change in unrealized gains or losses relating to investments still held at the reporting date.	$ -	$ -

13. NOTE RECEIVABLE WELCH COLLEGE

The Foundation has entered in to two loan agreements with Welch College. The information related to these loans are as follows:

Non-revolving line of credit note of $15,913,852 from Welch College dated September 22, 2016. This line of credit was amended and increased to the current amount on September, 25 2018. Beginning October 1, 2018 this note is due and payable in monthly payments of $88,454 due the first day of each successive month with the final payment being due September 1, 2021. These payments include both principal and interest. All remaining principal and interest will become due on October 1, 2021. This note is secured by property owned by Welch College. The balance receivable on this note, including accrued interest, at December 31, 2019 and 2018 was $15,383,545 and $15,783,699.

Line of credit note in the amount of $1,300,000 from Welch College dated May 31, 2011. Interest accrues at a rate of 1.00% over the Wall Street Journal Prime Rate. Interest on the loan began to accrue monthly beginning June 1, 2011. This note was amended and increased to the current amount on July 13, 2017. Interest on the note shall become due on March 30 of each year, beginning on March 30, 2017. All principal and interest will become due and payable on March 30, 2022. This note is secured by an endowment that Welch College has in the Foundation. The balance receivable on this note, including accrued interest, at December 31, 2019 and 2018 was $959,972 and $1,341,161.

The note agreements contain a provision that if payment is not made within 15 days of the due date the payment will be subject to the assessment of a late charge.

The interest earned by the Foundation on these notes in 2019 amounted to $701,555 ($890,027 for 2018) net of interest paid on its line of credit of $42,589 ($71,652 for 2018).

14. UNCERTAINTY IN INCOME TAXES

Accounting principals generally accepted in the United States of America require the Foundation's management to evaluate tax positions taken by the Foundation and recognize a tax liability (or asset) if the Foundation has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Foundation's director has analyzed tax positions taken and has concluded that as of December 31, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Foundation is exempt from filing annual tax returns.

15. DESIGNATION OF UNRESTRICTED NET ASSETS

During 2013 the Board voted to establish a realized capital gain's fund for non-operational use as directed by the Board. The balance in the account established with the capital gain proceeds is considered board designated. At December 31, 2019 the balance in the board designated account was $-0- ($-0- for 2018).

16. OTHER RECEIVABLES

The Foundation records receivables from individuals who have enrolled in their estate planning program. The allowance for doubtful accounts on these balances was $-0- at December 31, 2019 ($21,950 at December 31, 2018).

17. CONCENTRATION

The notes receivable from Welch College represent 19.30% of the assets of the Foundation.

18. SUBSEQUENT EVENTS

Subsequent events have been evaluated by Management through May 2, 2020 which is the date the financial statements were available to be issued.

Subsequent to year end there was a pandemic caused by the COVID-19 virus. As a result there was a significant decrease in the value of the investments. As of the date of the report the Board investments had decreased approximately $9,200,000.

19. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Donor-restricted amounts that are available for use within one year for general purposes.

	2019	2018
Financial assets at year-end	$84,637,153	$72,877,869
Less those unavailable for general expenditures within one year due to:		
Reserved for beneficial owners	(83,641,650)	(72,264,740)
Financial assets available to meet cash needs for general expenditures within one year	$ 995,503	$ 613,129

FREE WILL BAPTIST FOUNDATION
Consolidated Proposed Budget and Actual

	Proposed 2021 Budget	Approved 2020 Budget	Approved 2019 Budget	2019 Actual
INCOME				
Together Way	$ 5,000	$ 5,000	$ 5,000	$ 6,091
Gifts & other income	5,000	5,000	5,000	4,333
Rest of the Family Offering	4,000	4,000	4,000	5,318
Capital gains	500,000	550,000	550,000	500,000
Realized gains/losses	-	-	-	(7,081)
Management fees	1,150,000	1,055,000	1,050,000	1,489,617
Completed Estate Plans	600,000	850,000	842,000	596,605
Total Income	**2,264,000**	**2,469,000**	**2,456,000**	**2,594,883**
EXPENSES				
Salaries	668,824	674,080	686,363	683,662
Employee benefits	25,000	23,000	24,000	15,989
Travel	230,000	250,000	284,000	222,007
Promotion	95,000	78,000	110,000	93,980
ONE Magazine	52,000	52,000	52,000	51,738
Office expense	55,000	52,000	65,000	62,066
Rent	47,000	47,000	45,000	46,075
Subscriptions & publications	12,700	12,700	5,000	10,743
Training & education	17,000	17,000	26,000	11,965
Legal & accounting	30,000	30,000	22,000	16,755
Cornerstone Estate Planning	240,000	240,000	270,000	270,000
Attorney fees	180,000	340,000	180,000	148,660
Estate plan cancelations	10,000	50,000	100,000	83,751
Grants	500,000	500,000	500,000	500,000
Board expense	25,000	21,000	18,000	29,944
Equipment & maintenance	12,000	16,694	25,000	10,807
Depreciation	-	25,000	45,000	200,237
Total Expense	**2,199,524**	**2,428,474**	**2,457,363**	**2,458,379**
Surplus / (Deficit)	**$ 64,476**	**$ 40,526**	**$ (1,363)**	**$ 136,504**

FREE WILL BAPTIST FOUNDATION
Proposed 2021 Department Budget

	Operations	Estate Planning	Grants	Total Budget
INCOME				
Together Way	$ 5,000	$ -	$ -	$ 5,000
Gifts & other	5,000	-	-	5,000
Rest of the Family Offering	4,000	-	-	4,000
Capital gains	-	-	500,000	500,000
Management fees	1,150,000	-	-	1,150,000
Completed estate plans	-	600,000	-	600,000
Total Income	**1,164,000**	**600,000**	**500,000**	**2,264,000**
EXPENSES				
Salaries	298,040	370,784	-	668,824
Employee benefits	15,000	10,000	-	25,000
Travel	110,000	120,000	-	230,000
Promotion	85,000	10,000	-	95,000
ONE Magazine	52,000	-	-	52,000
Office expense	53,000	2,000	-	55,000
Rent	47,000	-	-	47,000
Subscriptions & publications	12,700	-	-	12,700
Training & education	17,000	-	-	17,000
Legal & accounting	30,000	-	-	30,000
Cornerstone Estate Planning	-	240,000		240,000
Attorney fees	-	180,000	-	180,000
Estate plan cancelations	-	10,000	-	10,000
Grants	-	-	500,000	500,000
Board expense	25,000	-	-	25,000
Equipment & maintenance	12,000	-	-	12,000
Depreciation	-	-	-	-
Total Expense	**756,740**	**942,784**	**500,000**	**2,199,524**
Surplus / (Deficit)	**$ 407,260**	**$ (342,784)**	**$ -**	**$ 64,476**

FREE WILL BAPTIST FOUNDATION
Compensation Package Detail - 2021 Proposed

	2021		2020		2019	
Director/CEO						
Salary	$ 102,083	0%	$ 102,083	4%	$ 97,794	3%
Insurance replacement	9,438		$ 9,438		$ 9,438	
FICA/Medicare	8,531		$ 8,531		$ 8,203	
Retirement	11,152		$ 11,152		$ 8,579	
Total	131,204		$ 131,204		$ 124,014	
Note: Office car furnished						
Chief Chief Financial Officer						
Salary	$ 79,772	0%	$ 78,844	7%	$ 72,819	3%
Insurance replacement	3,307		4,234		5,101	
FICA/Medicare	6,356		6,355		5,960	
Retirement	8,308		8,308		7,792	
Health Insurance	14,000		14,000		13,000	
Total	111,743		111,742		104,672	
Note: Office car furnished						
Field Coordinator						
Salary	$ 42,607	0%	$ 42,607	4%	$ 52,193	3%
Housing	$ 36,000		36,000		23,391	
Retirement	7,861		7,861		5,291	
Medicare reimbursement	4,800		8,278		13,000	
Total	$ 91,268		$ 94,746		$ 93,875	
Note: Office car furnished						
Field Reps & Support Staff						
Salary	$ 240,693	0%	$ 240,693	4%	$ 264,215	3%
Housing	50,098		50,098		48,171	
Insurance Replacement	6,460		3,230		3,230	
FICA/Medicare	10,819		10,819		10,776	
Retirement	21,940		18,353		19,349	
Health Insurance	4,600		10,195		15,804	
Total	$ 334,610		$ 333,387		$ 361,545	
Note: Office car furnished for field reps						
Total Salaries & Benefits	$ 668,824		$ 671,079		$ 684,105	

NORTH AMERICAN MINISTRIES

North American Ministries 2019

Dear Friends of North American Ministries,

During the years since North American Ministries came into existence, God has been faithful. He has rewarded our zeal for souls and our enthusiasm for fulfilling the great commission with success. “Great is the Lord and greatly to be Praised!” Psalm 48:1

Faithful Friends

Our faithful Free Will Baptist friends across North America have given consistently. We are all encouraged by their generosity and love for the cause of North American Ministries.

Total gifts for 2019 were over 4 million. Thank you for your faithful support. Listed below are the top ten states that have excelled.

Tennessee	$679,511.43
North Carolina	$670,517.48
California	$492,607.06
Alabama	$412,011.63
Virginia	$228,833.54
Oklahoma	$208,541.25
Missouri	$168,778.87
Ohio	$163,344.64
Arkansas	$149,328.69
Georgia	$138,609.48

Faithful Church Planters

All across North America our Church Planters are faithful to the task and preaching repentance, faith and obedience. They are winning hundreds of people to Christ our Savior. They are building beautiful and multi-functional facilities that are great tools for training new converts and bringing families to worship the Father of our Lord Jesus. The multi ethnic ministry is flourishing as our cross cultural missionaries are winning hundreds of people coming to America from all over the world.

Faithful Military Chaplains

North American Ministries continues to endorse and support our faithful chaplains and their families for the United States Army, Air Force, Navy, National Guard and Reserve Forces.

CH (CPT) Amir Ashoori, US Army Reserves
CH (CPT) Michael Beatty, US Army Reserves
CH (CPT) David Dodson, US Army
CH (MAJ) W. Lee Frye, Jr. US Army
CH (LTC) Brad Hanna, National Guard
CH (LT) Hal Jones IV, US Navy
CH (MAJ) Tracy Kerr, US Army
CH (LT) Mark McCraney, US Navy
CH (MAJ) Kevin Trimble, US Army
Terry Austin, US Army (Retired) Chaplain Support Officer
Kerry Steedley, US Army (Retired) Assistant Chaplain Support Officer
(If you need information, please call the North American Ministries office)

Faithful NAM Staff

I must express my profound appreciation to our faithful staff members, Brad Ransom, Chief Training Officer; Ken Akers, Director of Men's Ministries and Chief Financial Officer; Sam McVay, Church Relations Officer; Terry Austin, Chaplain Support Officer; Kerry Steedley, Assistant Chaplain Support Officer; Rick Bowling, Cross Cultural Officer, Kathy Brown, CELF Accounting Administrator; Teresa Womack, Accounting Administrator; Tori Matlock, Administrative Assistant; Mayan Bustamante, Chief Translation Specialist and Megan Morgan, Historical Digital Scanner. I appreciate their servant spirit, commitment and excellent work.

Members of our North American Ministries Board have served with strength and wisdom.

Dr. H David Crowe,
Executive Director
North American Ministries

May 29, 2019

Motion, seconded and carried to approve Dan and Kami Houghton to plant a church in Burlington, Vermont.

December 11, 2019

Motion, seconded and carried to give the "Build My Church Endowment" to Mark Thomas, Pueblo West, CO.

Motion was made, seconded and carried to allow North American Ministries to pursue registering with the Mexican Government.

Motion, seconded and carried to combine Master's Men with the current North American Ministries audit.



Joel D. Collum, Jr.
Certified Public Accountant

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.

I have audited the accompanying financial statements of the Board of Home Missions of the National Association of Free Will Baptists of the United States of America, Inc., (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position the Board of Home Missions of the National Association of Free Will Baptists of the United States of America, Inc., as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

P.O. Box 291561 • Nashville, Tennessee 37229 • 615.974.2918 • joelcollumcpa@yahoo.com

Emphasis of a Matter

As described in Note 1, effective June 1, 2019 the subsidiary that was consolidated into the financial statements of the Board of Home Missions of the National Association of Free Will Baptists of the United States of America, Inc., in 2018 was merged into the Board of Home Missions of the National Association of Free Will Baptists of the United States of America, Inc.

Joel D. Collum, Jr., CPA

Nashville, Tennessee
April 30, 2020

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, 2019 AND 2018

	2019	2018
ASSETS		
Cash	$ 281,929	$ 277,789
Investments	4,201	4,818
Investments in Church Extension Fund	500,107	320,090
Investments in Free Will Baptist Foundation	32,306	31,850
Endowments	108,147	95,828
Inventory	26,704	25,707
Property & equipment, at cost less accumulated less accumulated depreciation of $105,649 ($125,212 in 2018)	247,956	234,890
TOTAL ASSETS	$ 1,201,350	$ 990,972
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 2,491	$ 15,497
Capital lease payable	19,101	22,214
Total liabilities	21,592	37,711
COMMITMENTS		
NET ASSETS		
NET ASSETS		
Without donor restrictions		
Operating	372,929	288,889
Total Without Donor Restrictions	372,929	288,889
With donor restrictions	806,829	664,372
Total net assets	1,179,758	953,261
TOTAL LIABILITIES AND NET ASSETS	$ 1,201,350	$ 990,972

The accompanying notes are an integral part of these 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, 2019 AND 2018

	2019	2018
WITHOUT DONOR RESTRICTIONS		
REVENUES		
Cooperative program	$ 168,825	$ 223,896
Designated contributions	806,826	535,049
Dues	63	6,536
Fund-raising special events	19,500	30,525
Management fees - Note 4	740,546	690,000
Investment income	36,100	13,367
Gain (loss) on sale of property & equipment	(2,574)	(16,353)
Realized gain (loss) on sale of investment	-	-
Unrealized gain (loss) on value of investment	(617)	(6,065)
Net assets released from restrictions:	-	
Restrictions satisfied by payments	3,516,664	3,386,604
Total revenue	5,285,333	4,863,559
EXPENSES		
Home Missions' management and general expenses	1,622,480	1,580,341
Home Missions' missionary expenses	3,478,084	3,290,172
Master's Men management and general expenses	44,194	49,755
Master's Men fundraising expenses	17,955	18,265
Master's Men disaster relief expenses	38,580	81,325
Total expenses	5,201,293	5,019,858
Increase (decrease) in net assets without donor restrictions	84,040	(156,299)
WITH DONOR RESTRICTIONS		
REVENUES		
Cooperative program	444,923	448,422
Designated contributions	3,214,198	3,020,449
Net assets released from restrictions:		
Restrictions satisfied by payments		
Missionary expenses	(3,478,084)	(3,290,172)
Master's Men disaster relief fund	(38,580)	(96,432)
Increase (decrease) in net assets with donor restrictions	142,457	82,267
Total increase (decrease) in net assets	226,497	(74,032)
Net assets - beginning of year	953,261	1,027,293
Net assets - end of year	$ 1,179,758	$ 953,261

The accompanying notes are an integral part of these 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, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	$ 226,497	$ (74,032)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	41,697	46,626
(Gain) loss on sale of property & equipment	2,574	16,353
(Gain) loss on value of investment	3,115	6,064
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	-	2,500
(Increase) decrease in inventories	(997)	5,704
Increase (decrease) in accounts payable and accrued expenses	(13,006)	270
Net Cash Provided (Used) By Operating Activities	259,880	3,485
CASH FLOWS FROM INVESTING ACTIVITIES:		
Redemption of investments	1,159	5,280
Acquisition of investments	(196,449)	(12,175)
Purchases of property and equipment	(57,337)	(44,873)
Net Cash Provided (Used) By Investing Activities	(252,627)	(51,768)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital lease payments made	(3,113)	(4,367)
Net Cash Provided (Used) by Financing Activities	(3,113)	(4,367)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,140	(52,650)
Cash and cash equivalents at beginning of years	277,789	330,439
Cash and cash equivalents at end of years	$ 281,929	$ 277,789
SUPPLEMENTAL DISCLOSURES		
Interest paid	$ 4,168	$ 1,575
Non-cash investing and financing activity:		
Total cost of purchase and equipment purchased	$ 67,087.00	$ 79,273
Trade-in value of automobile	(9,750.00)	(11,500)
Capital lease obligation	-	(22,900)
Purchases of property and equipment	$ 57,337.00	$ 44,873

The accompanying notes are an integral part of these 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, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Organization and Purpose:

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 2019 or 2018.

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

Basis of Accounting:

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

Basis of Presentation:

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, the Organization is required to report information regarding its financial position and activities as either nets assets without donor restrictions or net assets with donor restrictions.

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.

Investments in Church Extension Loan Fund:

The organization had investments in the Church Extension Loan Fund. These investments are stated at cost, which approximates market value at December 31, 2019 and 2018.

Cost Allocation

The Organization believes that the expenses are properly classified as expended. Accordingly allocation of costs is not required.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - CONTINUED

Contributions:

The Organization accounts for contributions in accordance with the requirements of the FASB Accounting Standards Codification Revenue Recognition Topic. In accordance with the FASB Accounting Standards Codification, contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions 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.

Automobile	5 years
Office furniture and equipment	3 - 10 years
Equipment and trailers	5 years

The net property and equipment balance has been recorded as a separate component in net assets without donor restrictions.

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. Inventory consists of books, pamphlets, videos, door hangers and various other small items.

Investments:

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

Emphasis of a Matter

The prior financial statements were prepared by consolidating the Free Will Baptist Master's Men along with the financial statements of the Organization. On approximately June 1, 2019 Master's Men was merged into the Organization. Accordingly, the financial statements are no longer considered to be consolidated.

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, 2019 AND 2018

2. PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

	2019	2018
Land - Puerto Rico	$ 105,000	$ 105,000
Automobile	101,232	110,536
Computer equipment	1,228	1,228
Equipment	18,087	18,087
Trailers	1,950	1,950
Office furniture & equipment	126,108	123,301
	353,605	360,102
Less: Accumulated depreciation	(105,649)	(125,212)
	$ 247,956	$ 234,890
Depreciation for the year	$ 41,697	$ 46,626

3. RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are available for the following purposes:

	2019	2018
Missionaries	$ 562,105	$ 405,847
Build a House program	50,181	50,181
Disaster Relief Program	90,443	104,244
Ridge Church	2,850	2,850
Life Member endowment	101,250	101,250
	$ 806,829	$ 664,372

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

4. 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 Organization entered into a new lease agreement on July 1, 2000. The term of the lease was July 1, 2000 to August 31, 2000, then beginning September 1, 2000 the lease became a year to year lease. The rent expense for the years December 31, 2019 and 2018 amounted to $71,973 and $64,583.

5. 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 $740,546 ($690,000 in 2018) 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 December 31, 2019 and 2018 was $500,107 and $320,090 respectively. 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.

6. CONCENTRATION OF CREDIT RISK

At December 31, 2019 and 2018, the excess amount over the federally insured limit was $-0- and $-0-. The Board has not experienced any losses in such cash deposits and management believes it is not exposed to any significant credit risk related to cash.

The Board also has $500,107 and $320,090 invested in a demand note of the Church Extension Loan Fund at December 31, 2019 and 2018 respectively. This note is uninsured.

7. PENSION PLAN

The Board participates in the master pension plan of the Board of Retirement and Insurance of the National Association of Free Will Baptists. The Board contributes 5% of gross salary for administrative employees with 5 or more years of service and 2% of gross salary for administrative employees with less than 5 years of service. The Board contributes 2% of gross salary for missionaries on their first mission project and 5% of gross salary for missionaries on their second and all subsequent mission projects. Pension expenses amounted to $58,334 ($63,544 in 2018). 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.

8. UNCERTAINTY IN INCOME TAXES

Accounting principals generally accepted in the United States of America require the Board's management to evaluate tax positions taken by the Board and recognize a tax liability (or asset) if the Board has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Board's executive director has analyzed tax positions taken and has concluded that as of December 31, 2019 and 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Board is exempt from filing annual tax returns.

9. FUNDRAISING EXPENSES

Fundraising expenses amounted to $17,955 and $18,265 for the years ended December 31, 2019 and 2018.

10. INVESTMENTS

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

	December 31, 2019		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Equity securities	$ 5,685	$ 4,201	$ (1,484)

Investment return is summarized as follows:

Net realized and unrealized income (loss)	$ (617)

	December 31, 2018		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Equity securities	$ 5,685	$ 4,818	$ (867)

Investment return is summarized as follows:

Net realized and unrealized income (loss)	$ (487)

11. INVESTMENT THE FREE WILL BAPTIST FOUNDATION

The Organization is invested in three trusts and one endowment established and maintained by the Free Will Baptist Foundation. The Foundation invests these type of trusts in debt and equity securities and values the trusts at fair market value.

A summary of investments in the Foundation are as follows:

	2019	2018
Build A House	$ 6,739	$ 5,832
Disaster Relief Trust	17,347	16,866
Ridge Trust	8,220	7,993
Build A House reserve	-	659
Master's Men	-	500
Life Member Endowment	108,147	95,828
	$ 140,453	$ 127,678

Investment return is summarized as follows:

Net realized and unrealized income (loss)	$ 16,432	$ (5,578)

12. FAIR VALUE MEASUREMENTS

The Fund's investments are reported at fair value in the accompanying statement of net assets available for benefits.

	Fair Value Measurements at December 31, 2019		
	Fair Value	(Level 1)	(Level 2)
Equity securities	$ 4,201	$ 4,201	$ -
Investment in the FWB Foundation	140,453	-	140,453
	$ 144,654	$ 4,201	$ 140,453

	Fair Value Measurements at December 31, 2018		
	Fair Value	(Level 1)	(Level 2)
Equity securities	$ 4,818	$ 4,818	$ -
Investment in the FWB Foundation	127,678	-	127,678
	$ 132,496	$ 4,818	$ 127,678

12. FAIR VALUE MEASUREMENTS - CONTINUED

The Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Fair Value Measurements establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Fund uses the appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available. The Board has no Level 3 investments.

Level 1 Fair Value Measurements - The fair value of the investments are based the closing price reported on the active market where the securities are traded.

Level 2 Fair Value Measurements - The fair value of the investments are based on inputs other than quoted prices within Level 1 that are observable for the asset, either directly, or indirectly.

13. CAPITAL LEASE

The Board acquired office equipment under the provisions of a long-term lease. For financial reporting purposes, minimum lease payments relating to the equipment have been capitalized and included in property and equipment on the balance sheet. The leased equipment under capital lease as of December 31, 2018, has a cost of $22,900. The lease agreement provides for minimum annual lease payments of $7,280.

Future minimum payments under the lease are as follows:

2020	7,280
2021	7,280
2022	7,280
2023	5,462
	27,302
Less amount representing interest	(8,201)
Present value of net minimum lease payments	$ 19,101

The depreciation expense related to this office equipment amounted to $4,580.

14. ENDOWMENT

The Organization has an endowment with the Free Will Baptist Foundation. The endowment was established by the Organization for the benefit of the Organization. The Organization has no control over the type of investments in the endowment. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Free Will Baptist Foundation pools its assets for investment purposes. Investment activity is allocated to funds based on the fund's percentage share of the total portfolio. The Organization is invested in the Free Will Baptist Foundation's Endowment Pool.

The Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with door restrictions is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization’s investment policies.

The Organization has no control over the investments in the endowment. Accordingly, the Organization has not adopted an investment policy related to the endowment.

The income earned on the endowment is distributed to the Organization every six months. The money is spent for the operations of the Organization.

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donors have required the Organization to retain as a fund of perpetual duration. Deficiencies of this nature reported in net assets without donor restrictions are approximately $5,421 at December 31, 2018. There were no such deficiencies as of December 31, 2019. These deficiencies resulted from unfavorable market fluctuations along with a withdrawal to pay operating expenses in the past.

14. ENDOWMENT - CONTINUED

The Endowment net asset composition by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Net Assets
		December 31, 2019	
Board designated endowment funds	$ 6,897	$ -	$ 6,897
Donor-restricted endowment funds	-	101,250	101,250
	$ 6,897	$ 101,250	$ 108,147
		December 31, 2018	
Board designated endowment funds	($ 5,421)	$ -	($ 5,421)
Donor-restricted endowment funds	-	101,250	101,250
	($ 5,421)	$ 101,250	$ 95,829

The activity in the endowment during the year is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Net Assets
		December 31, 2019	
Beginning balance	($ 5,421)	$ 101,250	$ 95,829
Total gains or losses (realized and unrealized) included in the Statement of Activities	14,816	-	14,816
Purchases, issuances, settlements, and transfers from unallocated to allocated (net)	(2,498)	-	(2,498)
Ending balance	$ 6,897	$ 101,250	$ 108,147

14. ENDOWMENT - CONTINUED

	December 31, 2018		
Beginning balance	$ 5,751	$ 101,250	$ 107,001
Total gains or losses (realized and unrealized) included in the Statement of Activities	(5,280)	-	(5,280)
Purchases, issuances, settlements, and transfers from unallocated to allocated (net)	(5,892)	-	(5,892)
Ending balance	($ 5,421)	$ 101,250	$ 95,829

15. COMMON CONTROL

The Board controls the Church Extension Loan Fund as they are both governed by the same board of directors. Accordingly, the following data is disclosed about the Church Extension Loan Fund.

	2019	2018
Total assets	$ 78,176,856	$ 73,425,705
Total liabilities	$ 75,727,975	$ 71,643,149
Net assets	$ 2,448,881	$ 1,782,556
Revenue	$ 4,466,354	$ 4,075,871
Expenses	$ 3,800,029	$ 3,621,535

16. SUBSEQUENT EVENTS

Subsequent events have been evaluated by Management through April 30, 2020 which is the date the financial statements were available to be issued.

Subsequent to year end there was a pandemic caused by the COVID-19 virus. The effect on the Board has not yet been determined but the Board does expect it to decrease donations.

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, 2019 AND 2018

17. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Board's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Donor-restricted amounts that are available for use within one year for general purposes.

	2019	2018
Financial assets at year-end	$ 926,690	$ 730,375
Less those unavailable for general expenditures within one year due to:		
Reserved for Board designations	-	-
Reserved for net assets with donor restrictions	(806,829)	(664,518)
Financial assets available to meet cash needs for general expenditures within one year	$ 119,861	$ 65,857

18. CORRECTION OF AN ERROR

It was determined that the funds in one of Master's Men's net assets with donor restrictions accounts had been spent in prior years. Accordingly, the beginning balance in net assets with donor restrictions for both 2019 and 2018 was decreased $146 and the beginning balance in net assets without donor restrictions for 2019 and 2018 was increased $146.

BOARD OF HOME MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
OF THE UNITED STATES OF AMERICA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

2019

	Master's Men			Home Missions		
	Program services	Operations		Program services	Operations	
	Disaster Relief	Management and General	Fundraising	Missionaries	Management and General	Total
EXPENSES AND OTHER DEDUCTIONS						
Salaries and wages	$ -	$ -	$ -	$ 2,700,281	$ 468,577	$ 3,168,858
Payroll taxes	-	-	-	-	15,926	15,926
Housing allowance and employee benefits	-	-	-	-	106,113	106,113
Retirement	-	-	-	45,407	12,927	58,334
Literature	-	-	-	211,508	45	211,553
Promotion expense	-	-	-	46,508	59,866	106,374
Utilities	-	-	-	-	25,142	25,142
Office expense	-	4,685	-	-	83,344	88,029
Printing and postage	-	792	-	81,265	33,610	115,667
Rent expense	-	8,290	-	-	63,683	71,973
Professional fees	-	-	-	-	9,033	9,033
Auto and travel expense	-	16,875	-	155,626	261,459	433,960
Board meeting expense	-	-	-	-	15,454	15,454
Power Conference expense	-	-	-	-	73,710	73,710
Insurance expense	-	146	-	58,887	111,013	170,046
Telephone	-	-	-	-	7,639	7,639
Computer and internet	-	-	-	-	-	-
Scholarships	-	-	-	-	3,500	3,500
Flowers and gifts	-	116	-	-	122,459	122,575
Fund-raising special events expense	-	-	17,955	-	-	17,955
Disaster relief expenses	38,580	-	-	-	-	38,580
Resource development	-	-	-	-	-	-
Miscellaneous	-	184	-	63,119	32,354	95,657
One magazine	-	8,853	-	-	75,014	83,867
Missionary land and buildings	-	-	-	115,483	-	115,483
Interest expense	-	-	-	-	4,168	4,168
Depreciation	-	4,253	-	-	37,444	41,697
Total expenses and other deductions	$ 38,580	$ 44,194	$ 17,955	$ 3,478,084	$ 1,622,480	$ 5,201,293

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

BOARD OF HOME MISSIONS OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS
OF THE UNITED STATES OF AMERICA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

2018

	Master's Men			Home Missions		
	Program services	Operations		Program services	Operations	
	Disaster Relief	Management and General	Fundraising	Missionaries	Management and General	Total
EXPENSES AND OTHER DEDUCTIONS						
Salaries and wages	$ -	$ -	$ -	$ 2,603,571	$ 477,670	$ 3,081,241
Payroll taxes	-	-	-	-	12,467	12,467
Housing allowance and employee benefits	-	-	-	-	110,600	110,600
Retirement	-	-	-	50,974	12,570	63,544
Literature	-	-	-	149,522	468	149,990
Promotion expense	-	-	-	19,271	88,614	107,885
Utilities	-	-	-	-	25,359	25,359
Office expense	-	7,704	-	-	41,774	49,478
Printing and postage	-	-	-	94,835	36,372	131,207
Rent expense	-	2,844	-	-	61,739	64,583
Professional fees	-	-	-	-	8,700	8,700
Auto and travel expense	-	25,401	-	121,846	271,298	418,545
Board meeting expense	-	-	-	-	8,188	8,188
Power Conference expense	-	-	-	-	73,569	73,569
Insurance expense	-	2,258	-	49,263	107,201	158,722
Telephone	-	-	-	-	7,331	7,331
Computer and internet	-	385	-	-	-	385
Scholarships	-	-	-	-	7,500	7,500
Flowers and gifts	-	-	-	-	99,204	99,204
Fund-raising special events expense	-	-	18,265	-	-	18,265
Disaster relief expenses	81,325	-	-	-	-	81,325
Resource development	-	18	-	-	-	18
Miscellaneous	-	-	-	106,389	10,462	116,851
One magazine	-	8,655	-	-	73,544	82,199
Missionary land and buildings	-	-	-	94,501	-	94,501
Interest expense	-	-	-	-	1,575	1,575
Depreciation	-	2,490	-	-	44,136	46,626
Total expenses and other deductions	$ 81,325	$ 49,755	$ 18,265	$ 3,290,172	$ 1,580,341	$ 5,019,858

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

	2019	2020	2021
Chief Executive Officer: David Crowe			
Salary	$70,337.70	$72,987.83	$75,177.46
Housing	$18,000.00	$18,000.00	$18,000.00
Utilities	$4,700.00	$4,800.00	$4,900.00
Retirement	$4,416.89	$4,549.39	$4,658.87
Insurance*	$16,500.00	$17,000.00	$17,500.00
TOTALS	$113,954.59	$117,337.22	$120,236.33
Office car furnished			
Chief Training Officer: Brad Ransom			
Salary	$58,164.81	$60,449.75	$62,083.24
Housing	$18,000.00	$18,000.00	$18,000.00
Utilities	$5,000.00	$5,100.00	$5,200.00
Retirement	$3,808.24	$3,922.49	$4,004.16
Insurance*	$16,500.00	$17,000.00	$17,500.00
TOTALS	$101,473.05	$104,472.24	$106,787.40
Office car furnished			
Church Relations Officer: Sam McVay			
Salary		$60,449.75	$62,083.24
Housing		$18,000.00	$18,000.00
Utilities		$5,100.00	$5,200.00
Retirement		$3,922.49	$4,004.16
Insurance*		$17,000.00	$17,500.00
TOTALS		$104,472.24	$106,787.40
Office car furnished			
Master's Men Director/Chief Financial Officer: Ken Akers			
Salary	$ 52,164.81	$ 54,449.75	$ 56,083.24
Housing	$ 24,000.00	$ 24,000.00	$ 24,000.00
Utilities	$ 3,500.00	$ 5,100.00	$ 5,200.00
Retirement	$ 3,808.24	$ 3,922.49	$ 4,004.16
Insurance*	$ 16,500.00	$ 17,000.00	$ 17,500.00
TOTALS	$ 99,973.05	$ 104,472.24	$ 106,787.40
Office car furnished			

Insurance: Travel, Life, Health, Dental

	Adm. Budget	Actual Expenses	Missionary Budget	Actual Expenses	Total Budget	Total Expenses
Year 2019						
Salaries/Housing	$550,000.00	$550,176.98	$2,650,000.00	$2,700,280.63	$3,200,000.00	$3,250,457.61
Retirement	$12,000.00	$12,926.44	$50,000.00	$45,407.24	$62,000.00	$58,333.68
Insurance	$90,000.00	$111,013.35	$55,000.00	$58,886.85	$145,000.00	$169,900.20
Auto and Travel	$300,000.00	$263,200.27	$150,000.00	$155,625.94	$450,000.00	$418,826.21
Power Conference	$80,000.00	$73,710.27			$80,000.00	$73,569.21
Postage	$15,000.00	$14,995.88	$25,000.00	$16,869.63	$40,000.00	$31,865.51
Printing	$15,000.00	$18,443.39	$85,000.00	$64,395.05	$100,000.00	$82,838.44
Promotion/Advertising	$125,000.00	$62,416.31	$10,000.00	$46,507.77	$135,000.00	$108,924.08
Office Supplies/Maintenance	$45,000.00	$88,688.72			$45,000.00	$88,688.72
ONE Magazine	$75,000.00	$79,441.02			$75,000.00	$79,441.02
Utilities	$25,000.00	$25,141.55			$25,000.00	$25,141.55
Board Expense	$20,000.00	$15,454.04			$20,000.00	$15,454.04
Literature	$10,000.00	$1,041.89	$200,000.00	$211,507.58	$210,000.00	$212,549.47
Rent	$65,000.00	$70,503.00			$65,000.00	$70,503.00
Phone and FAX	$7,000.00	$7,638.96			$7,000.00	$7,638.96
Depreciation	$45,000.00	$37,444.00			$45,000.00	$37,444.00
Payroll Taxes	$10,000.00	$12,907.13			$10,000.00	$12,907.13
Medicare Taxes	$2,500.00	$3,018.61			$2,500.00	$3,018.61
Legal and Audit	$8,500.00	$9,032.50			$8,500.00	$9,032.50
Misc.	$5,000.00	$31,913.83	$75,000.00	$29,922.81	$80,000.00	$61,836.64
Scholarships	$10,000.00	$3,500.00			$10,000.00	$3,500.00
Flowers/Gifts	$5,000.00	$122,574.59			$5,000.00	$122,574.59
Misc. Receipts			$ 15,000.00	$14,216.98	$15,000.00	$14,216.98
Land/Building			$ 150,000.00	$115,483.38	$150,000.00	$115,483.38
Foreign Missions Exchange			$15,000.00	$18,979.45	$15,000.00	$18,979.45
TOTALS	$1,520,000.00	$1,615,182.73	$3,480,000.00	$3,478,083.31	$5,000,000.00	$5,093,124.98

2021 State Quotas

Alabama	$500,000.00
Arizona	$70,000.00
Arkansas	$170,000.00
California	$125,000.00
Canada	$5,000.00
Colorado	$50,000.00
Florida	$120,000.00
FWB Foundation	$80,000.00
Georgia	$170,000.00
Hawaii	$3,000.00
Idaho	$3,000.00
Illinois	$125,000.00
Indiana	$50,000.00
Iowa	$2,500.00
Kansas	$20,000.00
Kentucky	$130,000.00
Michigan	$80,000.00
Mid-Atlantic	$20,000.00
Mississippi	$175,000.00
Missouri	$200,000.00
Montana	$2,500.00
New Hampshire	$2,000.00
New Mexico	$5,000.00
New York	$25,000.00
North Carolina	$750,000.00
Ohio	$175,000.00
Oklahoma	$250,000.00
Oregon	$2,000.00
Other Income	$400,000.00
Other States	$30,000.00
Pennsylvania	$50,000.00
Rhode Island	$5,000.00
South Carolina	$150,000.00
Tennessee	$500,000.00
Texas	$100,000.00
Utah	$3,000.00
Virgin Islands	$60,000.00
Virginia	$250,000.00
Washington	$5,000.00
West Virginia	$125,000.00
WNAC	$10,000.00
Wyoming	$2,000.00

2021 Budget

	Administrative	Missionary	Total
Salaries/Housing	$550,000.00	$2,700,000.00	$3,250,000.00
Retirement	$12,000.00	$50,000.00	$62,000.00
Insurance	$100,000.00	$55,000.00	$155,000.00
Auto and Travel	$275,000.00	$150,000.00	$425,000.00
Postage	$15,000.00	$20,000.00	$35,000.00
Printing	$15,000.00	$65,000.00	$80,000.00
Promotion/Adv.	$100,000.00	$25,000.00	$125,000.00
Off. Supplies/Maint.	$50,000.00		$50,000.00
ONE Magazine	$80,000.00		$80,000.00
Utilities	$25,000.00		$25,000.00
Board Expense	$15,000.00		$15,000.00
Literature	$5,000.00	$200,000.00	$205,000.00
Rent	$70,000.00		$70,000.00
Phone/Fax	$7,000.00		$7,000.00
Depreciation	$40,000.00		$40,000.00
Payroll Taxes	$10,000.00		$10,000.00
Medicare Taxes	$2,500.00		$2,500.00
Legal/Audit	$8,500.00		$8,500.00
Misc.	$10,000.00	$100,000.00	$110,000.00
Scholarships	$5,000.00		$5,000.00
Flowers/Gifts	$10,000.00		$10,000.00
Power Conference	$80,000.00		$80,000.00
Misc. Receipts		$15,000.00	$15,000.00
Land/Building		$120,000.00	$120,000.00
FM Exchange		$15,000.00	$15,000.00
TOTALS	$1,485,000.00	$3,515,000.00	$5,000,000.00

Joel D. Collum, Jr.
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the Church Extension Loan Fund, Inc., (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Church Extension Loan Fund, Inc., as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Joel D. Collum, Jr., CPA

Nashville, Tennessee
April 29, 2020

P.O. Box 291561 • Nashville, Tennessee 37229 • 615.974.2918 • joelcollumcpa@yahoo.com

CHURCH EXTENSION LOAN FUND, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

ASSETS

	2019	2018
ASSETS		
Cash	$ 1,184,904	$ 3,394,532
Investment in the Free Will Baptist Foundation	2,192,511	1,114,187
Investment in the Free Will Baptist Ministries Partnership	750,000	750,000
Notes receivable, net of allowance for doubtful accounts of $881,793 ($937,038 in 2018)	73,669,580	67,828,409
Accrued interest receivable	379,861	338,577
Property & equipment, at cost less accumulated depreciation of $49,387 ($55,130 in 2018)	-	-
TOTAL ASSETS	$ 78,176,856	$ 73,425,705

LIABILITIES AND NET ASSETS

LIABILITIES		
Accrued interest	$ 779	$ 751
Irrevocable trusts	1,359,272	1,361,850
Notes payable	74,362,239	70,274,863
Other accrued liabilities	5,685	5,685
Total liabilities	75,727,975	71,643,149
NET ASSETS		
Without donor restrictions		
Operating	2,448,881	1,782,556
Total Net Assets	2,448,881	1,782,556
TOTAL LIABILITIES AND NET ASSETS	$ 78,176,856	$ 73,425,705

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

CHURCH EXTENSION LOAN FUND, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
	Without Donor Restrictions	
REVENUES		
Investment income	$ 116,354	$ 67,657
Interest income on notes receivable	4,350,000	4,008,214
Total revenue	4,466,354	4,075,871
EXPENSES		
Program expenses		
Interest expense	2,936,476	2,661,907
Build My Church Project expense	40,000	40,000
Bad debt expense	(55,245)	-
Total program expenses	2,921,231	2,701,907
Operating expenses		
Office expense	55,718	98,693
Management fee - Note 4	740,545	690,000
Promotion	59,807	73,574
Professional fees	12,725	38,823
Unrelated Business Income Tax	10,003	18,538
Total operating expenses	878,798	919,628
Total expenses	3,800,029	3,621,535
Increase (decrease) in operating net assets	666,325	454,336
Net assets - beginning of year	1,782,556	1,328,220
Net assets - end of year	$ 2,448,881	$ 1,782,556

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

CHURCH EXTENSION LOAN FUND, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	$ 666,325	$ 454,336
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Bad debt expense	(55,245)	-
Changes in operating assets and liabilities:		
(Increase) decrease in accrued interest receivable	(41,285)	(40,793)
Increase (decrease) in accrued interest payable	28	83
Net Cash Provided (Used) By Operating Activities	569,823	413,626
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to notes and bonds receivable	(12,692,593)	(9,559,570)
Collection on notes receivable	6,906,666	2,173,017
Purchase of Free Will Baptist Foundation investment	(1,078,323)	(56,360)
Redemption of Free Will Baptist Foundation investment	-	1,000,000
Net Cash Provided (Used) By Investing Activities	(6,864,250)	(6,442,913)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Additions to trust	76,722	102,858
Terminations of trust	(79,300)	(78,236)
Additions to notes payable	9,605,656	13,103,639
Repayment of notes payable	(5,518,279)	(6,784,288)
Net Cash Provided (Used) by Financing Activities	4,084,799	6,343,973
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,209,628)	314,686
Cash and cash equivalents at beginning of years	3,394,532	3,079,846
Cash and cash equivalents at end of years	$ 1,184,904	$ 3,394,532
SUPPLEMENTAL DISCLOSURES		
Interest received	$ 4,308,716	$ 3,967,421
Interest paid	$ 2,936,448	$ 2,661,824

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

CHURCH EXTENSION LOAN FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Organization and Purpose:

The Church Extension Loan Fund, Inc., 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. The Fund had $230,789 unrelated business income for 2018 ($221,588 for 2018).

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 U.S. 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 requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, the Fund is required to report information regarding its financial position and activities as either nets assets without donor restrictions or net assets with donor restrictions.

Use of Estimates:

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

The Organization uses estimates to prepare the allowance for doubtful accounts. This estimate is based on management's experience with the church and the current fair market value of the property. The actual amount may be significantly different from this estimate.

Cash equivalents

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - CONTINUED

Cost Allocation

The Fund believes that the expenses are properly classified as expended. Accordingly allocation of costs is not required.

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 net assets without donor restrictions.

2. PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

	2019	2018
Office equipment	$ 49,387	$ 55,130
Less: Accumulated depreciation	(49,387)	(55,130)
	$ -	$ -

3. NOTES PAYABLE

Notes payable consist of 2.5 - 4% (2.5 - 4% in 2018) 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 changes the interest rates on these notes payable as other interest rates change.

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 $740,545 ($690,000 at December 31, 2018) to reimburse the Board of Home Missions for salary, rent and other expenses paid by the Board. The Fund had accounts payable to the Board of Home Missions in the amount of $-0- ($-0- at December 31, 2018).

Several directors and trustees were invested in the Church Extension Loan Fund's notes payable described in Note 3 at December 31, 2019. The interest rate paid on these notes was based on the balance of the account as prescribed by the program guidelines.

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, called the Richard Adams Fund, has reached $1,000,000. In accordance with the provisions of the program payments totaling $40,000 ($40,000 at December 31, 2018) were made during the year to the land funds of two Home Mission's Churches from the interest earned on loans made with Build My Church contributions. The second phase of the Build My Church program called the Roy Thomas Memorial Fund has also reached $1,000,000. The interest earned from the loans made with the money given through the Roy Thomas Memorial Fund will be used to assist the Home Missions General Fund. Additionally, as revocable and irrevocable trusts mature the balance in certain trusts become designated contributions. The amount of such trusts that had matured at December 31, 2019 was $187,750 ($187,750 at December 31, 2018).

6. CONCENTRATION OF CREDIT RISK

The Fund maintains cash deposits in excess of the federally insured amount of $250,000. At December 31, 2019, the excess amount over the federally insured limit was $934,904 ($3,144,532 in 2018). The Fund has not experienced any losses in such cash deposits and management believes it is not exposed to any significant credit risk related to cash.

The Board had $2,192,511 ($1,114,187 at December 31, 2018) invested with the Free Will Baptist Foundation, Inc. at December 31, 2019.

7. CONCENTRATION

Included in notes receivable at December 31, 2019 are twenty-three loans which total $44,876,711 (nineteen which total $37,586,203 in 2018). This balance represents 60.20% (54.66% in 2018) of total notes receivable.

Notes payable include twenty-six notes which total $24,363,486 or 32.76% (twenty-four notes which total $22,448,342 or 31.94% in 2017) of total notes payable.

8. IRREVOCABLE TRUSTS

Seven irrevocable 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, 2019 amounted to $101,206.41 ($100,517 at December 31, 2018).

9. UNCERTAINTY IN INCOME TAXES

Accounting principals generally accepted in the United States of America require the Organization's management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Organization's executive director has analyzed tax positions taken and has concluded that as of December 31, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is exempt from filing annual tax returns. For several years the Organization filed a form 990-T. Management believes that only the returns filed for to the years ended December 31, 2017 through 2019 are subject to examination.

10. DESIGNATION OF NET ASSETS WITHOUT DONOR RESTRICTIONS

In prior years the Board designated a monthly amount of net assets without donor restrictions for contingencies. The balance in the Board designated account at year end was $-0- ($-0- at December 31, 2018).

11. INVESTMENT - THE FREE WILL BAPTIST FOUNDATION

The Fund is invested in a trust established and maintained by the Free Will Baptist Foundation. The Foundation invests these type of trusts in debt and equity securities and values the trusts at fair market value.

A summary of investments in the Foundation are as follows:

	2019	2018
Investment in the Free Will Baptist Foundation	$ 2,192,511	$ 1,114,187
Income earned on the trust	$ 78,324	$ 56,360

12. INVESTMENT - THE FREE WILL MINISTRIES PARTNERSHIP

The Fund is invested in the Free Will Baptist Ministries Partnership. The partnership owns land adjacent to Welch College.

A summary of investments in the Foundation are as follows:

	2019	2018
Investment in the FWB Ministries Partnership	$ 750,000	$ 750,000
Income earned on the partnership	$ -	$ -

13. FAIR VALUE MEASUREMENTS

The Fund's investments are reported at fair value in the accompanying statement of net assets available for benefits.

	Fair Value Measurements at December 31, 2019		
	Fair Value	(Level 1)	(Level 2)
Investment in the FWB Foundation	$ 2,192,511	$ 2,146,069	$ 46,442
Invest. in the FWB Ministries Partnership	750,000	-	750,000
	$ 2,942,511	$ 2,146,069	$ 796,442

	Fair Value Measurements at December 31, 2018		
	Fair Value	(Level 1)	(Level 2)
Investment in the FWB Foundation	$ 1,114,187	$ 1,069,030	$ 45,157
Invest. in the FWB Ministries Partnership	750,000	-	750,000
	$ 1,864,187	$ 1,069,030	$ 795,157

The Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Fair Value Measurements establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Fund uses the appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 1 Fair Value Measurements - The fair value of the investments are based the closing price reported on the active market where the securities are traded.

Level 2 Fair Value Measurements - The fair value of the investments are based on inputs other than quoted prices within Level 1 that are observable for the asset, either directly, or indirectly.

Level 3 Fair Value Measurements - The fair value of the investments are based on at least one significant unobservable input. There were no Level 3 investments.

14. 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 6.5% (6.5% in 2018) over a fifteen to twenty 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.

Notes are stated at unpaid principal balances, less an allowance for doubtful accounts. Management considers most of the notes receivable to be fully collectible. However, there are several notes that management feels it will have trouble collecting. Accordingly, an allowance for doubtful accounts of $881,793 ($937,038 in 2018) has been recorded. This allowance is based on managements experience with the church and the current fair market value of the property.

The Fund's practice is to charge off a note with the approval of the Board of Directors when there is no chance of collection either from the borrower or by disposition of the property.

There were no changes in the Fund's accounting policies during the period. There have been no purchases, sales or reclassifications of notes receivables.

Activity in the allowance for doubtful accounts is as follows:

	2019	2018
Beginning balance	$ 937,038	$ 937,038
Loan written off	-	-
Current year provision	(55,245)	-
Ending balance	$ 881,793	$ 937,038

Management of the Fund reviews each loan balance where the Church is past due and having difficulty making payments. Based on this assessment and the value of the property an estimate is made of the amount, if any, it believes will not be collected.

The ending balance in the allowance for doubtful accounts is attributed to notes evaluated individually as follows:

Loans evaluated individually	2019	2018
	$ 881,793	$ 937,038

The ending balance of notes evaluated individually as follows:

Loans evaluated individually		
	$ 5,203,804	$ 14,887,324

15. IMPAIRED LOANS

A note is considered impaired when, based on currently available information, it is probable that Fund will not collect all of the principal and interest due on the note. The notes receivable and allowance for doubtful accounts included one note that is considered impaired.

Impaired notes are considered nonperforming and, consequently, interest income is only recognized on these loans when actually received from the borrower. The interest received on the impaired loans for the year ended December 31, 2019 was $-0- ($-0- for 2018).

The following tables provide informative data at December 31, 2019 and 2018 and for the years then ended on whether or not management had recognized an allowance for a doubtful account with respect to the impaired loan.

	December 31, 2019			For the Year Ended December 31, 2019	
	Recorded Investment In Impaired Notes	Unpaid Principal Balance of Impaired Notes	Allowance for Doubtful Accounts on Impaired Notes	Average Recorded Investment In Impaired Notes	Interest Income Recognized While Notes Were Impaired
Impaired loan for which an allowance for doubtful accounts has been recognized					
Notes receivable	$ 4,995,523	$ 4,995,523	$ 881,793	$ 743,401	$ -

	December 31, 2018			For the Year Ended December 31, 2018	
	Recorded Investment In Impaired Notes	Unpaid Principal Balance of Impaired Notes	Allowance for Doubtful Accounts on Impaired Notes	Average Recorded Investment In Impaired Notes	Interest Income Recognized While Notes Were Impaired
Impaired loan for which an allowance for doubtful accounts has been recognized					
Notes receivable	$ 7,458,834	$ 7,458,834	$ 937,038	$ 932,354	$ -

16. AGE AND INTEREST ACCRUAL STATUS OF NOTES RECEIVABLE

The following table presents informative date of notes receivable regarding their age and interest accrual status at December 31, 2019. The amount shown as past due represent the total amount of loans in each category that have past due amounts.

	Current	30-59 Days	60-89 Days	90 Days or Greater	Total Past Due	Total Financing Receivables	Total Financing Receivables on Nonaccrual Status	Financing Receivables Past Due 90 Days or Greater and Still Accruing Interest
Notes receivable	$ 69,347,569	$ -	$ -	$ 5,203,804	$ 5,203,804	$ 74,551,373	$ 4,995,523	$ 208,281

There is one note in the nonaccrual status column where property is being rented to a church under a rent to own agreement. All of the payments had not been made at year end under these agreements. Accordingly, they are included in the past due amounts.

17. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Fund's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Donor-restricted amounts that are available for use within one year for general purposes.

	2019	2018
Financial assets at year-end	$77,796,995	$73,087,128
Less those unavailable for general expenditures within one year due to:		
Reserved for holders of notes payable	(74,362,240)	(70,274,863)
Reserved for holders of irrevocable trusts	(1,359,272)	(1,361,850)
Reserved for the Build My Church program	(2,187,750)	(2,187,750)
Financial assets available to meet cash needs for general expenditures within one year	($ 112,267)	($ 737,335)

18. SUBSEQUENT EVENTS

Subsequent events have been evaluated by Management through April 29, 2020 which is the date the financial statements were available to be issued.

Subsequent to year end there was a pandemic caused by the COVID-19 virus. As a result some of the churches had requested to skip or delay one month of their note payments.

Master's Men
National Association of Free Will Baptists
Post Office Box 5002
ANTIOCH, TN 37011-5002

North American Ministries/Master's Men

Kenneth W Akers, Director

It's hard to believe that for almost twenty years, God has provided me the opportunity to serve him through the ministry of The Master's Men!

I started 2019 in much the same way as I have for the past nineteen years, by attending men's retreats. More men's retreats were attended throughout the year. It is an honor to be able to fellowship with our men this way.

In January, I also had the opportunity to be part of the North American Ministries Pastors Boot camp.

In March, we were able to host the Denominational Men's Ministry Leaders annual meeting. This group gets together and shares ministry ideas. Over a dozen denomination leaders attend each year.

I was able to attend several state meetings throughout the year representing Master's Men.

We again hosted our Deep South Golf Tournament in Albany, GA in April and our National Golf Tournament in Nashville in September.

I had the privilege of attending the Samaritan's Purse disaster training in April.

In July, we worked again at our National Convention by coordinating IMPACT and the convention ushering.

In August, we led a small group to assist our church planters in St. Croix, U.S.V.I, with a construction project.

We were able to participate in several other ministry conferences and meeting during the year.

Because of having local groups step-up, we did not mobilize our Disaster Response Teams nationally. We are so grateful for the men and women that respond during these difficult times.

We look forward to being able to assist our churches in motivating and encouraging their men to be the Master's men.

Kenneth W Akers, Director of The Master's Men

2021 Proposed Budget

Office Operations	
Rent	3000
Equipment & Supplies	3000
Telephone	400
Misc.	1320
Postage	2500
Total	**10220**
Accounting	
Audit	**2000**
Resource Development	
ONE Magazine	8400
Printed Materials	1000
Total	**9400**
National Association	**1000**
TOTAL	**22620**

2021 Projected Income

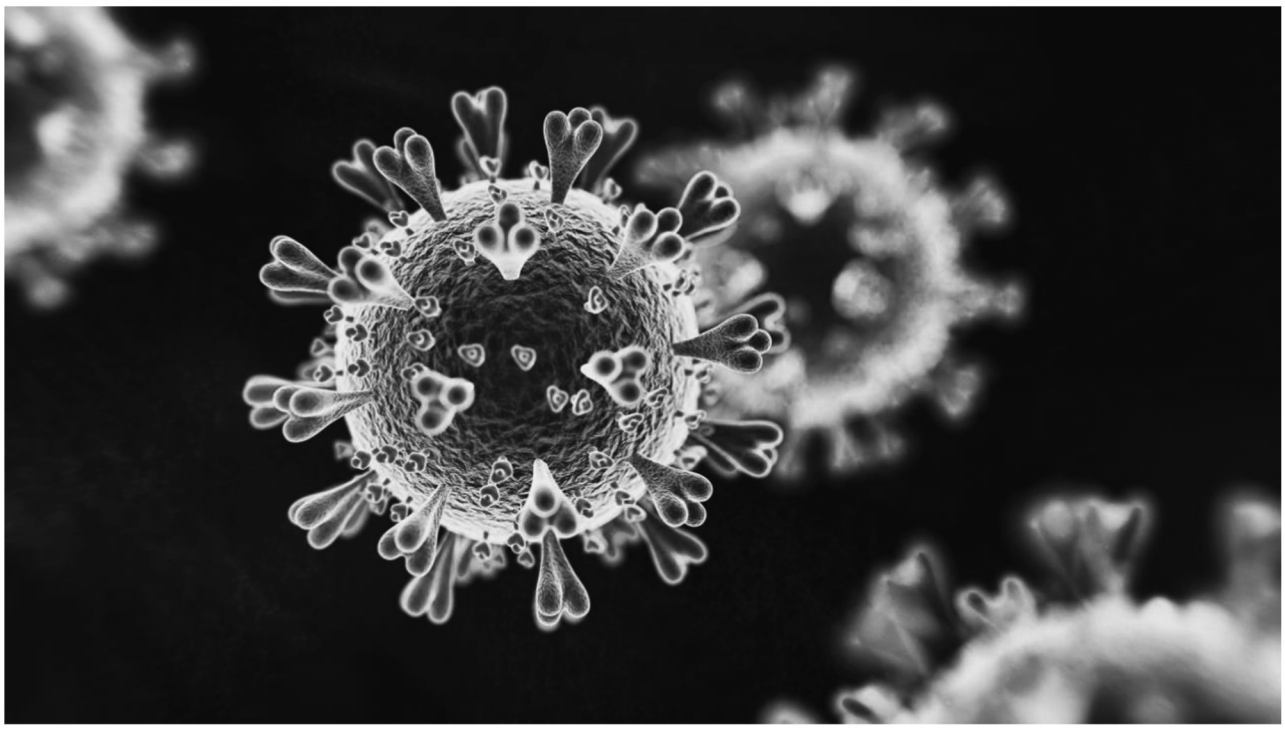
Gifts	**9200**
Golf	**7000**
Sales	**1420**
Endowment Income	**5000**
TOTAL	**22620**

Free Will Baptist Board of Retirement

PREPARING FOR FUTURE MINISTRY

BOARD OF RETIREMENT JOHN BRUMMITT, PRESIDENT AND CEO

Habakkuk 3:17-18 "Though the fig tree should not blossom, nor fruit be on the vines, the produce of the olive fail and the fields yield no food, the flock be cut off from the fold and there be no herd in the stalls, yet I will rejoice in the LORD; I will take joy in the God of my salvation."



YEAR IN REVIEW

The 50th year of the Board of Retirement and Insurance was one for the record books. Our office set an all-time enrollment record of 183 new enrollees for 2019, beating our previous record of 125 set in 2017. We have seen explosive growth in the last four years, but we will be limited by the growth of our denomination moving forward. With our denomination in contraction, we will most likely hit a wall for yearly enrollees. Still, we are looking into some creative solutions for the continued growth of the denomination and the plan.

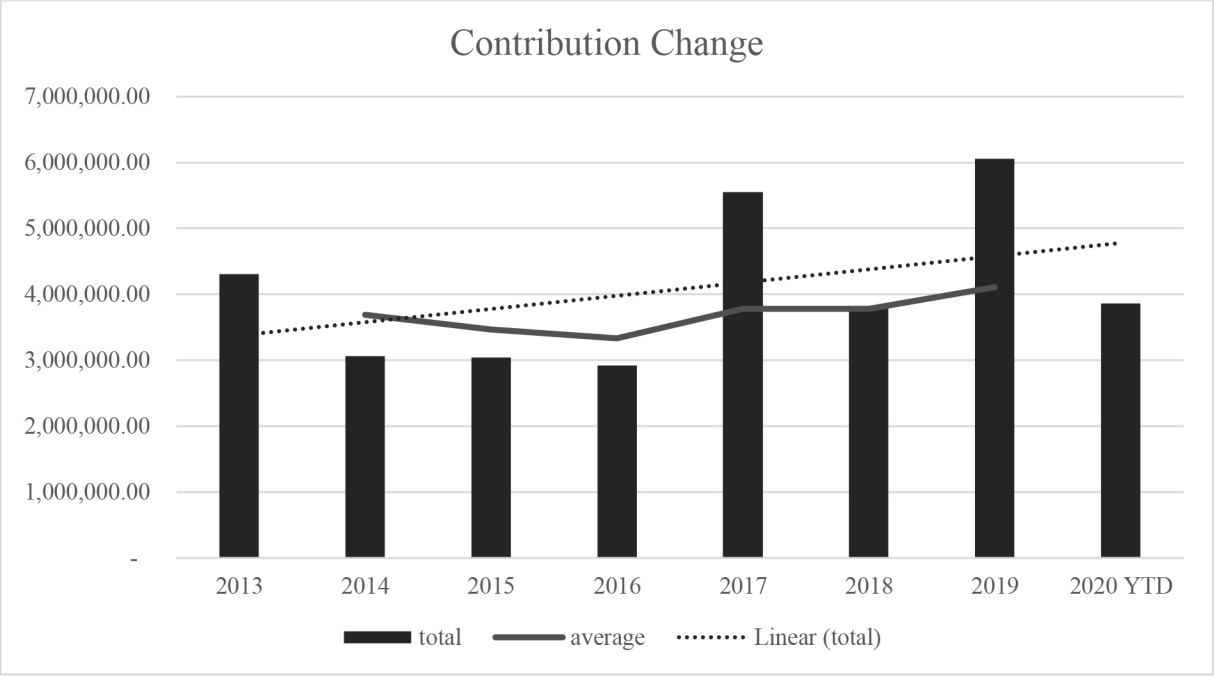
We also set a record in new contributions in 2019. Total contributions for 2019 exceeded $6MM in new funds into the plan, the bulk of which came in contributions from participants. We have adjusted a lot of our educational pieces and outreach to participants in 2018-19 to make sure our participants understand the importance of making appropriate levels of contributions to build their account balances to reach retirement readiness. We will continue this push in 2020 with the addition of recordkeepers to enhance our participants saving rates so that more of our participants are adequately prepared for their future ministry.

	2016	2017	2018	2019	2020*
ENROLLMENTS	124	125	123	183	15
CONTRIBUTIONS	$2,441,646.47	$3,716,839.10	$2,961,546.34	$4,008,889.37	$ 1,812,736.90
INSTITUTIONAL	N/A	$1,835,000.00	177,040.72	1,859,604.76	2,051,320.00
TOTAL	$2,441,646.47	$5,551,839.10	3,138,587.06	6,060,209.37	3,864,056.90

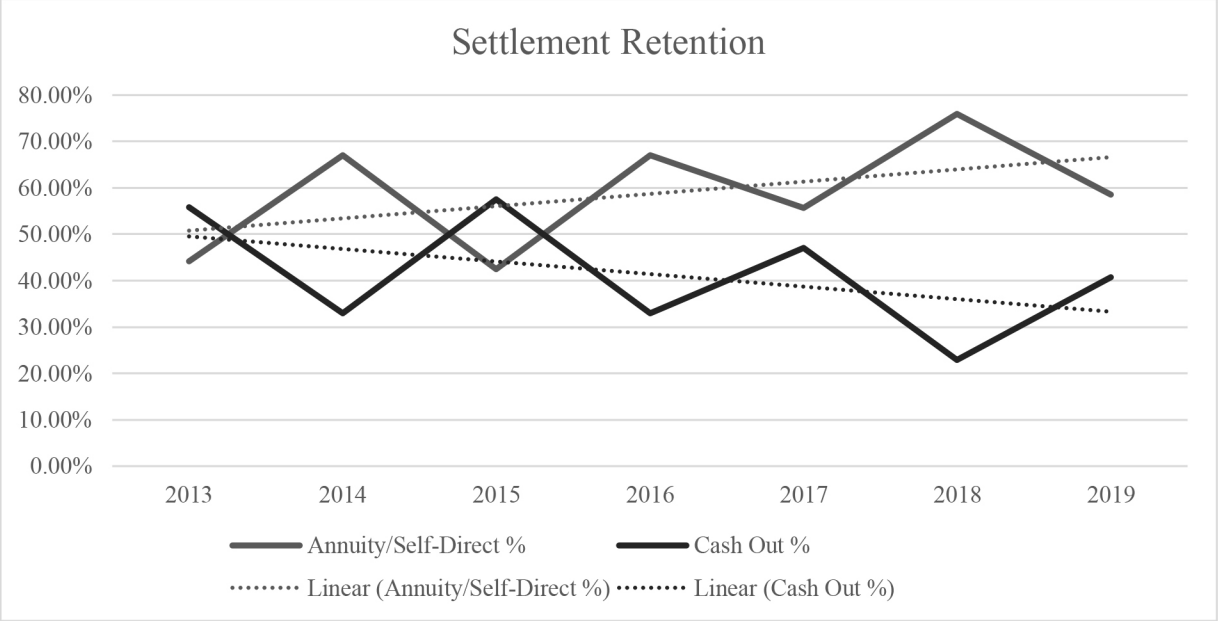
*As of 04/27/2020

We have enhanced most of our messaging to churches and employer groups to help improve benefits to employees. We saw a good increase in the number of employer groups in 2019 that either started an automatic contribution or some percentage of employer match for employees. We also saw an increase in churches asking for suggestions for benefits and pay package structure for pastors and employees. We are praying this continues, and we can help our denomination better care for its employees.

"Coming together is a beginning; keeping together is progress; working together is success." – Henry Ford



While individual contributions were up, we also saw a good increase in our Institutional Investment program in 2019 with us adding $1.8MM. Institutional Investments allow several opportunities to reduce costs and expand services to our retirement participants while at the same time benefiting the institutions with investments increase the rate of return on funds institutions are setting aside for future ministry of the organization.



Our settlement retention held steady in 2019, with over 50% of all settlements going into our Annuity Pool and Self-Directed options. While this did decrease from 2018, participants always have the ability to choose what settlement option best fits their retirement needs and plans. We are still seeing our larger accounts pick

longer-term payout options, which is the goal of our office: for participants to build accounts that can sustain them throughout their retirement years.

In the plan sponsor world (employer sponsors of 401(k) and 403(b) plans), a lot of interest has been generated in the last two years for sponsors to provide payout/lifetime income to participants. These payout options are something the Board of Retirement has been offering since the 1980s. Others are now seeing the benefit of caring for employees, not only during their working careers but also in their retirement years as well. These options are a massive benefit for our FWB employees, and with the addition of housing allowance for ordained ministers, make our product unmatched in the open market for our people.

INVESTMENTS

"The secret of getting ahead is getting started." – Mark Twain

2019 was also a big year when it came to our investments. With the bull market running into its eleventh year, it pushed participant earnings into the double digits.

2019	**Yearly Return**	**3 Year**	**5 Year**	**10 Year**	**20 Year**	**LTD**
Default	19.613%	9.191%	4.602%	6.263%	4.863%	7.177%
Conservative	8.898%	4.521%	2.604%	3.522%		3.522%
Moderate	20.129%	8.185%	4.282%			4.254%
Maximum	26.365%	14.818%	7.577%			9.038%
Discipline Value*	24.664%	10.01%				10.017%

The first half of 2020 has become more volatile with the COVID-19, the shutdown has caused significant disruptions in the markets and the economy. We are still striving to navigate the market to get our participants the best returns during the uncertainty.

Changes in markets work in cycles. Since COVID-19 ended one of the longest bull runs in the markets, we are working through the cycle again now. While no one likes seeing downturns in the markets or how it affects their account, it is essential to remember that without these corrections and bear markets, the opportunity for growth during bull markets and expansion in the market is diminished. Corrections like these are critical to the overall growth of your retirement portfolios.

EXPANSION OF SERVICE

In 2019, we started the selection process of hiring a recordkeeper to enhance our participants' retirement accounts. The final selection came to Northwest Plan Services. While most of the additions to the plan will be behind the scenes for the participants, the enhancement will be most noticeable in the online access.



NWPS

Northwest Plan Services comes highly recommended by other denominational retirement church plans, which have been highly satisfied with the results NWPS has been able to provide them.

NWPS will enhance what our participants will be able to see and learn through their online account access. Also, it will add an extra layer of protection for our participants with cybersecurity—additional security for our participants is essential in an ever-growing environment of cybercrimes.

NWPS will also assist with compliance issues that the IRS requires for church plans such as annual testing for Non-QCCO, auto-enrollment requirements for each employer group, as well as keeping employers notifications to employees as part of the enhancement from our office. Currently, the individual churches and employer groups would be required to do this on their own.

The addition to our plan will also add new technology applications like being able to strike a daily value for the account and speed up the processing time for investment changes and withdrawals from their accounts. It will also add an enhanced look and feel to their accounts, giving participants access to retirement readiness scores and helping them stay on track with their retirement planning.

This addition will allow our participants enhancements in retirement planning and prepare them further for their future ministries.

FINANCIAL EDUCATION

In 2019, we launched the first conference this office has ever hosted. We met over two days in Nashville with ministers and their spouses as we discussed financial and leadership topics that will help them in their ministries moving forward as well as the denomination as they set into leadership roles. We received such positive feedback and requests to please continue to provide this resource to the denomination.

re:invest CONFERENCE

This conference is becoming more of a joint effort of all the National Agencies. Each National department partnered with us to help put on this conference providing resources, speakers, and meals for the attendees. We are striving to make the cost of this conference zero. It will remain an invitation-only event so that we can control cost, but also allows us to work directly with state leaders to help identify the next generation of denominational leadership, as we did with the 2019 conference. The focus will be on training in finance and the leadership responsibilities that are many times overlooked when taking on a leadership role. For example, a new minister becomes a lead pastor in a state; he then is elected to serve in his local association,

and on a committee at the state level. While he can handle the responsibility, the committees that he was asked to serve on he has no background or experience. He could bring significant value to the committee, but without the confidence and knowledge, most likely, no real change will happen. The only way to address this is through training and exposure that is needed to allow them to be fruitful in this new area they







have been asked to serve. The Reinvestment conference is simply that reinvesting in these new leaders or future leaders to help build their confidence and exposure to some of the challenges that they will face during their careers. Gaining this exposure and training will benefit our denomination as well as their personal ministries.

While we are still planning to host this conference in the fall, we are still monitoring the COVID-19 outbreak and will adjust if needed to protect the attendees and speakers.

GETTING STARTED

The majority of Americans don't start saving for their future until later in life, causing us to have a retirement crisis here in the U.S. Many people sacrifice their future needs for their present wants. This is not the model that we have been instructed to follow. In Proverbs 6:6-8, we are taught to look to the ant and consider her ways and be wise. She prepares herself for all seasons by putting back a little from her labor. We are told this is wise. Board of Retirement was created over 50 years ago to give Free Will Baptists a vehicle in which we could accomplish this preparation. The longer you put off preparing for the future, the harder it becomes to be prepared. Our vision is that every Free Will Baptist employee, church, and church agency be prepared for the future ministry God has for them. It doesn't happen overnight, and it will not happen without work, but starting as soon as possible and being consistent in your contributions will make all the difference. We are here to help. Contact our office and get started today.

Synopsis of Board Meetings 2019

Board of Retirement

March 25, 2019

All board members were present except for Randy Wilson. Several reports were presented and approved including: Director's Report, Financial Report, Auditor's Report, and Proposed Budget.

Several motions were made and carried:

1. Give 8% increase to annuity participants
2. Contract UBS as Investment Consultants
3. Retain Joel Collum as auditor
4. Continue to allow 100% of annuity to count as housing
5. Elect Danny Baer as Chairman, Ron Barber as Vice Chairman, Rick Dement as Secretary, and Larry Clyatt as Assistant Secretary for 2019-2020

The Board was given an updated copy of the Board Member Handbook to look over in order to create a final copy. The FWB Foundation grant that the Board of Retirement received was also discussed: the funds were used to 1.) Create a partnership with the Evangelical Council for Financial Accountability (ECFA) to provide financial resources, and 2.) Create the Reinvest Conference in order to train and equip the next generation for financial, relational, and denominational responsibilities.

December 10, 2019

All board members and staff were present.

The Director's Report and Financial Report were both presented and approved.

There was discussion by the Board on the topics of: the results of the Reinvest Conference that happened October 2019, plans for hiring a recordkeeper at the first of the year in 2020, and the election of new board members Don Myers and Lance Boyer to their respective BOR committees.



Joel D. Collum, Jr.
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Board of Retirement and Insurance of the
National Association of Free Will Baptists, Inc.

I have audited the accompanying financial statements of the Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Joel D. Collum, Jr., CPA

Nashville, Tennessee
April 20, 2020

P.O. Box 291561 • Nashville, Tennessee 37229 • 615.974.2918 • joelcollumcpa@yahoo.com

BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

ASSETS

	2019	2018
OPERATING ASSETS		
Cash and cash equivalents	$ 54,249	$ 1,044
Funds invested with Free Will Baptist Foundation	216,619	154,939
Endowment	43,525	37,574
Investment in marketable securities and instruments, at fair market value	171,859	122,574
Total Operating Assets	486,252	316,131
RETIREMENT ASSETS		
Cash and cash equivalents	4,045,836	1,808,027
Investment in marketable securities and instruments, at fair market value	72,506,621	60,893,778
Accrued earnings receivable	179,413	
Prepaid annuitant benefits	(138)	(90)
Notes receivable, net of allowance for doubtful accounts	4,451	4,739
Total Retirement Assets	76,736,183	62,706,454
OFFICE FURNITURE, EQUIPMENT AND AUTOMOBILES at cost, net of accumulated depreciation	62,371	93,526
TOTAL ASSETS	$ 77,284,806	$ 63,116,111

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

BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable - annuitants	$ 12,964,446	$ 12,856,525
Accounts payable - self-directed	3,666,902	3,031,403
Accounts payable, accrued expenses and other liabilities	10,371	10,329
Capital lease payable	7,649	10,469
Total liabilities	16,649,368	15,908,726
NET ASSETS		
Without Donor Restrictions		
Operations:		
Operating funds (deficit)	170,443	75,920
Designated for future assets purchases	141,509	80,436
Designated for future payments to annuitants	118,635	112,077
Net invested in equipment	62,371	93,526
Total Operating Net Assets	492,958	361,959
Retirement Accounts:		
Net assets available for participants	58,075,229	46,992,959
Designated as reserve funds	2,030,008	(194,890)
Total Retirement Net Assets	60,105,237	46,798,069
With Donor Restrictions	37,243	47,357
Total net assets	60,635,438	47,207,385
TOTAL LIABILITIES AND NET ASSETS	$ 77,284,806	$ 63,116,111

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

BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019				2018			
	With Donor Restrictions	Without Donor Restrictions			With Donor Restrictions	Without Donor Restrictions		
	Education	Retirement Accounts	Operations	Total	Education	Retirement Accounts	Operations	Total
SUPPORT, REVENUE AND OTHER ADDITIONS								
Contributions from participants								
Contributions to participant accounts	$ -	$ 9,718,674	$ -	$ 9,718,674	$ -	$ 3,437,055	$ -	$ 3,437,055
Repayment of participant loans	-	443,571	-	443,571	-	348,956	-	348,956
	-	10,162,245	-	10,162,245	-	3,786,011	-	3,786,011
Investment income:								
Gains of investment portfolio:								
Net realized gains (losses)	-	2,933,857	-	2,933,857	-	2,155,505	-	2,155,505
Net unrealized gains (losses)	-	8,799,392	29,610	8,829,002	-	(4,405,286)	(5,336)	(4,410,622)
	-	11,733,249	29,610	11,762,859	-	(2,249,781)	(5,336)	(2,255,117)
Interest and dividends from investments (net investment fees)	-	866,546	-	866,546	-	743,480	-	743,480
Total investment income	-	12,599,795	29,610	12,629,405	-	(1,506,301)	(5,336)	(1,511,637)
Income earned from interest bearing notes:								
Interest income	-	33,154	11,010	44,164	-	25,061	582	25,643
Gain (loss) on sale of property and equipment	-	-	-	-	-	-	(6,279)	(6,279)
Total income earned from interest and sale of property	-	33,154	11,010	44,164	-	25,061	(5,697)	19,364
Gifts	-	-	62,245	62,245	-	-	64,140	64,140
Grant income	-	-	-	-	25,000	-	-	25,000
Miscellaneous income	-	1,787	5,673	7,460	-	212	5,337	5,549
Total other income	-	1,787	67,918	69,705	25,000	212	69,477	94,689
Total additions	-	22,796,981	108,538	22,905,519	25,000	2,304,983	58,444	2,388,427
Allocation for Operations	-	(513,572)	636,146	122,574	-	(716,076)	585,506	(130,570)
Net additions after allocation for operations	$ -	$22,283,409	$ 744,684	$23,028,093	$ 25,000	$ 1,588,907	$ 643,950	$ 2,257,857

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

BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019				2018			
	With Donor Restrictions	Without Donor Restrictions			With Donor Restrictions	Without Donor Restrictions		
	Education	Retirement Accounts	Operations	Total	Education	Retirement Accounts	Operations	Total
Net additions after allocation for operations	$ -	$22,283,409	$ 744,684	$23,028,093	$ 25,000	$ 1,588,907	$ 643,950	$ 2,257,857
EXPENSES AND OTHER DEDUCTIONS								
Total expenses and other deductions	10,114	8,976,241	613,685	9,600,040	265	5,218,942	623,020	5,842,227
Total deductions	10,114	8,976,241	613,685	9,600,040	265	5,218,942	623,020	5,842,227
Increase (decrease) in net assets	(10,114)	13,307,168	130,999	13,428,053	24,735	(3,630,035)	20,930	(3,584,370)
NET ASSETS - beginning of year	47,357	46,798,069	361,959	47,207,385	22,622	50,428,104	341,029	50,791,755
NET ASSETS - end of year	$ 37,243	$60,105,237	$ 492,958	$60,635,438	$ 47,357	$46,798,069	$ 361,959	$47,207,385

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

BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019				2018			
	Program Services				Program Services			
	Education	Retirement Accounts	Operations	Total	Education	Retirement Accounts	Operations	Total
EXPENSES AND OTHER DEDUCTIONS								
Withdrawals from participants	-	5,473,928	-	5,473,928	-	2,636,391	-	2,636,391
Participant loans	-	391,600	-	391,600	-	394,350	-	394,350
Transfers to annuities by participants	-	1,289,362	-	1,289,362	-	1,047,762	-	1,047,762
Transfers to self-driected by participants	-	1,291,457	-	1,291,457	-	673,495	-	673,495
Insurance deductions from participants accounts	-	23,087	-	23,087	-	23,567	-	23,567
Income allocated to annuitant obligations	-	319,938	-	319,938	-	292,920	-	292,920
Income allocated to self-directed accounts	-	186,307	-	186,307	-	146,561	-	146,561
Salaries	-	-	209,385	209,385	-	-	198,739	198,739
Housing	-	-	23,442	23,442	-	-	23,000	23,000
Fringe Benefits	-	-	119,220	119,220	-	-	105,767	105,767
Travel and promotional	-	-	51,177	51,177	-	-	55,188	55,188
Auto maintenance and expense	-	-	12,040	12,040	-	-	9,774	9,774
Office supplies and expense	-	562	92,139	92,701	-	2,911	83,623	86,534
Occupancy	-	-	32,809	32,809	-	-	34,244	34,244
Board members expense	-	-	18,220	18,220	-	-	16,133	16,133
Legal and accounting	-	-	20,986	20,986	-	-	43,728	43,728
Grant expense	10,114	-	-	10,114	265	-	-	265
Depreciation	-	-	31,155	31,155	-	-	28,985	28,985
Annuitant benefit payments	-	-	549	549	-	-	23,178	23,178
Miscellaneous	-	-	2,563	2,563	-	985	661	1,646
Total deductions	10,114	8,976,241	613,685	9,600,040	265	5,218,942	623,020	5,842,227

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

BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Retirement Accounts	Operations	Total	Retirement Accounts	Operations	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from:						
Contributions from participants and employers	$10,162,245	$ -	$10,162,245	$ 3,786,011	$ -	$ 3,786,011
Gifts	-	62,245	62,245	-	64,140	64,140
Income earned from interest and sale of loan property	33,154	11,010	44,164	25,061	-	25,061
Investment income	687,133	29,610	716,743	743,480	(4,754)	738,726
Grant income	-	-	-	-	25,000	25,000
Miscellaneous income	1,787	5,673	7,460	212	5,337	5,549
Cash paid for:						
Supplies and employees	(44,460)	(601,353)	(645,813)	(7,716)	(602,976)	(610,692)
Withdrawal of funds by participants	(8,446,347)	-	(8,446,347)	(4,751,998)	-	(4,751,998)
Income allocated to self-directed accounts	(186,307)	-	(186,307)	(146,561)	-	(146,561)
Income allocated to annuitant obligations	(319,938)	-	(319,938)	(292,920)	-	(292,920)
Net Cash Provided (Used) By Operating Activities	1,887,267	(492,815)	1,394,452	(644,431)	(513,253)	(1,157,684)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchases of office furniture, equipment and automobiles	-	-	-	-	(51,741)	(51,741)
Proceeds from sale of automobile		-	-		10,000	10,000
Investments:						
Purchases of investment securities	(72,550,662)	(19,675)	(72,570,337)	(51,939,322)	(71,491)	(52,010,813)
Funds invested with Free Will Baptist Foundation	-	(67,631)	(67,631)	-	21,332	21,332
Proceeds from sale of investment securities	72,671,068	-	72,671,068	51,367,756	-	51,367,756
Notes receivable:						
New loans made	(391,600)	-	(391,600)	(394,350)	-	(394,350)
Collection of notes receivable	391,888	-	391,888	392,439	-	392,439
Net Cash Provided (Used) By Investing Activities	120,694	(87,306)	33,388	(573,477)	(91,900)	(665,377)

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

BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Retirement Accounts	Operations	Total	Retirement Accounts	Operations	Total
CASH FLOWS FROM FINANCING ACTIVITIES:						
Allocation for operations	$ (513,572)	$ 636,146	$ 122,574	$ (716,076)	$ 585,506	$ (130,570)
Net to additions to (withdrawals from):						
Annuities payable	107,921	-	107,921	1,863,684	-	1,863,684
self-directed accounts	635,499	-	635,499	(3,211)	-	(3,211)
New borrowing on capital lease	-	-	-	-	12,777	12,777
Repayments on capital lease	-	(2,820)	(2,820)	-	(2,308)	(2,308)
Net Cash Provided (Used) By Financing Activities	229,848	633,326	863,174	1,144,397	595,975	1,740,372
INCREASE (DECREASE) IN CASH	2,237,809	53,205	2,291,014	(73,511)	(9,178)	(82,689)
Cash and cash equivalents at beginning of years	1,808,027	1,044	1,809,071	1,881,538	10,222	1,891,760
Cash and cash equivalents at end of years	$ 4,045,836	$ 54,249	$ 4,100,085	$ 1,808,027	$ 1,044	$ 1,809,071
RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO CASH FLOWS FROM OPERATING ACTIVITIES:						
Increase (decrease) in net assets	$ 13,307,168	$ 120,885	$ 13,428,053	$ (3,630,035)	$ 45,665	$ (3,584,370)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:						
Depreciation and amortization	-	31,155	31,155	-	28,985	28,985
Allocation for operations	513,572	(636,146)	(122,574)	716,076	(585,506)	130,570
Loss (gains) on investment transactions	(11,733,249)	(29,610)	(11,762,859)	2,249,781	5,336	2,255,117
Loss (gains) on sale of assets	-	-	-	-	6,279	6,279
Decrease (incease) in acrued earnings receivable	(179,413)	-	(179,413)	-	-	-
(Increase) decrease in prepaid expenses	48	-	48	40	-	40
Increase (decrease) in accounts payable, accrued expenses and other	(20,859)	20,901	42	19,707	(14,012)	5,695
Total adjustments	(11,419,901)	(613,700)	(12,033,601)	2,985,604	(558,918)	2,426,686
Net Cash Provided (Used) By Operating Activities	$ 1,887,267	$ (492,815)	$ 1,394,452	$ (644,431)	$ (513,253)	$ (1,157,684)

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

BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Organization:

The Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc. (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, Free Will Baptist missionaries and lay employees of churches, schools and Free Will Baptist agencies. The Board maintains this retirement pension plan pursuant to Section 403(b)(9) of the Internal Revenue Code of 1986, which is an exempt church plan under the provisions of the code.

The plan was amended and restated effective January 1, 2015 to allow Roth contributions to the plan. Additionally, effective January 1, 2019 the plan was updated to comply with the new tax law.

Eligibility:

A person is eligible to participate if they work at least 20 hours per week for an eligible employer that has agreed to participate in the Plan. An eligible employer includes any church or agency that is participating cooperatively with the National Association of Free Will Baptists. In addition, Free Will Baptist ministers who are evangelists or otherwise self-employed and spouses of Free Will Baptist International missionaries are eligible to participate in the Plan without regard to the number of hours worked in a week.

Contributions:

Under the terms of the retirement pension plan which the Board maintains, contributions may be made to the Plan through employer contributions, employee elective contributions (salary reduction contributions and roth contributions), after-tax contributions and rollover and transfer contributions. Total employer contributions, employee elective contributions abd after-tax 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. These limits include special "catch-up" amounts after age 50.

Participant accounts:

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 on the last day of each month. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - CONTINUED

Payment of benefits:

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

Vesting:

All contributions to the plan are 100% vested.

Termination of the plan:

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.

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 as net assets with donor restrictions or net assets without donor restrictions based on the existence of donor-imposed restrictions.

Income Taxes:

The Board is exempt from income taxes; accordingly, no provision for income taxes has been made in the accompanying financial statements.

Investments:

Investments in marketable securities are reported at fair value with gains and losses included in the Statements 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:

The Board follows the practice of capitalizing, at cost, all expenditures for office furniture, equipment and automobiles in excess of $10,000. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets, generally 5 years for automobiles and 5 – 10 years for furniture and equipment.

Cost Allocation

The Board believes that the expenses are properly classified as expended. Accordingly allocation of costs is not required.

BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - CONTINUED

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.

Uses of Estimates in 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 collectability 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 each estimate is adequate. Actual results could differ from those estimates.

Pension Plan:

The Board contributes to this Plan on behalf of its employees. Contributions for 2019 amounted to $16,298 ($15,522 for 2018).

2. OFFICE FURNITURE, EQUIPMENT AND AUTOMOBILES

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

	2019	2018
Office furniture and fixtures	$ 50,277	$ 50,277
Computer hardware and software	163,810	163,810
Automobiles	102,782	102,782
	316,869	316,869
Less: Accumulated depreciation	(254,498)	(223,343)
	$ 62,371	$ 93,526

3. NOTES RECEIVABLE

Following is a summary of notes receivable:

	2019	2018
Participant notes (net) secured by retirement account balances	$ 4,451	$ 4,739

The notes bear interest at 3.0% - 7.0% and mature at various dates from 2020 through 2024.

BOARD OF RETIREMENT AND INSURANCE OF
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

4. INVESTMENTS IN MARKETABLE SECURITIES AND INSTRUMENTS

	2019		
	Market Value	Cost	(Depreciation) Appreciation
Investments:			
Common Stocks	$ 43,168,819	$ 34,531,951	$ 8,636,868
U.S. Government Issues	12,053,445	11,617,936	435,509
Corporate Bonds	9,639,222	9,477,250	161,972
Asset Back Securities	7,570,079	6,311,020	1,259,059
Municipal bonds	75,056	75,000	56
Total Investments	$ 72,506,621	$ 62,013,157	$ 10,493,464

For 2019, total investment gain (loss) relating to marketable securities and instruments amounted to $12,629,405 and consisted of investment gains (losses) of $11,762,859 and interest and dividends of $866,546 (net of investment fees of $517,134). Investment income (loss) represented yields of 18.92% and 20.86% based on the average market value and average cost of such investments.

	2018		
	Market Value	Cost	(Depreciation) Appreciation
Investments:			
Common Stocks	$ 30,448,151	$ 28,205,799	$ 2,242,352
U.S. Government Issues	20,671,915	20,710,355	(38,440)
Corporate Bonds	9,085,077	9,325,473	(240,396)
Asset Back Securities	755,818	762,711	(6,893)
Real Estate Investment Trusts	55,391	55,739	(348)
Total Investments	$ 61,016,352	$ 59,060,077	$ 1,956,275

For 2018, total investment gain (loss) relating to marketable securities and instruments amounted to ($1,511,637) and consisted of investment gains (losses) of ($2,255,117) and interest and dividends of $743,480 (net of investment fees of $513,435). Investment income (loss) represented yields of (2.45%) and (2.62%) based on the average market value and average cost of such investments.

5. LEASE

Under the terms of a lease agreement with an affiliate, the Board leases 2,324 square feet of office and storage space for $1.18 ($1.23 in 2018) per square foot per month. The Board shares a portion of the space with the Free Will Baptist Foundation. Total lease payments were $32,809 and $34,244 for the years ended December 31, 2019 and 2018, respectively.

6. 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, 2019 and 2018, the recorded liability amounted to $12,764,446 and $12,856,525 respectively. The Board uses the Mortality Table 2012 IAM. Using this mortality table the actuary has determined that the current periodic benefit exceeded the reserve account at December 31, 2019 by $1,469,341 (the reserve account exceeded the current periodic benefit by $1,469,341 at December 31, 2018). Management will not request a pension benefit increase for 2020.

7. 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, 2019 and 2018:

	2019		
	Account Balance	Amount Insured/ Secured	Amount of Accounting Risk of Loss
Notes receivable, net of allowance for doubtful collections	$ 4,451	$ 4,451	$ -
Cash and cash equivalents	445,642	250,000	195,642
Funds invested with the Free Will Baptist Foundation	216,619	216,619	-
Short-term liquid investments	3,654,443	500,000	3,154,443
Endowment	43,525	43,525	-
Corporate bonds	9,639,222	-	9,639,222
Common stocks	43,168,819	-	43,168,819
U.S. Treasury notes and bills	12,053,445	12,053,445	-
Asset backed securities	7,570,079	7,570,079	-
Municipal bonds	75,056	-	75,056
	$ 76,871,301	$ 20,638,119	$ 56,233,182

7. INFORMATION REGARDING FINANCIAL INSTRUMENTS - CONTINUED

	2018		
	Account Balance	Amount Insured/ Secured	Amount of Accounting Risk of Loss
Notes receivable, net of allowance for doubtful collections	$ 4,739	$ 4,739	$ -
Cash and cash equivalents	609,888	250,000	359,888
Funds invested with the Free Will Baptist Foundation	154,939	154,939	-
Short-term liquid investments	1,199,183	1,000,000	199,183
Endowment	37,574	37,574	-
Corporate bonds	9,085,077	-	9,085,077
Common stocks	30,448,151	-	30,448,151
U.S. Treasury notes and bills	20,671,915	20,671,915	-
Asset backed securities	755,818	755,818	-
Real estate investment Trusts	55,391	-	55,391
	$63,022,675	$22,874,985	$40,147,690

8. FAIR VALUE MEASUREMENTS

The Board's investments are reported at fair value in the accompanying statement of net assets available for benefits.

	Fair Value Measurements at December 31, 2019 Using			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common Stocks	$43,168,819	$43,168,819	$ -	$ -
U.S. Government Issues	12,053,445	7,096,634	4,956,811	-
Corporate Bonds	9,639,222	3,350,809	6,288,413	-
Asset backed securities	7,570,079	1,891,788	5,678,291	-
Municipal bonds	75,056	75,056	-	-
Foundation investments	216,619	216,619	-	-
Endowment	43,525	43,525	-	-
	$72,766,765	$55,843,250	$16,923,515	$ -

8. FAIR VALUE MEASUREMENTS - CONTINUED

The Board's investments are reported at fair value in the accompanying statement of net assets available for benefits.

	Fair Value Measurements at December 31, 2018 Using			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common Stocks	$30,448,151	$30,448,151	$ -	$ -
U.S. Government Issues	20,671,915	7,180,403	13,491,512	-
Corporate Bonds	9,085,077	3,261,805	5,823,272	-
Asset backed securities	755,818	755,818	-	-
Real estate investment Trusts	55,391	-	55,391	-
Foundation investments	154,939	154,939	-	-
Endowment	37,574	37,574	-	-
	$61,208,865	$41,838,690	$19,370,175	$ -

The Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Board uses the appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Board measures fair value using Level 1 inputs because they provide the most reliable evidence of fair value. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 1 Fair Value Measurements - The fair value of the investments are based the closing price reported on the active market where the securities are traded.

Level 2 Fair Value Measurements - The fair value of the investments are based on inputs other than quoted prices within Level 1 that are observable for the asset, either directly, or indirectly.

Level 3 Fair Value Measurements - The fair value of the investments are based on at least one significant unobservable input.

9. CAPITAL LEASE

The Board acquired office equipment under the provisions of a long-term lease. The lease agreement provides for minimum annual lease payments of $4,679.

Future minimum payments under the lease are as follows:

2020	$ 4,679
2021	4,679
	9,358
Less amount representing interest	(1,709)
Present value of net minimum lease payments	$ 7,649

The depreciation expense related to this office equipment amounted to $2,555.

The imputed interest included in the payments for this equipment amounted to $1,860.

10. RELATED PARTY TRANSACTIONS

The employees of the Board and eligible members of the Board of Directors participate in the retirement plan described in Note 1. A contributory pension plan is maintained for all of the employees and Directors that participate. Contributions are made to these pension plans and earnings are allocated to these plans in accordance with the provisions of the plan.

11. UNCERTAINTY IN INCOME TAXES

Accounting principals generally accepted in the United States of America require the Organization's management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Organization administrator has analyzed tax positions taken and has concluded that as of December 31, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is exempt from filing annual tax returns.

12. SELF-DIRECTED LIABILITY

Retirees who do not elect to participate in the annuity program can elect to participate in a self-directed plan where they can choose to receive benefits over a certain period of time or receive a certain amount each month. In order to comply with IRS regulations the Organization transferred money to a specific investment account for this program and transferred $3,236,125 from net assets available for participants to the self-directed liability to establish the liability for retirees already participating.

13. INSTITUTIONAL INVESTING PROGRAM

The Board provides Free Will Baptist churches and church organizations with the opportunity to manage their assets for growth and development of their ministries by investing in the Board's institutional investing program. The funds are invested in the Board's investment account based on the investment strategy selected by the investing church or church organization.

14. ENDOWMENT

The Board has an endowment with the Free Will Baptist Foundation. The endowment was established by the Board for the benefit of the Board. The Board has no control over the type of investments in the endowment. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Free Will Baptist Foundation pools its assets for investment purposes. Investment activity is allocated to funds based on the fund's percentage share of the total portfolio. The Board is invested in the Free Will Baptist Foundation's Endowment Pool.

The Board has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Board classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as unrestricted net assets until those amounts are appropriated for expenditure by the Board in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Board considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Board, and (7) the Board’s investment policies.

The Board has no control over the investments in the endowment. Accordingly, the Board has not adopted an investment policy related to the endowment.

The income earned on the endowment is distributed to the Board every six months. The money is spent to provide extra benefits for Board annuitants.

14. ENDOWMENT - CONTINUED

The Endowment net asset composition by type of fund as of December 31, 2019 is as follows:

	With Donor Restrictions	Total Net Endowment Net Assets
Board designated endowment funds	$ 43,525	$ 43,525
	$ 43,525	$ 43,525

The activity in the endowment during the year is as follows:

	With Donor Restrictions	Total Net Endowment Net Assets
Beginning balance	$ 37,574	$ 37,574
Total gains or losses (realized and unrealized) included in the Statement of Activities	5,851	5,851
Purchases, issuances, settlements, and transfers from unallocated to allocated (net)	100	100
Ending balance	$ 43,525	$ 43,525

The Endowment net asset composition by type of fund as of December 31, 2018 is as follows:

	With Donor Restrictions	Total Net Endowment Net Assets
Board designated endowment funds	$ 37,574	$ 37,574
	$ 37,574	$ 37,574

14. ENDOWMENT - CONTINUED

The activity in the endowment during the year is as follows:

	With Donor Restrictions	Total Net Endowment Net Assets
Beginning balance	$ 67,566	$ 67,566
Total gains or losses (realized and unrealized) included in the Statement of Activities	(3,155)	(3,155)
Purchases, issuances, settlements, and transfers from unallocated to allocated (net)	(26,837)	(26,837)
Ending balance	$ 37,574	$ 37,574

15. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Board's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Donor-restricted amounts that are available for use within one year for general purposes.

	2019	2018
Financial assets at year-end	$77,222,435	$63,022,585
Less those unavailable for general expenditures within one year due to:		
Reserved for annuitants	(12,964,446)	(12,856,525)
Reserved for self-directed participants	(3,666,902)	(3,031,403)
Reserved for participant retirement	(60,105,237)	(46,798,069)
Reserved for future payments to annitants	(118,635)	(112,077)
Donor restricted net assets	(37,243)	(47,357)
Financial assets available to meet cash needs for general expenditures within one year	$ 329,972	$ 177,154

16. NEW ACCOUNTING PRONOUNCEMENT

During the year the new revenue standard ASC 606 became effective. The revenue of the Board is primarily investment earnings and donations. Accordingly, this new standard does not impact the Board's financial statements.

17. SUBSEQUENT EVENTS

Subsequent events have been evaluated by Management through April 20, 2020 which is the date the financial statements were available to be issued.

Subsequent to year end there was a pandemic caused by the COVID-19 virus. As a result there was a significant decrease in the value of the investments. As of the date of the report the Board investments had decreased approximately $2,375,000.

Board of Retirement Insurance
Proposed Budget for 2021

	2019 Actual	2019 Budget	2020 Budget	2021 Proposed
Revenue				
Service Fees From Retirement	636,145.58	593,320.00	608,000.00	608,000.00
Unallocated Service Fees	290.50	500.00	500.00	400.00
Insurance Administrative Fees	60,624.87	58,000.00	58,000.00	58,000.00
The Together Way	260.00	300.00	300.00	300.00
Other State Gifts	1,359.76	2,000.00	2,000.00	2,000.00
Rest Of The Family Offering	0.00	2,000.00	2,000.00	2,000.00
Interest Income Checking Savings	3,073.13	0.00	0.00	0.00
Interest Income Future Purchases	2,085.89	0.00	0.00	0.00
Investment Income Annuitants	5,850.77	0.00	0.00	0.00
Investment Income Endowment	29,610.38	0.00	0.00	0.00
Investment Income Retained Earnings	0.00	0.00	0.00	0.00
Grant Income	0.00	0.00	0.00	0.00
Gain Loss on Sale of Assets	0.00	0.00	0.00	0.00
Miscellaneous Income	5,382.72	3,000.00	3,000.00	3,000.00
Total Revenue	744,683.60	659,120.00	673,800.00	673,700.00
Expenses				
Salaries and Wages	209,827.41	209,826.76	230,547.11	240,660.16
Fringe Benefits	119,220.44	120,000.00	120,000.00	127,000.00
Housing	23,000.00	23,000.00	23,000.00	23,000.00
Travel and Promotion	51,177.23	55,000.00	55,000.00	55,000.00
Auto Maintance and Expense	12,040.13	8,000.00	8,000.00	8,000.00
Future Purchases*	0.00	50,000.00	0.00	0.00
Payments to Annuitants	548.50		0.00	0.00
Plant Fund	32,808.83	37,000.00	37,000.00	37,000.00
Office Expense	34,624.23	36,000.00	36,000.00	36,000.00
Equipment	9,826.44	10,000.00	10,000.00	10,000.00
Equipment Lease	1,959.81	2,000.00	2,000.00	2,000.00
Education/Training	14,661.82	15,000.00	20,000.00	20,000.00
Publications	22,546.81	27,500.00	27,500.00	27,500.00
Board Member Expense	18,219.74	15,000.00	18,000.00	18,000.00
Website Development/Maintance	5,962.12	7,500.00	7,500.00	7,500.00
Legal Expense	4,735.98	12,000.00	12,000.00	12,000.00
Auditing Expense	16,250.00	17,500.00	17,500.00	17,500.00
Offsite Backup Storage	0.00	1,200.00	1,200.00	1,200.00
Software Support	10,557.43	5,500.00	5,500.00	5,500.00
Depreciation Expense*	31,155.00	0.00	41,052.89	23,839.84
Miscellaneous Expense	2,563.33	7,093.24	2,000.00	2,000.00
Grant Expense	10,114.26	0.00	0.00	0.00
To/From Retirement	(19,674.40)	0.00	0.00	0.00
Total Expenses	612,125.11	659,120.00	673,800.00	673,700.00

*Future Purchases has been reallocated to Depreciation Expense.

Board of Retirement and Insurance

Compensation Package Detail
2021 Proposed

President and CEO: John Brummitt	2018 Approved	2019 Approved	2020 Proposed	2021 Proposed
Salary	83,000.00	87,150.00	93,250.00	96,980.00
SS and Med	6,349.50	6,666.98	7,133.63	7,280.34
Christmas	1,596.15	1,675.96	1,793.27	1,865.00
Retirement	5,810.00	6,100.50	6,527.50	6,788.60
Insurance	14,517.00	19,597.95	19,597.95	26,457.23
Total Cost of Employment	111,272.65	121,191.39	128,302.35	139,371.18
Accounting Administrator: Joshua Eidson				
Salary	52,416.00	55,036.80	61,650.00	64,116.00
SS and Med	4,099.82	4,210.32	4,716.23	4,813.22
Christmas	1,008.00	1,058.40	1,185.58	1,233.00
Retirement	3,669.12	3,852.57	4,315.50	4,488.12
Insurance	22,358.76	25,700.00	25,700.00	25,700.00
Total Cost of Employment	83,551.70	89,858.09	97,567.31	100,350.34
Communication Officer: Chris Compton				
Salary/Housing	49,140.00	51,597.00	57,800.00	60,112.00
SS and Med	3,759.21	3,947.17	4,421.70	4,512.64
Christmas	945.00	992.25	1,111.54	1,156.00
Retirement	3,439.80	3,611.79	4,046.00	4,207.84
Insurance	16,293.00	19,597.95	19,597.95	19,597.95
Total Cost of Employment	73,577.01	79,746.16	86,977.19	89,586.43
Admin. Assistant: Audrey Hollifield				
Salary	33,000.00	34,650.00	36,036.00	37,477.44
SS and Med	2,524.50	2,650.73	2,756.75	2,813.45
Christmas	634.62	666.35	693.00	720.72
Retirement	2,310.00	2,425.50	2,522.52	2,623.42
Insurance	9,856.32	9,900.00	9,900.00	9,900.00
Total Cost of Employment	48,325.44	50,292.58	51,908.27	53,535.03

randall house

Executive Director's Report
2020 National Association of Free Will Baptists
During the COVID-19 Virus Hybrid Meeting

Executive Summary

This report comes to you while our country is just coming out of the peak of the COVID-19 crisis, a global pandemic affecting every industry and nearly every country around the world. While the world has generally been panicking, the Body of Christ has opportune moments to step into the crisis with a different set of attitudes and actions. As people are social-distancing and quarantined in their homes, these moments define Deuteronomy 6 opportunities: more table-time, deeper conversations, tough questions from kids, reliance upon God by parents, and churches scrambling to keep everyone connected. Pastors wrestle with the future survivability of the church. Churches who equip and minister to families in these moments should, in return, see those same families passionately support their church in the future.

The economy saw the DOW drop over 30% in the span of a week. Unemployment jumped to modern record levels. These factors also impact the church. Randall House will generally reflect the health of our churches and often may lag a little behind what they immediately experience.

Our goal is to serve and support the churches in this crisis. If we can help their health, they will in turn keep us healthy as our country rebounds from the pandemic. Our goals through this crisis are as follows: serve our churches, maintain organizational health, retain every team member, and launch the new *D6 EveryDay* Curriculum as the single greatest family ministry and generational discipleship tool ever published.



Introduction

The year was 1914. He pulled out of an English harbor sailing toward Antarctica in the South Pole. The captain of the ship set his sights on being the first to succeed in a transcontinental journey across Antarctica. Even among the best-laid plans, this journey proved to be one of the great studies for adapting within a crisis. Ernest Shackleton named his ship *The Endurance*, and that theme would prove significant.

Just before reaching Antarctica, *The Endurance* entered an ice pack and became trapped. The ice pack trapped the ship and

forced it to follow the path of the drift with no control over direction. Within a few months, the crew realized the ice was crushing the hull of the ship. They offloaded all supplies, sled dogs, sails, and any other component of the vessel for potential repurposing in survival. They also salvaged a couple of the dinghies or lifeboats, which would later prove invaluable. The entire crew survived almost two years in the frozen regions too barren to be classified as tundra, with provisions never intended for such purpose. The men combined all their skills and other resources to survive the climate.

After 16 months, Ernest Shackleton and some crewmen boarded the adapted lifeboats for a near-impossible journey. They set sail for South Georgia Island from Elephant Island, a trip of 800 miles across the open ocean with the navigation tools of the day. Because we read their story today, obviously that small boat found what would be the proverbial needle in the haystack of South Georgia Island in the middle of nowhere. They sent back a rescue party for the remaining crew trapped on Elephant Island.



I originally read Shackleton's story of *The Endurance* in 1998. His legacy, 115 years later, remains an inspiration to many businesses who face hardships today. Numerous books analyzed his leadership and accomplishments of survival and rescue.

Our pastors and national directors can identify with and resemble Ernest Shackleton in leading our ministries through dangerous circumstances. Like the captain of over a century ago, we care deeply about the people around us making it through the storm. Our pastors have lead well through the pandemic so far. We too have navigated the troubled waters. While we are far from safety, our prayer remains that our churches, pastors, and national agencies emerge more tech savvy, shepherding minded, and relationally focused. Enduring the elements, we have our sights set on getting everyone to the other side.

A Fortuitous Pretext to COVID-19

I spent most of 2019 analyzing the numbers, our team members, and mission tasks. In the fall of 2019, I presented a radical plan to better position Randall House during what has consistently been a perilous decade for publishers. The new initiative shifted our focus, energy, and budget back squarely on our primary mission, but that meant trimming areas and people. The plan also shifted the leadership team, losing one, moving one, and adding one. It likewise meant reducing our team members by three. No matter how right the moves were, these were agonizing decisions.

Now, in hindsight, the fortuitous benefits of having made the hard choices ahead of time positioned Randall House better coming into the COVID-19 crisis. The deeper cuts, the reduction in staff, and the mindset to be leaner created a posture whereby we could deal better with the adaptation of this economic tsunami. Even as I write this report, I do not know the outcome of our summer orders or if we could face a second spike in the virus.

On April 7, we convened a meeting with 20 other CEOs of denominational publishers to see how everyone was dealing with this most unusual time. We discussed our response and support of our churches with numerous free products, including curriculum. The other leaders shared various ways they have responded both in support of their churches and in defense of the financial impact on their organizations. Across the board, the most frequent item shared was that they had cut their book acquisitions and releases for the 2020 fiscal year. The second most crucial item shared regarded the need for cash to sustain the dry period should orders not come in the summer months. Not getting curriculums orders for the summer quarter is the #1 fear for every publisher and may mean the difference in surviving or not.

The COVID-19 Support for Our Churches.



The current climate is very concerning but also offers the perfect opportunity for parents to learn Deuteronomy 6 "At-home" habits. The departments of events, curriculum, and operations all focused on production, which left our strategic projects department, marketing department,

and myself. I formed a team consisting of David Womack from sales, Danny Conn from editorial and strategic projects, Lena Wooten from marketing, and myself to tackle creative ways we can serve our churches during the COVID-19 mandate to no longer hold public services. We started a D6Family.com/COVID19 webpage offering numerous free resources for discipleship during this time. We allowed churches the rights to record and distribute the lessons within their churches. We included step-by-step instructions for streaming both sermons and Sunday School classes. This page included Easter resources and more. In cooperation with a local church, we distributed a weekly Sunday School video teaching for adults for those churches who did not have the ability to create online resources.

Our pastors who began getting a church experience into the home quickly discovered that church happened without a building. These leaders discovered not only Zoom, but the power of parents stepping up each day with faith talks that reinforce what is happening through everyday D6 habits. Homes could be forever changed if the conversations around Scripture become part of the new norm. This crisis presents the ideal opportunity for church and home to both have an exceptional role in the discipleship process.

The Randall House events department focused on adapting in the lead up to the Vertical Three ministries in July, with intentional options spelled out for YET and Truth and Peace, even though we watched all the revenue vanish along with the typical summer experience. We provided all ages of devotional magazines free for the spring quarter to assist pastors in easy distribution of our key discipleship tools for in-home use.

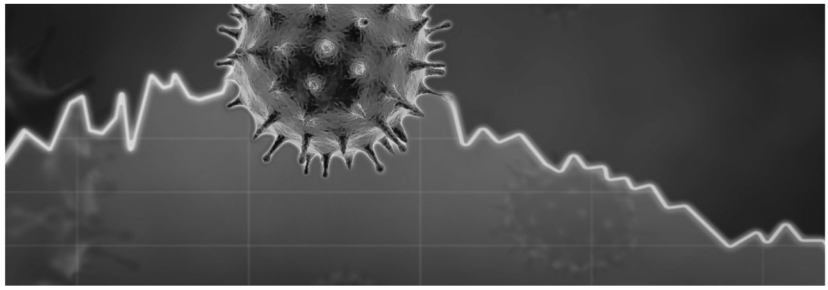
COVID-19 is certainly stretching our pastors. However, albeit out of necessity, their adaptability and increased use of technology will serve them well moving forward. If pastors retain their ability to connect with their people along with an "at-home" discipleship strategy, our churches will become far more healthy than they have ever been. I know we all talk about what we will lose on the other side of this, but there is a lot more to be gained.

Our Financial Concerns and Wins During COVID-19

While no one has all the answers, we are working on a strategy to get Randall House to the other side of this pandemic and economic fallout. It requires our complete focus on stewardship and our churches continuing discipleship regardless of where the classes meet. If we lose 50% of the normal orders for summer curriculum (June–August), it could be detrimental or even fatal to Randall House. Each quarter, we receive $750,000 in curriculum sales. Our experience tells us that a church who stops ordering curriculum often starts into a death slide, and they may or may not reorder again.

I know we have all heard this phrase many times over, but never before in modern history has humanity faced such complete devastation of numerous industries overnight. Those still standing feel overwhelmed and unsure of the immediate future. However, from a Christian perspective, we confidently know Christ is still on the throne and will prevail regardless of whether or not our churches or organizations do. His Church will remain!

We have offered incentives and additional digital options for the summer for our churches and pastors. Our goal is and has always been to be the best resource provider in order to make the role of pastor a lot easier.



All travel ceased beginning the first week of March. As you are probably aware, most state meetings land primarily in the months of March, April, and May with a couple in June. State leaders canceled every state meeting through the month of May, and I expect the same for the ones in June. Not traveling to all the state meetings saves significant dollars but we lose out on seeing and hearing from our pastors face-to-face. We have just about frozen all spending apart from day-to-day operations.

We have taken advantage of the federal Small Business Association (SBA) loans. If used correctly, SBA loans offer forgiveness and the use requires no strings attached as a religious organization. We sought and received the maximum amount of 2-1/2 months of salary for our organization through the Paycheck Protection Program (PPP).

The following provides a list of actual and potential income losses as a result of COVID-19.

Actual Income Losses (even if rolled over to next year, it is a loss this year)

Truth and Peace	$225,000
Youth Evangelistic Team (YET)	$30,000
Vertical Three Conference	$115,000
Sales at National	$30,000
Sales from other canceled conferences	$15,000
New customer acquisitions (above events)	$50,000
Total Actual COVID-19 Losses for 2020	**$465,000**

Potential Income Losses Yet to Be Determined

Summer curriculum sales (if we drop 25%)	$187,500
The effect on future quarters (if half losses remain over 6 qtrs.)	$562,500
Potential delay of book releases	$30,000
D6 Conference (second quarantine?)	$290,000
Potential Loss Yet TBD COVID-19	**$1,069,500**

At the recent Free Will Baptist Foundation board meeting, the members took proactive steps to divert this year's grant money to national agencies who need help during this time. The board graciously gave us $100,000 to help offset against the $465,000 actual loss and the potential

million-dollar loss. We are thankful for both the grant and Paycheck Protection Program loan. Now we must help our churches stay healthy so we can survive as well. Without them, we are nothing.

Last but not least, we positioned ourselves well by creating a new product. Our churches have trusted us for discipleship tools and curriculum all these years. Now, we will trust our churches to help us by being faithful to order every quarter. I can tell you with absolute certainty that *D6 EveryDay*, coming out this fall, is the very best curriculum we have ever produced, bar none.



New Curriculum: *D6 EveryDay*

We did a customer survey, hired an in-depth curriculum consultant, and brought in a consultant to train our editorial team on application, questions, and outlining. The combination of what we have learned over the last 16 years, and these new insights bring us the features and experiences our churches and families most need and want.

D6 EveryDay continues to champion church and home working together in generational discipleship. Even our most ardent fans achieve high-level discipleship when at church, but seem to lack how to keep it going through the week. This new tool, *D6 EveryDay*, assists pastors in helping their people continue to live out discipleship through connecting conversations while being in the Word Monday through Saturday. Dads, moms, grandmas, and grandpas all need a tool like the devotional study guides to help them with such conversations and help them with the reading plan.

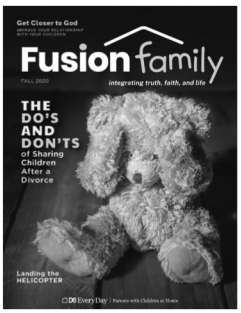
D6 EveryDay features the following:

- Continues the hallmark emphasis of generational discipleship
- Promotes biblical worldview development
- Emphasizes biblical literacy
- Encourages Bible engagement
- Addresses apologetics naturally throughout the scope and sequence
- Tells the story of the Bible
- Emphasizes *daily* discipleship—not just *Sunday* discipleship
- Introduces enhanced discipleship tools for church and home
- Incorporates the FWB Catechism, instructing the foundational truths of the Christian faith
- Easily expands to facilitate a mid-week session

In the broader publishing world, editorial means the book division. We took advantage of the recent changes to rename two departments. The previous editorial department will now be known as the curriculum department. Subsequently, moving forward, we are reclassifying the book division as editorial. Because Dr. Conn will handle books (both Randall House imprint and

Randall House academic) as our primary lead, his title is the Director of Editorial and Strategic Projects. Katie Greenwood will serve as our Acting Director of Curriculum.

Several new enhancements for *D6 EveryDay* include newly designed mastheads, interior redesign, and incredible new application, discussion questions, and experience. *D6 EveryDay* provides a new "at-home" product for one of our adult lines. As you know, there are three adult lines: *The Brink, Fusion*, and *Fusion Next*. *Fusion* describes adults with kids in the home, *Fusion Next* fits adults without kids at home, and *The Brink* provides devotional study material for young adults without kids. The *Fusion* magazine will now become *Fusion Family*.



D6 MIDWEEK

An added value to your Sunday curriculum purchase is D6 Midweek, which saves churches additional purchases and continues family alignment and generational emphasis.

The National Convention

We totally support the absolute correct call made by the executive office and executive board to not ask everyone to meet in person at this year's convention. Jesus often met people's physical needs prior to meeting their spiritual ones. The medical and financial liability of trying to forge ahead could have been disastrous. While Randall House will have substantial losses because of not meeting in person, we would have made the exact same call.

Explaining the reasoning makes sense, unless you are a high school senior. This class of students lost so much this spring and summer. The last few weeks of their school experience ended so abruptly, without fanfare, no commencements, and no throwing their caps and tassels in the air. Many of them were also slotted for the life-changing experience of Truth & Peace, YET, and E-Team. As we manage the first two, Truth & Peace (T&P) and Youth Evangelistic Team (YET), we hate that seniors could not participate in these developmental opportunities nor in the Church Training Service (CTS) competition. We have details concerning YET, T&P, and CTS located on our Vertical Three website.

We look forward to being back together next year. We are asking local churches to celebrate the experience of the CTS participants. We have long said the value of CTS is not in medals or trophies but in how each participant gains a stronger biblical worldview, more Scripture memory, and talent to be used in the local church and their homes or schools.

Summary

Earnest Shackleton should inspire each pastor as he leads his congregation through nearly impossible situations. The leadership in local congregations are pulling from all their resources to keep everyone together and on a path moving forward. Many studies will be written about congregations and connectedness in the midst of isolation. We might very well see a 17th century-style plague launch our pastors into 21st century technology. Our churches will be

more adaptable and connected on the other side of this crisis. The real church left the building for the past three months and now families have interacted around their tables far more.

I'm sure what you have read in my report resembles what you are dealing with in your churches. The problems might be slightly different, the scale different, but the catalyst is still the same. COVID-19 rocked our world, while at the same time presented significant opportunities for D6 to become part of the new norm moving forward. I hope we will retain beautiful times around the dinner table. Our real goal is for parents to recognize those treasured moments with the family and not retreat back to business as usual. I hope kids will not look back and say I miss those family times we had during that virus stuff. Let's pray that Deuteronomy 6 becomes the new norm moving forward from COVID-19.

Leading is serving,



Ron Hunter Jr., Ph.D.
Executive Director & CEO
Randall House and D6 Family Ministries

HHA
Hill, Harper & Associates
A Professional Limited Liability Company
Certified Public Accountants

Independent Auditors' Report

The Board of Directors
Randall House Publications of the National Association of Free Will Baptists, Inc.

Report on the Financial Statements
We have audited the statements of financial position of Randall House Publications of the National Association of Free Will Baptists, Inc. (a nonprofit organization) as of December 31, 2019, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Randall House Publications of the National Association of Free Will Baptists, Inc. as of December 31, 2019, and changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information
We have previously audited Randall House Publications of the National Association of Free Will Baptists, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 4, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it was derived.

Hill Harper & Associates

A Professional Limited Liability Company
Franklin, Tennessee
April 6, 2020

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RANDALL HOUSE PUBLICATIONS OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

Statements of Financial Position

December 31, 2019
With comparative amounts for 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents:		
Cash and interest bearing deposits	$ 114,089	99,913
Cash invested with the Free Will Baptist Foundation	153,354	184,115
Total cash and cash equivalents	267,443	284,028
Accounts receivable - trade, net of allowance for doubtful accounts and returns	103,259	79,644
Inventory	593,559	595,332
Prepaid expenses	110,048	115,985
Total current assets	1,074,309	1,074,989
Property, plant and equipment, at cost:		
Land	110,341	110,341
Building	757,170	753,220
Printing service equipment	1,269,744	1,143,444
Office and administrative equipment	320,206	241,218
Automobiles and trucks	59,986	59,986
	2,517,447	2,308,209
Less accumulated depreciation and amortization	1,810,391	1,711,937
Net property, plant and equipment	707,056	596,272
	$ 1,781,365	1,671,261
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 197,415	284,215
Line of credit advances	428,953	150,000
Current portion of notes payable and long term debt	126,975	105,184
Deferred revenues	64,688	78,259
Accrued expenses	64,166	61,323
Total current liabilities	882,197	678,981
Long term debt	194,395	104,760
Total liabilities	1,076,592	783,741
Net assets:		
Net assets without donor restriction	682,773	887,520
Net assets with donor restriction	22,000	-
	704,773	887,520
	$ 1,781,365	1,671,261

Commitments

See accompanying notes to financial statements.

RANDALL HOUSE PUBLICATIONS OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

Statements of Activities and Changes in Net Assets

For the year ended December 31, 2019
With comparative totals for 2018

	2019			
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals	2018 Totals
Revenues:				
Sales:				
RHP product lines (including curriculum)	$ 3,088,188	-	3,088,188	3,210,576
RHP books	216,818	-	216,818	205,885
National Convention	18,894	-	18,894	16,822
Printing sales	270,660	-	270,660	272,406
Third party sales	52,328	-	52,328	57,779
Freight and handling	226,486	-	226,486	235,432
Total sales	3,873,374	-	3,873,374	3,998,900
Events:				
D6 Conference	256,352	-	256,352	296,852
Vertical 3	385,561	-	385,561	391,209
Total events	641,913	-	641,913	688,061
Other operating revenues:				
Commissions	41,688	-	41,688	64,719
Interest income	5,239	-	5,239	5,946
Miscellaneous events, net and other revenues	15,249	-	15,249	1,925
Total other operating revenues	62,176	-	62,176	72,590
Total revenues	4,577,463	-	4,577,463	4,759,551
Expenses:				
Program services:				
Cost of production	2,073,851	-	2,073,851	2,110,181
Distribution center	377,937	-	377,937	379,830
Events	433,821	-	433,821	520,697
Vertical 3 (Youth)	413,774	-	413,774	391,128
Customer services	331,113	-	331,113	337,430
	3,630,496	-	3,630,496	3,739,266
Supporting services				
Administrative	1,181,714	-	1,181,714	1,241,240
Total expenses	4,812,210	-	4,812,210	4,980,506
Decrease in net assets from operations	(234,747)	-	(234,747)	(220,955)
Non operating income (expense):				
Grant from Free Will Baptist Foundation	-	67,000	67,000	30,000
Printing contributed to the denomination	(15,000)	-	(15,000)	(15,000)
Net assets released from restrictions	45,000	(45,000)	-	-
Net non operating income (expense)	30,000	22,000	52,000	15,000
Increase (decrease) in net assets	(204,747)	22,000	(182,747)	(205,955)
Net assets:				
Beginning of year	887,520	-	887,520	1,093,475
End of year	$ 682,773	22,000	704,773	887,520

See accompanying notes to financial statements.

RANDALL HOUSE PUBLICATIONS OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

Statements of Functional Expenses

For the year ended December 31, 2019
With comparative amounts for 2018

	2019								
	Program Services								
	Costs of Production	Distribution Center	Events	Vertical 3	Customer Services	Program Service Totals	Adminis-trative	Totals	2018 Totals
Employee costs:									
Salaries and wages	$ 816,082	99,320	38,635	36,290	195,188	1,185,515	416,405	1,601,920	1,764,209
Ministers housing allowance	31,800	-	30,000	-	24,168	85,968	71,343	157,311	131,228
Payroll taxes	51,033	6,222	2,340	2,249	12,028	73,872	25,472	99,344	110,114
Retirement	31,757	3,390	2,363	2,363	5,768	45,641	18,210	63,851	64,446
Health insurance	149,959	19,130	2,459	17,581	43,827	232,956	79,413	312,369	290,066
	1,080,631	128,061	75,797	58,483	280,979	1,623,951	610,843	2,234,794	2,360,063
Operating expenses:									
Finished products purchased, net of change in inventory	289,267	-	-	-	-	289,267	-	289,267	252,029
Raw materials	93,005	-	-	-	-	93,005	-	93,005	141,403
Expenses of D6 conferences	-	-	323,184	-	-	323,184	-	323,184	409,799
Outside services	338,647	-	-	-	-	338,647	3,424	342,071	268,812
Writers fees	84,180	-	-	-	-	84,180	-	84,180	77,386
Travel, entertainment, conventions and conferences	10,091	-	30,862	336,521	15,779	393,253	45,992	439,245	439,705
Travel for Board of Directors	-	-	-	-	-	-	30,458	30,458	23,867
Royalties	17,987	-	-	-	-	17,987	-	17,987	20,304
Supplies	15,338	20,349	1,043	1,004	2,723	40,457	15,409	55,866	62,660
Equipment maintenance	87,441	-	-	-	-	87,441	244	87,685	72,980
Postage	-	27,634	-	16	69	27,719	-	27,719	25,988
Equipment rental	-	7,103	-	-	3,341	10,444	17,273	27,717	27,831
Freight	-	191,491	-	-	-	191,491	-	191,491	195,803
Telephone	1,795	-	408	408	20,543	23,154	2,871	26,025	24,940
Legal and professional	-	-	-	-	-	-	16,030	16,030	18,219
Advertising	-	-	-	-	-	-	60,639	60,639	87,590
Promotion	-	-	-	-	-	-	69,524	69,524	95,156
Occupancy	-	-	-	-	-	-	95,728	95,728	101,463
Interest expense	-	-	-	-	-	-	36,434	36,434	15,083
Service charges	-	-	-	-	-	-	40,555	40,555	50,766
One Magazine funding	-	-	-	-	-	-	49,193	49,193	48,229
Depreciation	44,204	-	-	-	-	44,204	54,250	98,454	85,373
Other	11,265	3,299	2,527	17,342	7,679	42,112	32,847	74,959	75,057
	$ 2,073,851	377,937	433,821	413,774	331,113	3,630,496	1,181,714	4,812,210	4,980,506

RANDALL HOUSE PUBLICATIONS OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

Statements of Cash Flows

For the year ended December 31, 2019
With comparative amounts for 2018

	2019	2018
Cash Flows from Operating Activities		
Decrease in net assets	$ (182,747)	(205,955)
Adjustments to reconcile decrease in net assets to net operating activities:		
Depreciation	98,454	85,373
(Increase) decrease in:		
Receivables	(23,615)	36,631
Inventories	1,773	21,403
Prepaid expenses	5,937	13,757
Increase (decrease) in:		
Accounts payable	(86,800)	100,226
Deferred revenues	(13,571)	14,201
Accrued expenses	2,843	9,533
Net operating activities	(197,726)	75,169
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(209,238)	(205,642)
Net investing activities	(209,238)	(205,642)
Cash Flows from Financing Activities		
Line of credit, net transactions	278,953	150,000
Proceeds from long term debt	215,000	62,084
Repayments of long term debt	(103,574)	(129,414)
Net financing activities	390,379	82,670
Decrease in cash and cash equivalents	(16,585)	(47,803)
Cash and cash equivalents:		
Beginning of year	284,028	331,831
End of year	$ 267,443	284,028
Cash and cash equivalents, as reported on statement of financial position, as follows:		
Cash and interest bearing deposits	$ 114,089	99,913
Cash invested with the Free Will Baptist Foundation	153,354	184,115
	$ 267,443	284,028
Supplemental disclosures:		
Interest paid	$ 33,797	15,837

See accompanying notes to financial statements.

RANDALL HOUSE PUBLICATIONS OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

Notes to Financial Statements

December 31, 2019
With comparative amounts for 2018

Randall House operates under the auspices of the National Association of Free Will Baptists and is governed by a Board of Directors. The mission of Randall House is BUILDING BELIEVERS THROUGH CHURCH AND HOME; accomplished in both evangelism and discipleship through curriculum, books and events.

(1) Summary of Significant Accounting Policies

Basis of Presentation

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

Randall House implemented ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities with it's effective date for the year ending December 31, 2018. As required by these generally accepted accounting principles, Randall House reports information regarding its financial position and activities according to two classes of net assets as applicable:

Net assets without donor restrictions - Net assets not subject to donor imposed stipulations. These funds may be designated for specific purposes by action of the governing body.

Net assets with donor restrictions - Net assets whose use is subject to donor imposed stipulations and / or the passage of time.

The amount of each of the classes of net assets are presented in the statements of financial position and the change in each class of net assets is presented in the statements of activities.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to ongoing activities, including investment income. Non-operating activities are limited to resources that generate return from investment, if any, and other activities of a more unusual or non recurring nature.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in statement of activities. These expenses are presented by their natural classification in the statement of functional expenses by individual component of program service and administrative expenses. Administrative expenses consist of administration, accounting, IT, marketing, building maintenance, shared occupancy costs and other general expenses.

Cash and Cash Equivalents

For purposes of the statements of cash flows, Randall House 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 requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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.

Compensated Absences

Employees of Randall House are entitled to paid vacation, sick leave and personal days off, depending on job classification, length of service and other factors. Provision for accrued vacations and sick leave payable are made in the financial statements and are included in accrued expenses.

RANDALL HOUSE PUBLICATIONS OF THE
Notes to Financial Statements

Notes to Financial Statements, continued

Contributions, Including Grants
Contributions received are recorded as net assets without donor restriction or net assets with donor restriction depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets of with donor restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Accounts Receivable
Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Returns of curriculum and other printed products subsequent to balance sheet date are also included in the allowance. Balances that are still outstanding after management has used reasonable collection effects are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts (including merchandise returned subsequent to end of the year) as of December 31, 2019 and 2018, amounted to $5,000. Changes in the valuation account have not been material to the financial statements.

	2019	2018
Accounts receivable, net of allowance of $5,000	$ 103,259	79,644

Inventories
Inventories, except for warehoused inventory, are stated at the lower of cost or market, with cost being determined by use of the first-in, first out method. Warehoused inventory is valued using a methodology to determine an allowance for loss for slow moving items based on a computation to compute a two year shelf life.

Income Taxes
Randall House is exempt from Federal and state income taxes; accordingly, no provision for income taxes is made in the accounts. There is no unrelated business income for 2019 and 2018. Further, management believes there are no activities which will lead to income taxes being levied.

Property, Plant and Equipment
Property, plant and equipment are recorded at cost or at fair value as of the date contributed. Expenditures for acquisition of assets in excess of $500 are capitalized and depreciated over their usable lives on 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.

Advertising Costs
Advertising costs are expensed as incurred and amount to $60,639 in 2019 and $87,590 in 2018.

Deferred Revenues
Deferred revenues consist of revenues collected or billed for services to be rendered in the following year. These deferred revenues consist of the following:

	2019	2018
D6 Conference registrations	$ 49,876	59,654
Truth and Peace leadership training registrations	14,674	16,505
Other deferred revenues	138	2,100
	$ 64,688	78,259

RANDALL HOUSE PUBLICATIONS OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

Notes to Financial Statements, continued

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

Concentration of Credit Risk

Randall House is a distributor of Bible based Sunday school and Church training curriculum, and other denominational publications. Randall House 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 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 $153,354 in 2019 and $184,115 in 2018 are subject to risk of accounting loss. Cash held in local bank are insured to FDIC limits. Management does not anticipate nonperformance by the financial institutions.

Changes in Presentation

Certain amounts in the prior period financial statements may have been reclassified to conform to current presentation. These reclassifications, if any, did not change originally reported balances of net assets.

Subsequent Events

Subsequent events were evaluated through April 6, 2020, which is the date these financial statements were available to be issued.

On March 19, 2020, a national emergency was declared by the President of the United States relating to the COVID-19 virus outbreak. COVID-19 has caused business disruption beginning March 2020 which is expected to be temporary, but the duration of the disruption is uncertain. Therefore, Randall House expects the matter to negatively impact its operations. However, the related financial impact cannot be reasonably estimated at this time.

In order to mitigate the negative impact, the United States has implemented the "Payroll Protection Program" which is a low interest loan program (ultimately may become a grant if conditions are met) to cover two and half months of total payroll costs. Randall House has made application to participate in this program with a potential loan amount of $360,000.

(2) **Liquidity and Availability of Financial Assets**

The following reflects Randall House's financial assets as of balance sheet dates available for expenditure within one year from the balance sheet date.

	2019	2018
Financial assets at end of year:		
Cash and interest bearing deposits	$ 114,089	99,913
Cash invested with the Free Will Baptist Foundation	153,354	184,115
Accounts receivable	103,259	79,644
Financial assets available to meet general expenditures the next twelve months	370,702	363,672
Less amount not available to be used within one year:		
Net assets with donor restrictions	22,000	-
	$ 348,702	363,672

Randall House continually monitors cash flow and cash balances, with an end goal to maintain positive cash flows and cash balances. Lines of credit are available with a maximum amount of $500,000 to meet cash flow needs.

RANDALL HOUSE PUBLICATIONS OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

Notes to Financial Statements, continued

(3) Inventory

Inventory consists of the following:

	2019		2018	
Current assets:				
Print inventory:				
Finished curriculum		$ 274,045		$ 231,709
Work in progress		89,247		154,711
Printing raw materials		38,518		45,413
Hymnals		49,647		42,427
Warehoused other books and merchandise	$ 209,102		$ 190,072	
Less allowance for loss	67,000	142,102	69,000	121,072
		$ 593,559		$ 595,332

(4) Notes Payable and Long - Term Debt

	2019	2018
5% (4.5% in 2018) monthly installment obligation payable to Free Will Baptist Foundation with monthly payments of $9,331 ($8,323 in 2018) including interest and principal, which matures December 2021. Note is secured by production equipment and inventory.	$ 212,706	196,516
13.43% monthly installment obligation payable to financing institution with monthly payments of $523 including interest and principal, which matures June 2021. Note is secured by digital press.	8,664	13,428
5.6% monthly installment obligation payable to financing institution with monthly payments of $1,914 including interest and principal, which matures December 2024. Note is secured by equipment.	100,000	-
	321,370	209,944
Current portion of long-term debt	126,975	105,184
Long - term debt	$ 194,395	104,760

Scheduled retirements of long-term debt are $126,975 in 2020; $131,090 in 2021; $19,938 in 2022; $21,080 in 2023; and $22,287 in 2024.

(5) Line of Credit

Variable interest rate lines of credit with two local banks with a maximum amount of $500,000. Outstanding balances amount to $428,953 and $150,000 at 2019 and 2018, respectively. At December 31, 2019 these lines of credit were bearing interest at approximately 5.5%. Each of these lines of credit expire December 2020.

(6) Net Assets

Net assets with donor restrictions were as follows:

	2019	2018
Grants from Free Will Baptist Foundation for specific purposes:		
Translation into Spanish and publication of the book "Discipleship"	$ 7,000	-
Platform, infrastructure and video capture necessary to release D6 conference to individuals and churches - funds remaining unspent	15,000	-
	$ 22,000	-
Net assets released of restrictions to unrestricted net assets:		
Platform, infrastructure and video capture necessary to release D6 conference to individuals and churches - funds expended	$ 45,000	

(7) Related Party Transaction

Pension

Randall House 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 a contribution of 5% of compensation is made by Randall House. Employees with one year of service may participate at anniversary date of employment. Pension expense amounted to $63,851 in 2019 and $64,446 in 2018. 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.

One Magazine

One Magazine is the combined publication of certain Free Will Baptist agencies and organizations, and is funded by contributions from each of those respective agencies and organizations. As their share of the funding requirement Randall House provided $49,193 in 2019 and $48,229 in 2018. Further, Randall House designs, prints and provides mailing services for One Magazine, and reported revenues of $213,172 and $215,627 for these services during 2019 and 2018, respectively.

Free Will Baptist Foundation

Randall House maintains interest bearing accounts with and is indebted to Free Will Baptist Foundation as follows:

		2019	2018
Interest bearing accounts	$	153,354	184,115
Indebtedness	$	212,706	196,516

Please see note 6, page 9 - relating to grants to Randall House from Free Will Baptist Foundation.

(8) Commitments and Contingencies

Leased Equipment

Randall House has entered into noncancelable lease arrangements relating to mailing and copy equipment. Total rent expense amounted to $27,717 in 2019 and $27,831 in 2018. The minimum payments required are $31,943 for 2020, 2021 and 2022; $28,218 in 2023 and 12,468 in 2024.

Litigation

Randall House, in the normal course of operations, may be a defendant in lawsuits. Management is not aware of any pending asserted or unasserted claims against Randall House.

(9) Vertical 3

The purpose of Vertical 3 is to provide resources and services to youth and children of the National Association of Free Will Baptists, Inc. The following is a summary of the department's activities:

		2019	2018
Revenue from conferences and related services	$	385,561	391,209
Expenditures:			
Conferences and related services		329,967	313,274
Expenses for facility use and other services		16,000	16,000
Operating expenses		67,807	61,854
		413,774	391,128
Excess of revenues over expenses	$	(28,213)	81

	Budget 2021	Budget 2020	Budget 2019	Jan - Dec 19
Income				ACTUAL
300 · RHP Product Lines	$3,083,750	$3,217,000	$3,341,500	3,088,188.21
303 · RHP Books	$202,250	$202,000	$202,250	216,818.44
305 · Event/ Off Site Sales	$312,500	$357,500	$373,000	283,388.91
307 · Third Party Sales (Non RHP)	$50,250	$57,750	$64,250	52,327.78
308 · Other Revenue	$684,250	$508,750	$518,250	576,489.35
309 · Commission Income	$41,750	$41,750	$41,750	41,688.17
TOTAL REVENUE	$4,374,750	$4,384,750	$4,541,000	4,258,900.86
Cost of Goods Sold				
310 · COS - RHP Product Lines	$154,650	$162,550	$208,000	162,715.46
313 · COS - RHP Books	$44,800	$34,800	$35,050	52,035.31
315 · COS - Events/ Off Site	$311,000	$371,000	$358,500	323,184.05
317 · COS - 3rd Party Sales (Non RHP)	$31,850	$34,600	$35,400	31,722.34
318 · COS - Other	$5,000	($10,000)	-$6,000	27,795.72
Total COGS	$547,300	$592,950	$630,950	597,452.88
350 · Printing Production	$904,450	$774,100	$860,600	770,324.61
355 · Depreciation Printing Equipment	$44,000	$36,000	$30,000	44,204.00
360 · Editorial	$356,500	$553,350	$555,200	570,300.41
400 · Administrative/Accounting	$451,500	$462,000	$472,600	427,186.28
410 · Sales	$343,250	$338,300	$345,750	331,113.15
420 · Design	$288,750	$282,000	$312,500	298,070.23
425 · RHP Book Division	$53,150	$110,150	$108,800	116,683.68
430 · Distribution Center	$365,000	$334,500	$312,250	377,937.49
435 · IT Division	$69,100	$67,300	$67,050	64,687.55
440 · Plant Maintenance	$103,450	$103,750	$116,750	100,099.27
460 · Marketing	$327,500	$370,250	$366,050	317,311.63
490 · General	$222,250	$198,000	$202,000	223,233.57
495 · Events	$116,850	$108,700	$113,750	110,636.65
Total Departmental Expense	$3,645,750	$3,738,400	$3,863,300	3,751,788.52
Youth Department - Vertical Three				
9100 · Vertical Three Revenue	$392,000	$402,000	$407,000	385,560.67
450 · Vertical Three Expense	($394,400)	($384,350)	-$388,750	(414,773.81)
	-$2,400	$17,650	$18,250	(29,213.14)
Denominational Ministries				
445 · Denominational Ministries Expense	($50,000)	($64,500)	-$65,000	(63,193.16)
	($50,000)	($64,500)	-$65,000	(63,193.16)
TOTAL EXPENSE	$4,637,450	$4,780,200	$4,948,000	4,827,208.37
Annual Profit/Loss	$129,300	$6,550	$0	(182,746.84)
Income				
300 · RHP Product Lines				
300.03 · Dated Studies/ SS-Curriculum	$2,950,000	$3,060,000	$3,160,000	2,952,602.32
300.09 · Mid Week Teens	$0	$0	$0	26.68
300.15 · Children's Church Sales	$67,500	$75,000	$85,000	68,545.37
300.18 · Online Non Dated Studies-(A)	$1,000	$1,000	$1,000	919.08
300.21 · D6 Leader Network	$50,000	$65,000	$80,000	50,511.06
300.24 · Church Supplies	$1,000	$1,500	$1,500	1,105.18
300.27 · RHP/D6 T-Shirts/Merchandise	$1,000	$500	$500	1,572.68
300.30 · Vertical 3 Resources	$13,000	$13,000	$13,000	12,636.38
300.33 · Miscellaneous Sales	$250	$500	$0	269.46
300.36 · D6 International	$0	$500	$500	-
Total 300 · RHP Product Lines	$3,083,750	$3,217,000	$3,341,500	3,088,188.21
303 · RHP Books				
303.03 · Pastoral/Church Leadership	$30,000	$30,000	$30,000	31,983.22
303.06 · Family/Parenting	$65,000	$77,500	$75,000	69,079.57
303.09 · Drama/Plays	$250	$250	$250	63.50
303.12 · Missions	$250	$250	$250	407.70
303.15 · Small Group Studies	$9,000	$7,500	$7,500	12,971.72
303.18 · Biblical Studies	$16,000	$9,250	$7,500	21,277.16
303.21 · Theology/Doctrine	$25,000	$22,500	$22,500	27,499.79
303.27 · Christian Living	$7,500	$7,500	$10,000	9,132.23
303.30 · Fiction	$250	$250	$250	75.71
303.33 · Children/Youth	$11,000	$10,000	$12,500	14,222.33
303.36 · International Languages	$1,500	$1,000	$1,000	2,419.17
303.39 · Rejoice FWB Hymnal Sales	$30,000	$32,500	$32,500	30,309.62

	Budget 2021	Budget 2020	Budget 2019	Jan - Dec 19
303.42 · Rejoice Worship Hymnal Sales	$17,500	$15,000	$15,000	17,902.88
303.48 · (Off Site RH Book Sales)	($20,000)	($20,000)	-$20,000	(32,048.79)
303.54 · RHP Titles in Software	$5,000	$3,500	$3,000	7,596.47
303.60 · Miscellaneous	$4,000	$5,000	$5,000	3,926.16
Total 303 · RHP Books	$202,250	$202,000	$202,250	216,818.44
305 · Event/ Off Site Sales				
305.03 · D6 Conference Registration	$165,000	$200,000	$205,000	141,684.06
305.06 · D6 Conference Sponsorship	$100,000	$105,000	$112,500	86,001.46
305.09 · D6 Conference Sales	$30,000	$35,000	$38,000	28,666.27
305.15 · National Sales	$17,000	$17,000	$17,000	18,894.30
305.21 · Misc. Event Sales	$500	$500	$500	8,142.82
Total 305 · Event/ Off Site Sales	$312,500	$357,500	$373,000	283,388.91
307 · Third Party Sales (Non RHP)				
307.03 · Curriculum (Dated)	$40,000	$45,000	$50,000	41,556.17
307.06 · VBS	$0	$500	$500	128.49
307.12 · Church Supplies	$3,000	$3,000	$3,500	3,144.58
307.15 · Bibles (Non RHP Imprint)	$250	$250	$250	82.48
307.18 · Books (Non RHP Imprint)	$5,000	$7,000	$8,000	4,873.59
307.24 · Miscellaneous	$2,000	$2,000	$2,000	2,542.47
Total 307 · Third Party Sales (Non RHP)	$50,250	$57,750	$64,250	52,327.78
308 · Other Revenue				
308.03 · Printing/Design Services	$445,000	$265,000	$260,000	270,659.53
308.06 · Freight and Handling Income	$230,000	$235,000	$250,000	226,485.96
308.09 · Interest Income	$5,000	$4,500	$4,250	5,238.88
308.12 · Service Charges	$1,500	$1,500	$1,000	1,028.61
308.15 · Sale/Disposal of Assets	$2,500	$2,500	$2,500	5,460.00
308.18 · In House Functions	$250	$250	$500	399.50
308.21 · Construction/Gifts/Grants	$0	$0	$0	67,216.87
Total 308 · Other Revenue	$684,250	$508,750	$518,250	576,489.35
309 · Commission Income				
309.03 · Bulletins	$20,000	$20,000	$20,000	17,808.22
309.06 · Signs	$0	$500	$500	-
309.09 · Furniture/Steeples/etc.	$750	$750	$750	793.49
309.12 · Advertising/Other	$21,000	$20,500	$20,500	23,086.46
Total 309 · Commission Income	$41,750	$41,750	$41,750	41,688.17
Total Income	$4,374,750	$4,384,750	$4,541,000	4,258,900.86
Cost of Goods Sold				
50000 · Cost of Goods Sold				
310 · COS - RHP Product Lines				
310.03 · COS - Dated Studies/ SS-Cur	$100,000	$100,000	$107,500	100,352.16
310.15 · COS - Children's Church Sales	$25,000	$31,400	$50,000	30,408.18
310.18 · COS - Onlline Non Dated Studies	$500	$500	$500	528.60
310.21 · COS - D6 Plus	$25,000	$25,000	$45,000	28,794.75
310.24 · COS - Church Supplies	$650	$650	$650	558.14
310.27 · COS - RHP/D6 T-shirt Merch.	$500	$1,000	$350	409.49
310.30 · COS - Vertical Three Resources	$3,000	$4,000	$4,000	2,826.69
310 · COS - RHP Product Lines - Other	$0	$0	$0	(1,162.55)
Total 310 · COS - RHP Product Lines	$154,650	$162,550	$208,000	162,715.46
313 · COS - RHP Books				
313.03 · COS - Pastoral/Ch. Leadership	$7,000	$10,000	$12,000	5,167.54
313.06 · COS - Family/Parenting	$11,500	$12,500	$17,500	10,189.43
313.09 · COS - Drama/Plays	$100	$100	$100	52.03
313.12 · COS - Missions	$100	$100	$100	177.44
313.15 · COS - Small Group Studies	$4,000	$4,000	$5,000	4,828.81
313.18 · COS - Biblical Studies	$6,000	$4,000	$4,000	6,569.17
313.21 · COS - Theology/Doctrine	$9,500	$8,500	$8,000	9,955.91
313.27 · COS - Christian Living	$3,000	$3,000	$3,500	3,943.75
313.30 · COS - Fiction	$100	$100	$100	36.63
313.33 · COS - Children/Youth	$3,500	$3,500	$3,750	4,020.24
313.36 · COS - International Language	$500	$500	$500	230.10
313.39 · COS - Rejoice FWB Hymnals	$12,500	$13,000	$13,000	12,796.51
313.42 · COS - Rejoice Workship Hymnals	$9,500	$9,500	$7,500	9,678.15

	Budget 2021	Budget 2020	Budget 2019	Jan - Dec 19
313.60 · COS - Miscellaneous	$1,000	$1,000	$1,000	647.30
313 · COS - RHP Books - Other	($23,500)	($35,000)	-$41,000	(16,257.70)
Total 313 · COS - RHP Books	$44,800	$34,800	$35,050	52,035.31
315 · COS - Events/ Off Site				
315.03 · COS - D6 Conf Registration	$295,000	$350,000	$335,000	292,042.98
315.09 · COS - D6 Conf Sales	$13,500	$17,500	$20,000	11,615.80
315.15 · COS - National Sales	$2,500	$3,500	$3,500	1,188.23
315.21 · COS - Misc. Event Sales	$0	$0	$0	18,337.04
Total 315 · COS - Events/ Off Site	$311,000	$371,000	$358,500	323,184.05
317 · COS - 3rd Party Sales (Non RHP)				
317.03 · COS - Curriculum (Dated)	$25,000	$27,500	$27,500	26,003.87
317.06 · COS - VBS	$0	$250	$300	(53.52)
317.12 · COS - Church Supplies	$2,000	$2,000	$2,000	1,818.36
317.15 · COS - Bibles (Non RHP)	$250	$250	$500	468.91
317.18 · COS - Books (Non RHP)	$4,500	$4,500	$5,000	3,607.55
317.24 · COS - Miscellaneous	$100	$100	$100	19.20
317 · COS - 3rd Party Sales (Non RHP) - Other	$0	$0	$0	(142.03)
Total 317 · COS - 3rd Party Sales (Non RHP)	$31,850	$34,600	$35,400	31,722.34
318 · COS - Other				
318.03 · Freight in RHP	$5,000	$5,000	$9,000	5,652.38
318.09 · COS - Yearbook	$0	($15,000)	-$15,000	(15,000.00)
318.15 · COS - Change In Inventory	$0	$0	$0	37,143.34
Total 318 · COS - Other	$5,000	-$10,000	-$6,000	27,795.72
Total COGS	$547,300	$592,950	$630,950	597,452.88
Gross Profit	$3,827,450	$3,791,800	$3,910,050	3,661,447.98
Expense				
350 · Printing Production				
350.02 · PP - Salaries	$237,500	$232,000	$305,000	225,448.71
350.06 · PP - Supplies	$1,000	$1,000	$1,000	861.11
350.07 · PP - Equipment Maint.	$150	$250	$250	-
350.12 · PP - Dues & Subscriptions	$150	$250	$250	-
350.16 · PP - Entertainment	$150	$100	$100	104.80
350.18 · Outside Printing	$320,000	$240,000	$190,000	249,907.68
350.19 · Outside Bindery	$42,500	$35,000	$40,000	38,927.39
350.26 · PP - FICA	$16,000	$15,750	$21,500	14,636.46
350.29 · PP - Retirement	$8,500	$10,000	$12,500	7,945.09
350.32 · PP - Insurance	$35,000	$27,000	$32,500	28,808.74
350.34 · Pressroom Supplies	$5,000	$7,500	$7,500	3,189.58
350.36 · Pressroom Maintenance	$1,500	$2,000	$2,000	1,313.83
350.38 · Pressroom Parts	$5,000	$5,000	$5,000	4,606.01
350.40 · Pressroom Stock	$100,000	$95,000	$140,000	85,542.61
350.42 · Pressroom Ink	$3,500	$7,000	$7,000	3,249.85
350.44 · Bindery Supplies	$250	$250	$250	219.30
350.46 · Bindery Maintenanc	$250	$250	$250	-
350.48 · Bindery Parts	$250	$250	$250	367.46
350.50 · Pre-Press Supplies	$750	$1,750	$2,500	361.36
350.52 · Proofing Supplies	$1,500	$2,250	$2,500	1,095.32
350.54 · CTP Maintenance	$250	$250	$250	-
350.56 · Digital Press Supplies	$0	$0	$250	955.32
350.62 · Plates	$10,000	$12,500	$13,500	7,578.41
350.88 · Outside Purchases-Ess. Pkts	$30,000	$6,000	$6,000	11,634.19
350.89 · Digital Press Maintenance	$85,000	$72,500	$70,000	83,571.39
350.90 · PP - Miscellaneous	$250	$250	$250	-
Total 350 · Printing Production	$904,450	$774,100	$860,600	770,324.61
355.00 · Depreciation Printing Equipment	$44,000	$36,000	$30,000	44,204.00
360 · Editorial				
360.02 · Edit - Salaries	$225,000	$320,000	$337,000	327,154.00
360.03 · Edit - Housing Allowance	$31,800	$33,750	$33,750	31,800.00
360.04 · Edit - Travel	$1,500	$3,500	$3,500	3,806.60
360.06 · Edit - Supplies	$650	$1,500	$1,500	2,913.29
360.09 · Digital Development	$250	$500	$1,000	-
360.10 · Edit - Conventions & Seminars	$500	$1,500	$1,500	2,210.51
360.11 · Software Supply	$250	$250	$250	-
360.12 · Edit - Dues & Subscriptions	$1,500	$2,000	$4,000	4,103.54

	Budget 2021	Budget 2020	Budget 2019	Jan - Dec 19
360.15 · National Expense	$0	$0	$100	-
360.16 · Edit - Entertainment	$1,000	$2,000	$2,000	1,127.15
360.23 · Edit - Telephone	$800	$850	$850	979.05
360.26 · Edit - FICA	$11,000	$21,000	$23,000	19,981.55
360.29 · Edit - Retirement	$6,750	$15,000	$12,000	14,360.32
360.32 · Edit - Insurance	$40,000	$67,000	$57,500	63,420.39
360.34 · Curriculum Develpment	$1,000	$1,000	$750	121.55
360.35 · Product Improvement	$250	$250	$250	220.79
360.36 · Writer's Fees	$12,500	$69,000	$70,000	84,180.00
360.37 · Register of Copyrights	$1,500	$6,500	$4,000	3,740.00
360.88 · Outside Editing/Proofing	$20,000	$7,500	$2,000	10,181.67
360.90 · Edit - Miscellaneous	$250	$250	$250	-
Total 360 · Editorial	$356,500	$553,350	$555,200	570,300.41
400 · Administrative/Accounting				
400.02 · AD/AC - Salaries	$245,000	$266,000	$265,000	225,549.06
400.03 · AD/AC - Housing Allowance	$60,000	$47,000	$48,000	71,342.69
400.04 · AD/AC - Travel Expense	$35,000	$35,000	$40,000	32,507.77
400.06 · AD/AC - Supplies	$4,000	$5,000	$6,500	3,525.40
400.10 · AD/AC - Conventions & Seminars	$500	$1,000	$1,000	493.58
400.12 · AD/AC - Dues & Subscriptions	$7,500	$7,500	$5,000	7,280.77
400.16 · AD/AC - Entertainment	$6,500	$6,500	$6,000	6,389.51
400.20 · AD/AC - Postage	$250	$250	$250	-
400.23 · AD/AC - Telephone	$1,750	$1,750	$1,600	1,629.84
400.26 · AD/AC - FICA	$16,000	$17,000	$18,000	14,126.46
400.29 · AD/AC - Retirement	$13,500	$13,500	$13,000	12,993.50
400.32 · AD/AC - Insurance	$47,500	$47,500	$50,000	48,515.72
400.70 · AD/AC - Automobile Expense	$3,500	$3,500	$3,500	3,863.34
400.88 · D6 International Travel/Expense	$10,000	$10,000	$14,000	(1,031.36)
400.90 · AD/AC - Miscellaneous	$500	$500	$750	-
Total 400 · Administrative/Accounting	$451,500	$462,000	$472,600	427,186.28
410 · Sales				
410.02 · Sales - Salaries	$185,000	$190,000	$195,000	195,188.40
410.03 · Sales - Housing Allowance	$25,000	$25,000	$25,500	24,168.00
410.04 · Sales - Travel Expense	$15,000	$15,000	$12,000	12,523.66
410.06 · Sales - Supplies	$3,500	$3,500	$2,500	2,723.32
410.08 · Sales - Equipment Rental	$1,500	$1,500	$1,500	3,340.92
410.11 · Sales - Conventions & Seminars	$750	$750	$1,000	624.80
410.12 · Sales - Dues & Subscriptions	$7,500	$1,800	$3,500	7,678.00
410.15 · Sales - CRM Software	$15,000	$20,000	$20,000	-
410.20 · Sales - Postage	$250	$500	$2,500	68.97
410.23 · Sales - Telephone	$20,000	$20,000	$20,000	20,543.37
410.26 · Sales - FICA	$11,000	$11,500	$14,000	12,027.82
410.29 · Sales - Retirement	$6,000	$6,000	$6,000	5,768.36
410.32 · Sales - Insurance	$50,000	$40,000	$40,000	43,827.46
410.88 · Sales - Entertainment	$2,500	$2,500	$2,000	2,630.07
410.90 · Sales - Miscellaneous	$250	$250	$250	-
Total 410 · Sales	$343,250	$338,300	$345,750	331,113.15
420 · Design				
420.02 · Design - Salaries	$190,000	$187,000	$225,000	198,287.70
420.04 · Design - Travel Expense	$250	$250	$250	84.10
420.06 · Design - Supplies	$1,000	$1,500	$1,500	711.63
420.10 · Design - Conventions & Seminars	$250	$250	$250	-
420.12 · Design - Dues & Subscriptions	$2,500	$2,500	$1,000	2,555.68
420.14 · Art Services	$35,000	$35,000	$19,000	30,170.01
420.16 · Design - Entertainment	$1,500	$1,500	$1,500	1,328.30
420.26 · Design - FICA	$11,750	$11,500	$15,000	12,424.55
420.29 · Design - Retirement	$6,500	$5,000	$6,500	6,328.24
420.32 · Design - Insurance	$40,000	$37,500	$42,500	46,180.02
420.90 · Design - Miscellaneous	$0	$0	$0	-
Total 420 · Design	$288,750	$282,000	$312,500	298,070.23
425 · RHP Book Division				
425.02 · RB - Salaries	$17,500	$67,500	$68,000	65,191.33
425.04 · RB - Travel Expense	$750	$750	$500	250.00
425.06 · RB - Supplies	$100	$250	$250	57.34
425.10 · RB - Conventions & Seminars	$150	$500	$500	166.80

	Budget 2021	Budget 2020	Budget 2019	Jan - Dec 19
425.11 · Royalty Payments	$19,000	$17,000	$17,000	17,986.78
425.12 · RB - Dues & Subscriptions	$500	$500	$750	330.83
425.23 · RB - Telephone	$800	$800	$800	815.47
425.26 · RB - FICA	$0	$4,500	$4,500	3,990.26
425.29 · RB - Retirement	$3,500	$3,500	$3,250	3,122.86
425.32 · RB - Insurance	$5,000	$9,000	$6,000	11,549.39
425.66 · Editing/Proofing	$3,600	$3,600	$5,000	9,427.60
425.88 · RB - Entertainment	$250	$250	$250	1,012.93
425.89 · Product Development	$2,000	$2,000	$2,000	2,782.09
425.90 · RB - Miscellaneous	$0	$0	$0	-
Total 425 · RHP Book Division	$53,150	$110,150	$108,800	116,683.68
430 · Distribution Center				
430.02 · DC - Salaries	$81,500	$96,000	$90,000	99,319.55
430.06 · DC - Supplies	$21,000	$21,000	$19,000	20,349.47
430.07 · DC - Equipment Maintenance	$250	$250	$250	-
430.08 · DC - Equipment Rental	$9,000	$9,000	$8,000	7,103.11
430.12 · DC - Dues & Subscriptions	$3,000	$1,500	$500	3,199.00
430.16 · DC - Entertainment	$250	$250	$500	100.42
430.20 · DC - Postage	$27,500	$22,500	$20,000	27,633.69
430.26 · DC - FICA	$5,000	$6,000	$6,500	6,221.98
430.29 · DC - Retirement	$2,500	$2,500	$2,500	3,389.52
430.32 · DC - Insurance	$15,000	$18,000	$12,500	19,129.97
430.40 · DC - Freight Expense	$200,000	$157,500	$152,500	191,490.78
Total 430 · Distribution Center	$365,000	$334,500	$312,250	377,937.49
435 · IT Division				
435.02 · IT - Salaries	$47,000	$46,250	$46,000	44,795.17
435.04 · IT- Travel	$100	$100	$100	-
435.06 · IT - Supplies	$2,500	$2,500	$1,500	1,199.48
435.08 · IT - Software Services	$100	$100	$100	-
435.10 · IT - Conventions/Seminars	$100	$100	$100	-
435.12 · IT- Dues & Subscriptions	$6,000	$6,000	$7,000	6,552.97
435.23 · IT - Telephone	$400	$350	$350	425.43
435.26 · IT - FICA	$3,000	$3,000	$3,500	2,806.47
435.29 · IT- Retirement	$2,400	$2,400	$2,400	2,198.04
435.32 · IT - Insurance	$7,500	$6,500	$6,000	6,709.99
Total 435 · IT Division	$69,100	$67,300	$67,050	64,687.55
440 · Plant Maintenance				
440.02 · PM - Salaries	$13,000	$13,000	$15,000	12,447.09
440.06 · PM - Supplies	$7,500	$8,500	$8,500	6,256.18
440.07 · PM - Equipment Maintenance	$500	$500	$500	243.85
440.08 · PM - Overhead (Youth Department)	($16,000)	($16,000)	-$16,000	(16,000.00)
440.23 · PM - Telephone	$0	$0	$500	-
440.26 · PM - FICA	$950	$750	$1,250	924.47
440.32 · PM - Insurance	$500	$0	$0	500.00
440.34 · PM - Building Maintenance	$18,000	$18,000	$28,000	16,570.83
440.40 · Utilities	$52,000	$52,000	$52,000	51,236.85
440.45 · Building Insurance	$27,000	$27,000	$27,000	27,920.00
Total 440 · Plant Maintenance	$103,450	$103,750	$116,750	100,099.27
460 · Marketing				
460.02 · Mkt - Salaries	$117,000	$150,000	$147,500	133,613.78
460.04 · Mkt - Travel Expense	$6,000	$6,000	$6,000	4,694.96
410.05 · Mkt - Conventions & Seminars	$500	$500	$500	173.22
460.06 · Mkt - Supplies	$3,000	$3,500	$3,500	1,307.38
460.07 · Mkt - Equipment Maintenance	$100	$100	$250	-
460.08 · Mkt - Equipment Rental	$250	$500	$250	100.00
460.12 · Mkt - Dues & Subscriptions	$10,000	$10,000	$5,500	9,360.15
460.20 · Mkt - Postage	$100	$100	$250	-
460.23 · Mkt - Telephone	$800	$800	$800	815.46
460.26 · Mkt - FICA	$6,750	$8,750	$10,500	7,614.89
460.29 · Mkt - Retirement	$3,000	$2,000	$1,000	3,018.34
460.32 · Mkt - Insurance	$17,500	$25,000	$27,500	23,686.87
460.34 · Mkt - Advertising	$80,000	$80,000	$77,500	60,638.60
460.35 . Mkt - Wholesale Mkt	$0	$0	$5,000	-
460.36 · Mkt - Promotion	$80,000	$80,000	$77,500	69,523.97
460.40 · Mkt - Entertainment	$2,500	$3,000	$2,500	2,764.01

	Budget 2021	Budget 2020	Budget 2019	Jan - Dec 19
Total 460 · Marketing	$327,500	$370,250	$366,050	317,311.63
490 · General				
490.06 · GE - Supplies	$3,000	$2,500	$1,000	3,120.52
490.08 · GE - Equipment Rental	$17,500	$17,500	$20,000	17,172.93
490.14 · Depreciation	$60,000	$52,000	$57,500	54,250.12
490.15 · Interest Expense	$40,000	$17,500	$15,000	36,433.58
490.18 · Bank Service Charges	$40,000	$47,500	$47,500	40,554.85
490.20 · Insurance	$500	$250	$250	466.50
490.25 · RHP - Board Expense	$17,500	$17,500	$16,500	30,457.98
490.30 · Legal & Audit	$18,000	$18,000	$18,000	16,030.00
490.35 · GE - Automobile Expense	$2,500	$2,000	$2,500	2,538.44
490.40 · Bad Debts	$250	$250	$250	447.14
490.45 · In House Functions	$15,000	$15,000	$15,000	14,577.28
490.50 · Taxes	$3,250	$3,250	$3,500	3,023.47
490.55 · Payroll Services	$3,750	$3,750	$4,000	3,423.95
490.90 · GE - Miscellaneous	$1,000	$1,000	$1,000	736.81
Total 490 · General	$222,250	$198,000	$202,000	223,233.57
495 · Events				
495.02 · Events - Salaries	$42,000	$37,000	$31,500	38,635.14
495.03 · Events - Housing	$30,000	$31,000	$31,500	30,000.00
495.04 · Events - Travel Expense	$3,000	$3,000	$3,000	2,858.40
410.06 · Events - Supplies	$1,500	$1,500	$2,500	1,043.15
495.11 · Events - Conventions & Seminars	$500	$500	$500	514.80
495.12 · Events - Dues & Subscriptions	$3,000	$3,500	$3,000	2,527.25
495.15 · National Expense	$27,500	$25,000	$25,000	26,848.25
495.20 · Events - Postage	$0	$0	$250	-
495.23 · Events - Telephone	$350	$350	$1,000	407.76
495.26 · Events - FICA	$2,500	$2,100	$3,000	2,339.58
495.29 · Events - Retirement	$2,500	$2,250	$4,000	2,362.84
495.32 · Events - Insurance	$3,000	$1,500	$7,500	2,459.40
495.70 · Events - Miscellaneous	$250	$250	$250	-
495.88 · Events - Entertainment	$750	$750	$750	640.08
Total 495 · Events	$116,850	$108,700	$113,750	110,636.65
9000 ·Verticle Three				
9100 · V3 Revenue				
300.62 · V3 Conference Income	$130,000	$135,000	$135,000	125,017.18
300.64 · Truth & Peace Fees	$230,000	$235,000	$240,000	226,519.81
300.66 · NYET Fees	$30,000	$30,000	$30,000	32,668.07
300.70 · Youth Collections	$1,000	$1,000	$1,000	245.78
300.73 · Buck-A-Week Revenues	$1,000	$1,000	$1,000	1,109.83
300.74 · V3 Misc. Events	$0	$0	$0	-
Total 9000 · Verticle 3 Revenue	$392,000	$402,000	$407,000	385,560.67
450 · Verticle Three Expense				
450.02 · V3 - Salaries	$22,000	$38,000	$37,500	36,289.97
450.04 · V3 - Travel Expense	$5,000	$2,000	$1,500	6,531.96
450.06 · V3 - Supplies	$1,500	$1,500	$2,500	1,004.48
450.07 · V3 - Equipment Maint.	$0	$0	$250	-
450.08 · V3 - Overhead	$16,000	$16,000	$16,000	16,000.00
450.10 · V3 - Conventions & Seminars	$0	$0	$0	-
450.12 · V3 - Dues & Subscriptions	$1,500	$750	$750	2,262.47
450.16 · V3 - Entertainment	$250	$500	$750	101.62
450.23 · V3 - Telephone	$400	$400	$1,000	423.37
450.26 · V3 - FICA	$1,500	$2,450	$2,500	2,249.03
450.29 · V3 - Retirement	$750	$2,250	$1,000	2,362.84
450.32 · V3 - Insurance	$17,500	$17,500	$14,500	17,581.18
450.34 · V3 Conf. Expense	$122,500	$122,500	$120,000	121,382.75
450.36 · Truth & Peace Expense	$175,000	$150,000	$160,000	177,800.68
450.38 · NYET Expense	$30,000	$30,000	$30,000	30,704.46
450.88 · Buck-A-Week Expenses	$500	$500	$500	40.00
450.90 · V3 - Miscellaneous	$0	$0	$0	39.00
Total 450 ·Verticle 3 Expense	$394,400	$384,350	$388,750	414,773.81
445 · Denominational Ministries Expense				
445.65 · Yearbook Printing	$0	$15,000	$15,000	15,000.00
445.66 · ONE Magazine	$49,500	$49,000	$49,000	49,193.16

	Budget 2021	Budget 2020	Budget 2019	Jan - Dec 19
445.93 · Scholarships	$500	$500	$1,000	(1,000.00)
Total 445 · Denominational Ministries	$50,000	$64,500	$65,000	63,193.16

Executive Director & CEO Ronald Hunter Jr.	2020 Package	2021 Projected Package*
Salary	$50,510	$56,728
Housing Allowance	$60,000	$60,000
Retirement	$13,840	$13,840
COMPENSATION TOTAL	$124,350	$130,568
Christmas Bonus	$1,900	$1,995
TOTAL PAY PACKAGE	$126,250	$132,563

Medical, Dental, Vision and Life insurance in 2020 is $14,671. An increase is projected for 2021.
* Salary is subject to change dependent on the performance of the company

Acting Editorial Director Katie Greenwood	2020 Package	2021 Projected Package*
Salary	$53,027	$55,679
COMPENSATION TOTAL	$53,027	$55,679
Retirement	$2,651	$2,784
Christmas Bonus	$795	$835
	$3,447	$3,619
TOTAL PAY PACKAGE	$56,474	$59,298

Medical, Dental, Vision and Life insurance in 2020 is $17,641. An increase is projected for 2021.
* Salary is subject to change dependent on the performance of the company

Director of Events/Vertical Three Tim Owen	2020 Package	2021 Projected Package*
Salary	$33,852	$35,545
Housing Allowance	$30,000	$31,500
COMPENSATION TOTAL	$63,852	$67,045
Retirement	$3,193	$3,352
Christmas Bonus	$958	$1,006
	$4,150	$4,358
TOTAL PAY PACKAGE	$68,002	$71,402

Medical, Dental, Vision and Life insurance in 2020 is $17,641. An increase is projected for 2021.
* Salary is subject to change dependent on the performance of the company

Summary of the Minutes
For the Randall House Board
2019-2020

The Randall House Board met at the National Association of Free Will Baptists on Tuesday morning, July 23, 2019, in Cincinnati, Ohio. A financial update for 2019 was received as information. The board agreed to continue to pray for God's moving in the discipleship ministries of our churches. The board approved the implementation of the Plan to Protect Policy as it was written and amended. Committees for the coming year were assigned.

The Randall House Board met in Nashville, Tennessee at Randall House Publications on December 11 & 12, 2019, after the Leadership Conference. Reports were received from the Executive Director. Each committee presented their reports which included Curriculum, Vertical Three, and Finance. The board listened to a strategic realignment plan to refocus efforts on the core mission of curriculum and reduce the budget by $600,000 (which included a reduction in staff) while planning a new three-year scope and sequence for the new *D6 EveryDay* Curriculum discipleship approach. All reports were accepted and the board prayed for the personnel of Randall House. The board expressed its full appreciation and support of Executive Director (CEO), Dr. Ron Hunter, in leading Randall House through the challenges of modern day publishing while moving Randall House forward in the development and promotion of church and home discipleship. The board elected Kendall Ross to serve as the board clerk when Steve Lindsay fulfills his term in July 2020. The board discussed holding the Spring 2020 Meeting in Tennessee. Free Will Baptist Executive Secretary, Dr. Eddie Moody, accepted an invitation to meet with the Randall House board. The board, Dr. Hunter, and Dr. Moody met for the purpose of greeting one another and expressing interest in continuing to work together for the edification of our denomination and the kingdom of God.

Due to the Shelter in Place restrictions being enforced in the United States, the Randall House Board met through video conference on April 15, 2020. The board heard and received the report from the Executive Director. The board was made aware of the shifting of personnel roles and tasks as various department directors shared concerning their individual departments. The board approved the implementation of the Vertical Three Security Policy. The board also reviewed the possible plans to be implemented should the format of the 2020 National Association be altered due to the COVID-19 pandemic. Randall House made "At Home" resources digitally available for free during the COVID-19 pandemic as an attempt to further encourage families to disciple their children. The 2019 audit, a report of current financials, and the proposed 2021 budget were received and approved. Reports were given and received from Board Committees. The new curriculum line, *D6 EveryDay*, is on track to replace D6 2nd Gen in Fall 2020. The board was informed the Engage seminars would no longer be under the purview of Randall House. The Executive Office took over the responsibility for organization and oversight of seminars for future National Conventions. This change, along with others relating to the planning and organization of the National Convention, raised question among the board as to what level Randall House would be included in the discussions and collaboration taking place prior to this and future National Conventions. In the past, Randall House has been

responsible for the planning and onsite logistics of the Vertical Three Conference, which includes but is not limited to: four age-appropriate worship services per day (preschool, children, 456, and teen worship), 80+ breakouts in the ENGAGE Seminars, 1,900 competitors with 900 CTS entries, YET services, 150+ Truth and Peace students and staff, and more. We contract and create agreements in advance with local city and non-profit organizations for service projects for the week. As part of worship services, Randall House contracts with outside AV/Sound production, outside speakers, and a single paid entertainment option for the teens. After a considerable amount of time discussing these matters, a motion passed to request the Executive Director, Randall House Executive Director, planning leaders from both departments, and the officers of both boards meet to clarify the ongoing roles of these symbiotic departments in the planning, operating and promotion of our National Conventions. A second motion was passed to bring clarification concerning a portion of the Vertical Three attendee fee that was initiated by the Randall House board in 2011 to offset the attrition costs of the hotels at the National Convention. Two dollars per paid Vertical Three attendee was voluntarily offered to the Executive Office for their deficits faced in 2011 and subsequent years until the problem was solved. The intent was to offer this portion of the fee temporarily to help our sister agency in a time of need. Randall House discontinued the giving of the fee in 2018, due to the Executive Office no longer dealing with hotel attrition (as the practice continued six years longer than it should have after the problem was solved) and at that time Randall House was facing budget challenges of its own. The Randall House Board, desiring to cooperate with our sister agencies, agreed to pay the portion of the fee from 2018 and 2019. The Randall House Board also decided in the motion that the $2 fee will not be donated for the 2020 convention and forward. The board expressed appreciation to Randy Scott and Steve Lindsay. Both of these men have served two consecutive terms each and are not eligible to be reelected to the board in 2020.

IM, INC.
5233 Mt. View Road • Antioch, TN 37013
www.iminc.org

At IM, Inc. our mission statement guides us in every ministry, program, and activity we undertake. It states clearly and succinctly what we are all about: *'We exist to labor with the Body of Christ to fulfill the Great Commission'.* We sent Laura Belle Barnard, our first missionary in 1935 with the Great Commission as her marching orders. The call to take the gospel to the nations is not limited by geography, language, race, or ethnicity.

Being acutely aware of the unreached in our world, our passion to mobilize, train, and send workers to make disciples of all nations, we are fully engaged in identifying, mobilizing, training, and sending missionaries to '*labor with the Body of Christ to fulfill the Great Commission'.*

The only limitation is the time frame in which we have to accomplish this task, and that will end upon His return. Until that date we will continue to consistently and joyfully '*labor with the Body of Christ to fulfill the Great Commission'.*

UNFINISHED!

Few things can frustrate and discourage like an unfinished task. On the other hand, there is no greater motivator for some than an unfinished task. As we often hear, some see the glass as half full, and others see it as half empty. One's perspective is greatly shaped by what one is actually doing…are you drinking or pouring? We can easily apply this to an unfinished task. Are we doing something to finish it, or just passively living in our frustration and discouragement thinking it is an impossible task? If so, the task will remain 'unfinished'.

IM's theme for the year 2020 is ***'UNFINISHED'***. This is in reference to the 'unfinished task' of taking the gospel to the nations. When confronted with the realities of today's world from both the physical and spiritual realms one can easily be overwhelmed. It may even be tempting to think…it is impossible to finish the task of reaching the world with the gospel.

As of April 2019, statistics show that over 7.7 billion people live on this planet. As followers of Christ, the mere fact that at least 6 billion are not believers is enough to reveal the task is ***'UNFINISHED'.*** In addition to the lost condition of the 6 billion+, they have physical, emotional, economic, emotional, and other basic life needs that are not being met. **We as believers absolutely must ask ourselves what role God wants 'me' to play in finishing this *'UNFINISHED'* task.**

In grasping the magnitude of the ***'UNFINISHED'*** task Christian should not fall victim to discouragement. We unambiguously see the enormity of the work yet to be done, but we need to be strongly motived to engage in doing our part to see the commission obeyed.

You are invited to join IM in this effort through your devoted informed prayers, faithful giving, and willingness to fill whatever role God assigns you in taking on this ***'UNFINISHED'*** task. We will not have completed what He asked of us unless we remain actively engaged in reaching the nations until His return.

FINANCIALLY:

We rejoice in the dramatic turn-around in our finances. We know this is mainly due to our listening to your appeal to return to designated giving. Thank you for faithfully giving so His message reaches the nations.

Our CFO, Robert Conley, will provide details with his report. I am certain you will rejoice when you see how God has used your obedient giving to support our missionaries in carrying out the Great Commission.

One thing you can do right now is put August 30 on your calendars for your church to participate in IM's annual World Mission Offering (WMO). We were in a worldwide battle with COVID-19 during April when the WMO is normally taken and therefore we rescheduled it.

HIGHLIGHTS:

The past year offered us a constant diet of change. As one can imagine we saw and experienced a lot of positive changes and enormous progress, as well as our share of challenges.

21 NEW MISSIONARIES APPOINTED:

Few years, if any, can compare to 2019 when it comes to the number of new missionaries appointed. At the April 2019 board meeting 11 candidates were approved for service with IM, and at the December 2019 board meeting an additional ten were added to our field staff. Our search in the IM archives did not reveal another year with 21 candidates approved. We rejoice in the fact that God sent us amazingly qualified and committed candidates.

Another interesting element has developed. Several years ago, we asked God to bring more national believers to IM to serve as missionaries. Being an international mission agency, we certainly should have some non-Western missionaries. God has richly blessed and we presently have 12 foreign born missionaries.

For the first time in nearly 20 years we have more than 100 missionaries. We count on all IM missionaries and national workers to '*labor together to fulfill the Great Commission'*.

STAFF CHANGES:

We were privileged to add four amazing new staff members over the last year. Three were replacements for staff members that either retired, resigned, or saw a change of status due to restructuring. Staff changes can often affect the ethos of an agency. IM is truly blessed in that each transition was fundamentally seamless. Each new staff member has fit right into our ethos of unity, mutual respect, pursuit of excellence, and a full commitment to bring honor and glory to God in all things.

In addition, we have one field missionary on 'special assignment' with our department of mobilization. This is a one -year assignment we believe will greatly impact our FWB high school and college students.

We absolutely must mention the departure of long-term staff member, Deborah St. Lawrence. She served IM for almost 22 years in the department of communications. Her particular full-time role was dissolved as we shifted more to the social media realm in our communications. She will be doing some contract work for IM, so we will continue benefiting from her giftedness. Deborah's unquestionable work ethic, mastery of editorial procedures, and pursuit of excellence is greatly respected at IM. We want to express our sincere appreciation for Deborah's years of service and pray God's blessings as she seeks His direction.

The staff changes are:

- Danny Gasperson – Director of Mobilization
- Jackie Gasperson – (part time) in the financial department
- Lauren Biggs – Social Media Coordinator
- Victoria Little – missionary on 'special assignment'
- Deborah St. Lawrence – moved to freelanced contract work

PASSING OF MISSION FAMILY:

This year we experienced the loss of several former colleagues. Each of these individuals played a part in carrying out the Great Commission. We would like to extend our deepest sympathies to the families that

experienced losses. Some of our IM family experienced loss of extended family members as well. Listed below are those who *Finished* their tasks:

- **Cathy Crawford,** former missionary to France, passed away Mary 16, 2019.
- **Clara Mae Martens,** mother of Jalayne Marten, former missionary to Côte d'Ivoire, passed away May 31, 2019.
- **Dr. Ruby Griffin Martin,** former missionary to Côte d'Ivoire, went to be with the Lord August 28, 2019.
- **Howard "Howdy" Filkins,** former missionary to Côte d'Ivoire, went to be with the Lord August 31, 2019.
- **Elsie Morgan,** mother of Clint Morgan, General Director and former missionary to Côte d'Ivoire, joined her Heavenly Father October 5, 2019.
- **Harold Critcher,** former CFO of IM, entered Heaven January 3, 2020.

SURPASSING 20 BY 2020 GOALS:

In 2015 IM's leadership team set five strategic goals to reach by the end of the year 2020. Not only did we reach every goal, but we surpassed them by the end of 2019. To God be all glory and praise for this wonderful work He has accomplished through His willing servants (i.e. IM missionaries, national leaders, and lay people).

Below you will see the goals and status or each of the five areas.

1. **Increase *cash reserves* to 20%.**
    a. Goal: Have at least 20% in cash reserves by the end of 2020
    b. Status: Over the past 12 months we have averaged **37% in cash reserves** ☑

2. **Increase *the number of monthly donors* giving to IM by 20%.**
    a. Goal: From **803 in 2015 to 963** by 2020
    b. Status: We ended 2019 with **over 1,000** regular monthly donors ☑

3. **Increase *the number of missionaries* (IM/Partners) by 20%.**
    a. Goal: Increase ***from 93 (79 IM + 13 partner missionaries) to 111*** by 2020
    b. Status: December 2019 we have 103 IM missionaries and 22 partner missionaries = **125 total** ☑

4. **Increase *the number of believers* (FWBs/Partners) internationally by 20%.**
    a. Goal: Go ***from 25,524 to 30,528*** believers attending our FWB churches overseas each week
    b. Status: The 2019 overseas stats showed an average of **35,537** ☑

5. **Increase *the number of churches* (FWBs/Partners) internationally by 20%.**
    a. Goal: Increase from ***462 to 554*** churches, meeting places, and mission works to 554
    b. Status: By the end of 2019 the number reached **827** ☑

May we as Free Will Baptist raise our voices in a collective chorus of praise for the wonderful things God has done.

CHALLENGES FOR 2020 AND BEYOND:

As we look at the coming year and the near future we see some interesting, not daunting, challenges ahead. We know who is in control and we are counting on Him to guide us each step of the way. A couple of the bumps we anticipate are:

- **Funding the general fund:** It is no secret that people prefer giving to missionaries rather than to administrative expenses. We understand this, but it does not erase the need for funding operations. We will continue to seek new funding streams to cover these costs. This line item in our budget is greatly dependent on our donors giving 'undesignated' gifts as well as 'designated' to the general fund.

- **Resourcing our partnership agreements:** God has blessed us with some amazing partners with whom we labor with to fulfill the Great Commission. All partnerships do not require a financial investment from us, but most do. This is especially true on the fields where we no longer have missionary staff, but have financial commitments to assist the church in evangelism, education, and church planting. It should be noted that many love these ministries and the work of former missionaries, but giving to these partnerships takes a second row seat to missionary support. Is it not possible to view all Free Will Baptist ministries as our part in fulfilling the Great Commission?

- **Developing long-term sustainable funding model:** We rejoice that God is sending us missionaries who are engaging in innovative ministries, and in some cases, perhaps opening new fields. If we are to acquire resources to support the influx of missionaries and their creative efforts it is

imperative we discover funding models that will not only send them to the fields, but also keep them there.

- **Recovering from the COVID-19 crisis:** Hopefully, by the time you read this the crisis will be seen only in our rear-view mirror. However, the economic and emotional affects will more than likely be long lasting. There are no quick formulas for recovery from such a worldwide disaster. We will be called upon to double our efforts in many arenas just to reach some level of normalcy. As we have heard over and over again, we can do this 'together'.

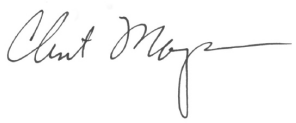
- **No ETEAM 2020:** After much fervent prayer, wise counsel, research, and deliberation IM made the decision to cancel ETEAM for 2020. It was not an easy decision to make. The students were given the option to participate in ETEAM 2021, have funds returned to their donors, or participate in a CMP or THP trip next year. We realize that every missions trip has a level of risk. However, the risk of exposing our students to COVID-19 was just too great. Please join us in praying for these students through the disappointment they may be experiencing.

HOW TO PREPARE FOR 2020 AND BEYOND:

As we go forward to addressing the UNFINISHED task, what should we do to prepare ourselves to take this on in a manner that will be pleasing to God? I would like to challenge us as Free Will Baptist to consider moving together by doing the following:

- **Pray without ceasing**
- **Discuss problems and plans with equal sensitivity to His leadership**
- **Obey His leadership in all matters**
- **Be 'one' (unified) so the world will know He has sent us**
- **Persevere until the end**

It is our prayer that we as Free Will Baptist will unite our hearts and engage ourselves to '*labor with the Body of Christ to fulfill the Great Commission'*…which to this point is the '***UNFINISHED'*** task.



Clint Morgan

General Director, IM

BOARD MEETING SUMMARY

The Board of IM, Inc, met twice and held one e-vote from May 1, 2019 to April 30, 2020. Board members for the period included: Dr. Jeff Manning (NC, chairman), Jeff Nichols (TN, vice-chairman), Mark Price (OH, secretary), Dr. Jan Banks (TX), Casey Cariker (OK), Danny Gasperson, (NC, replaced in July), Will Harmon (AR), Dr. Cameron Lane (AR), Darren Walker (NC), and Rodney Yerby (AL).

Board actions throughout the year included:

- Adopting a $7.9 million framework budget for 2021.
- Recognizing Jeff Manning for his 15 years as board member, serving four years as board chairman.
- Naming Jeff Nichols as board chairman.
- Naming Rodney Yerby as board vice-chairman.
- Approving David and Myriam Reeves as career missionaries to France.
- Appointing Ken and Jayne Cash as short-term interns to Bulgaria.
- Appointing Adam and Carol Duncan as short-term interns to Ecuador.
- Appointing Walt Schorsack, Jr as short-term intern to Japan.
- Appointing Sam and Lauren Riggs as short-term interns to Spain.
- Appointing Annabelle Ellis as short-term intern to Japan.
- Appointing Josh and Bethany as two-year interns with The Hanna Project to Spain.

FINANCIAL SUMMARIES

Each gift to IM is a way for you to help with the ***'UNFINISHED'*** task. God uses each donation to help fulfill the Great Commission. Together your gifts help reach the unreached people, introduce people to the true and living God, and meet the physical and spiritual needs of those around the world. Your contributions make an impact.

Consistent, monthly giving remains the best way to support those who evangelize, disciple new believers, plant churches, and train national leaders. Thank you to all who give to IM. Without your gifts, the ministries around the world would be unable to continue. May God bless you for your generous gifts!

2019 Total Unaudited Income: $7,938,228.85

In 2019, **91 churches gave $10,000 or more to share the gospel around the world.** We are thankful for every congregation that gives to IM.

Name	City and State	2019 Donations
Discovery FWB Church	Stockton, CA	$500,987.63
Unity FWB Church	Greenville, NC	$184,684.71
Center Point FWB Church	Fultondale, AL	$117,311.24

Donelson FWB Church	Nashville, TN	$87,829.99
Horse Branch FWB Church	Turbeville, SC	$75,882.39
New Hope FWB Church	Joelton, TN	$73,533.30
Lebanon FWB Church	Effingham, SC	$50,481.58
Bethel FWB Church	Kinston, NC	$50,016.00
Collinsville FWB Church	Collinsville, OK	$47,135.76
Cavanaugh FWB Church	Fort Smith, AR	$44,329.06
Bethany FWB Church	Broken Arrow, OK	$43,733.84
Union Grove FWB Church	Atkins, AR	$41,402.62
First FWB Church	Mountain Grove, MO	$40,676.50
Westside FWB Church	Johnsonville, SC	$39,278.85
First FWB Church	Albany, GA	$36,978.61
Connect Church	Russellville, AR	$36,509.79
Central Oaks Community Church	Royal Oak, MI	$35,037.66
Grace FWB Church	Lake City, SC	$34,877.59
Cross Timbers FWB Church	Nashville, TN	$31,535.78
Cofer's Chapel FWB Church	Nashville, TN	$30,939.97
Bethel FWB Church	Ashland City, TN	$30,938.25
Zephyr Hills FWB Church	Asheville, NC	$29,011.10
First FWB Church	Gastonia, NC	$28,879.34
First FWB Church	Washington, NC	$27,829.82
Calvary Fellowship FWB Ch	Fenton, MO	$26,966.64
Ebenezer FWB Church	Glennville, GA	$26,359.18
Mt. Zion FWB Church	Pell City, AL	$25,988.04
First FWB Church	Duncanville, TX	$23,455.62
Ina FWB Church	Ina, IL	$21,712.00
Good Springs FWB Church	Pleasant View, TN	$20,480.46
Blue Point FWB Church	Cisne, IL	$20,382.09
Macedonia FWB Church	Purdy, MO	$20,200.00
Winfield First FWB Church	Winfield, AL	$19,413.04
Bethlehem FWB Church	Ashland City, TN	$19,383.00
Peace FWB Church	Wilson, NC	$18,866.85
Hilltop FWB Church	Fuquay Varina, NC	$18,443.33
Fellowship FWB Church	Bryan, TX	$18,161.58
Cramerton FWB Church	Cramerton, NC	$17,810.00
Bethany FWB Church	Timmonsville, SC	$17,299.00
Canyon Country FWB Church	Canyon, TX	$17,169.68
Freeman Chapel FWB Church	Stewartsville, MO	$17,028.00
Harrison FWB Church	Minford, OH	$16,647.50

Garner FWB Church	Garner, NC	$16,627.00
Faith FWB Church	Lubbock, TX	$16,612.20
The Vertical Church	Yuma, AZ	$16,300.00
Valley View FWB Church	Loudon, TN	$15,481.25
Tippett's Chapel FWB Church	Clayton, NC	$15,444.84
Kirby FWB Church	Flat Rock, MI	$15,311.00
New Zion FWB Church	Headland, AL	$14,997.66
Phillips Chapel FWB Church	Springdale, AR	$14,925.00
Sutton FWB Church	Pocahontas, AR	$14,921.45
Colquitt FWB Church	Colquitt, GA	$14,708.21
Philadelphia FWB Church	Folkston, GA	$14,229.92
First FWB Church	Poteau, OK	$13,542.00
New Hope FWB	Wayne City, IL	$13,459.63
First FWB Church	Darlington, SC	$13,094.00
Unity FWB Church	Johnsonville, SC	$13,000.00
Gospel Light FWB Church	Bonne Terre, MO	$12,938.93
Canaan FWB Church	Creston, OH	$12,912.55
Verdella FWB Church	Liberal, MO	$12,863.46
First FWB Church	O'Fallon, MO	$12,755.07
Fairview FWB Church	Spartanburg, SC	$12,737.08
Sherwood Forest FWB Church	El Sobrante, CA	$12,690.00
Cedar Springs FWB Church	Jakin, GA	$12,687.15
First FWB Church	Pocahontas, AR	$12,622.08
Parkers Chapel FWB Church	Greenville, NC	$12,542.00
Eagle Heights FWB Church	Sugar Land, TX	$12,230.00
Red Bay FWB Church	Red Bay, AL	$12,186.65
Sherwood Forest FWB Church	New Bern, NC	$12,129.45
First FWB Church	Sulligent, AL	$12,103.47
Smithville FWB Church	Smithville, TN	$12,036.16
Porter FWB Church	Wheelersburg, OH	$11,691.12
Piney Grove FWB Church	Guin, AL	$11,668.14
Faith FWB Church	Ray, MI	$11,537.07
Mt. Bethel FWB Church	Rose Bud, AR	$11,528.01
Liberty FWB Church	Lawley, AL	$11,416.65
New Life Fellowship FWB Church	Statesboro, GA	$11,398.82
North Carolina WAC	Hookerton, NC	$11,231.83
Travelers Rest FWB Church	Clarksville, FL	$11,200.00
Harmony FWB Church	Ada, OK	$11,179.06
First FWB Church	Owensboro, KY	$11,165.00

Mullins-Marion FWB Church	Mullins, SC	$11,077.00
Black River FWB Church	Andrews, SC	$10,881.36
Sand Hill FWB Church	Coward, SC	$10,874.10
Trinity FWB Church	Greenville, NC	$10,793.80
North Warren FWB Church	Warren, MI	$10,636.51
Rejoice First FWB Church	Owasso, OK	$10,548.14
Fayette First FWB Church	Fayette, AL	$10,379.34
Trinity FWB Church	Ypsilanti, MI	$10,374.65
Thomaston Community Church	Thomaston, TX	$10,165.00
Macedonia FWB Church	Millport, AL	$10,090.85

In 2019, we recorded $531,533.19 in undesignated funds for the World Missions Offering (WMO). Twenty-one churches gave $5,000 or more, donating $250,363.26.

Name	City and State	2019 WMO
Unity FWB Church	Greenville, NC	$37,244.72
Cavanaugh FWB Church	Fort Smith, AR	$35,103.06
Zephyr Hills FWB Church	Asheville, NC	$18,041.10
Bethel FWB Church	Kinston, NC	$15,000.00
Bethany FWB Church	Broken Arrow, OK	$14,377.00
Ebenezer FWB Church	Glennville, GA	$14,000.00
Faith FWB Church	Lubbock, TX	$12,560.00
Sutton FWB Church	Pocahontas, AR	$12,000.00
First FWB Church	Poteau, OK	$11,642.00
Macedonia FWB Church	Purdy, MO	$10,000.00
The Vertical Church	Yuma, AZ	$10,000.00
First FWB Church	Walnut Ridge, AR	$8,500.00
Fellowship FWB Church	Bryan, TX	$6,809.91
Sulphur FWB Church	Sulphur, OK	$6,422.23
First FWB Church	Dickson, TN	$6,200.00
Harrison FWB Church	Minford, OH	$6,017.00
Travelers Rest FWB Church	Colquitt, GA	$5,581.15
Sherwood Forest FWB Church	El Sobrante, CA	$5,360.00
Heads FWB Church	Cedar Hill, TN	$5,305.09
Connect Church	Tupelo, MS	$5,200.00
Macedonia FWB Church	Millport, AL	$5,000.00

BLANKENSHIP

Independent Auditors' Report

To the Board of Directors
IM, Inc. and Subsidiary

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of IM, Inc. and its Subsidiary, which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IM, Inc. and its Subsidiary as of December 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Blankenship CPA Group, PLLC
Brentwood, Tennessee
April 9, 2020

IM, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash	$ 1,278,264	$ 1,066,847
Investments in trusts	1,675,482	1,136,673
Investments	6,855	6,969
Prepaid expenses	78,734	54,273
Advances and receivables	384,329	365,694
Property and equipment, net	920,804	945,507
Total assets	$ 4,344,468	$ 3,575,963
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 206,140	$ 176,537
Accrued employee benefits	80,134	80,324
Notes payable	58,293	75,792
Total liabilities	344,567	332,653
Net assets:		
Without donor restrictions	1,086,490	1,044,317
With donor restrictions	2,913,411	2,198,993
Total net assets	3,999,901	3,243,310
Total liabilities and net assets	$ 4,344,468	$ 3,575,963

The accompanying notes are an integral part of these consolidated financial statements.

IM, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Changes in Net Assets Without Donor Restrictions		
Revenue, gains and other support:		
Contributions	$ 1,416,298	$ 1,302,654
Investment and interest income	59,545	23,725
Other income	42	451
Gain on disposal of property and equipment	41,433	1,400
Net assets released from restrictions	5,705,867	5,767,211
Total revenue, gains and other support	7,223,185	7,095,441
Expenses:		
Program services	5,771,121	5,447,536
Management and general	1,055,877	1,020,109
Fundraising	354,014	315,344
Total expenses	7,181,012	6,782,989
Increase in net assets without donor restrictions	42,173	312,452
Changes in Net Assets With Donor Restrictions		
Revenue:		
Contributions	6,420,285	5,805,568
Net assets released from restrictions	(5,705,867)	(5,767,211)
Increase in net assets with donor restrictions	714,418	38,357
Total increase in net assets	756,591	350,809
Net assets, beginning of year	3,243,310	2,892,501
Net assets, end of year	$ 3,999,901	$ 3,243,310

The accompanying notes are an integral part of these consolidated financial statements.

IM, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

		Supporting Services		
	Program Services	Management and General	Fund-raising	Total
Compensation and benefits	$ 2,577,170	$ 702,451	$ 246,955	$ 3,526,576
Field projects	915,210	-	-	915,210
Travel	816,887	55,656	30,748	903,291
Field housing and education	836,591	-	-	836,591
Facilities and utilities	211,041	118,098	2,654	331,793
Depreciation	129,057	59,563	4,268	192,888
Marketing and development	28,768	81,958	20,734	131,460
Equipment and supplies	43,002	69,939	14,113	127,054
Training	51,531	14,561	11,103	77,195
Bank and credit card charges	6,495	32,277	90	38,862
National convention	5,871	18,066	9,039	32,976
Miscellanous	69	32,778	423	33,270
Professional services	4,465	13,313	-	17,778
WMO campaign	-	2,181	13,887	16,068
Total expenses before allocation	5,626,157	1,200,841	354,014	7,181,012
Indirect missionary expense allocation	144,964	(144,964)	-	-
Total expenses	$ 5,771,121	$ 1,055,877	$ 354,014	$ 7,181,012

The accompanying notes are an integral part of these consolidated financial statements.

IM, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018

		Supporting Services		
	Program Services	Management and General	Fund-raising	Total
Compensation and benefits	$ 2,458,091	$ 655,331	$ 231,831	$ 3,345,253
Field projects	756,532	-	-	756,532
Travel	805,806	96,246	25,909	927,961
Field housing and education	797,127	-	-	797,127
Facilities and utilities	177,538	102,842	3,488	283,868
Depreciation	130,884	58,493	5,546	194,923
Marketing and development	62,111	53,880	22,311	138,302
Equipment and supplies	36,369	105,739	2,033	144,141
Training	48,773	9,715	2,204	60,692
Bank and credit card charges	4,760	30,682	-	35,442
National convention	4,723	24,456	9,473	38,652
Miscellanous	18,223	8,641	600	27,464
Professional services	2,240	15,844	180	18,264
WMO campaign	2,500	99	11,769	14,368
Total expenses before allocation	5,305,677	1,161,968	315,344	6,782,989
Indirect missionary expense allocation	141,859	(141,859)	-	-
Total expenses	$ 5,447,536	$ 1,020,109	$ 315,344	$ 6,782,989

The accompanying notes are an integral part of these consolidated financial statements.

IM, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Increase in net assets	$ 756,591	$ 350,809
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	192,888	194,923
Unrealized gain on investments	(40,984)	(163)
Gain on disposal of property and equipment	(41,433)	(1,400)
Change in operating assets and liabilities		
Prepaid expenses	(24,461)	(26,086)
Advances and receivables	(18,635)	(38,408)
Accounts payable and accrued expenses	29,603	5,382
Accrued employee benefits	(190)	7,827
Net cash provided by operating activites	853,379	492,884
Cash flows from investing activities:		
Purchases of investments	(500,000)	(523,432)
Proceeds from sale of investments	2,289	-
Purchases of property and equipment	(303,161)	(221,739)
Proceeds from sale of property and equipment	176,409	74,113
Net cash used in investing activities	(624,463)	(671,058)
Cash flows from financing activities:		
Payments on notes payable	(17,499)	(28,461)
Net cash used in financing activities	(17,499)	(28,461)
Increase (decrease) in cash	211,417	(206,635)
Cash, beginning of year	1,066,847	1,273,482
Cash, end of year	$ 1,278,264	$ 1,066,847
Supplemental disclosure of cash flows information		
Cash payments for interest	$ 4,395	$ 5,943

The accompanying notes are an integral part of these consolidated financial statements.

IM, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

IM, Inc. is a not-for-profit organization (the "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 from Free Will Baptist Churches.

The Organization has established a not-for-profit subsidiary (the "Subsidiary," The Hanna Project) to meet the physical and spiritual needs of hurting people around the world.

During 2018, the Organization formally changed its name from the Board of International Missions of the National Association of Free Will Baptists, Inc. to IM, Inc.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation
The accompanying financial statements include the accounts of IM, Inc. and The Hanna Project. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Presentation
The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

> **Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
>
> **Net assets with donor restrictions**: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates
The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash
Cash includes checking deposits and cash on hand both in the United States and the international mission fields.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment
It is the Organization's policy to capitalize all property and equipment over $4,000. Property and equipment acquisitions are recorded at cost. Donations of equipment are recorded as revenues at their estimated fair value. Such donations are reported as unrestricted revenues unless the donor has restricted the donated asset to a specific purpose. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain (except on trade-in) or loss is included in the statements of activities for the period. A gain on trade-in is applied to reduce the cost of the new acquisition. Depreciation is provided over the estimated useful life of three to 39 years and is computed on a straight-line method.

Contributions
Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Income Taxes
The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the tax laws of the state of Tennessee.

Functional Expenses
The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Compensation and benefits	Time and effort
Facilities and utilities	Time and effort
Depreciation	Time and effort
Equipment and supplies	Time and effort

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31:

	2019	2018
Financial assets at year end:		
Cash	$ 1,278,264	$ 1,066,847
Investments in trust	1,675,482	1,136,673
Investments	6,855	6,969
Advances and receivables	384,329	365,694
Total financial assets	3,344,930	2,576,183
Less amounts not available to be used within one year:		
Advances for long term use	70,940	98,519
Permanently restricted portion of investments	26,241	26,241
	97,181	124,760
Financial assets available to meet general expenditures over the next twelve months	$ 3,247,749	$ 2,451,423

The Organization is working towards a goal to maintain financial assets to meet six months of operating expenses. As part of its liquidity plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization receives year-round donations from individuals and churches and the Organization makes specific appeals at strategic times of the year for specific projects. Cash flow is tracked through regular budget to actual comparisons which are monitored by management and the board of directors.

NOTE 4 - INVESTMENTS IN TRUSTS

Investments in trusts are carried at quoted fair market values or cost. The Organization's trusts at December 31 consisted of the following:

	2019	2018
General Reserves Trust	$ 1,643,337	$ 1,100,846
Support Services Endowment	29,440	28,620
MK Scholarship Endowment	2,705	2,631
St. Sebastian Trust	-	4,576
	$ 1,675,482	$ 1,136,673

The total investment income for the trusts was $40,997 and $23,562 for 2019 and 2018, respectively.

US GAAP requires the Organization to disclose the basis for considering market participants assumptions in fair value measurements. Fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity including quoted market prices in active markets for identical assets (Level 1), or significant other observable inputs (Level 2) and the reporting entity's own assumptions about market participant assumptions (Level 3). All of the Organization's investments are valued using Level 1 measurements.

NOTE 5 - INVESTMENTS

Investments are carried at quoted fair market values. The Organization's investments at December 31, 2019 and 2018 consisted of equity securities. Unrealized (losses) gains were ($113) and $163 for 2019 and 2018, respectively. There were no realized gains or losses. The equity securities are valued with Level 1 inputs as more fully described in Note 4.

NOTE 6 - ADVANCES AND RECEIVABLES

Included in advances and receivables is $380,996 and $356,272 at December 31, 2019 and 2018, respectively for funds advanced to missionaries. When a missionary goes to the field they are given advance funds to establish their missionary work. These funds are normally netted with future expense reimbursements. Any funds still outstanding are due back from the missionary when the missionary resigns or retires.

NOTE 7 - PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31 is as follows:

	2019	2018
Land	$ 165,963	$ 187,213
Buildings	497,888	561,638
Office furniture and equipment	27,918	32,273
Cameras and projectors	68,754	73,700
Automobiles	946,845	1,043,413
Computer equipment and software	47,648	61,544
	1,755,016	1,959,781
Less accumulated depreciation	(834,212)	(1,014,274)
	$ 920,804	$ 945,507

Depreciation expense amounted to $192,888 and $194,923 for 2019 and 2018, respectively.

NOTE 8 - ACCRUED EMPLOYEE BENEFITS

The Organization has had several programs that provide payments to missionaries at the time of separation to assist with their transition back to the United States. Generally, these amounts are based on the number of years of the employees' service. The most significant program was discontinued on December 31, 2009 and, when cash flow allows, the Organization will continue to pay-out of these funds to all the missionaries. The remaining program provides cash payout upon separation based on reaching 25 years of service. During 2019, the Organization adopted a policy to provide lump sum payments to non-missionary employees at the time of separation based on the number of years of service.

NOTE 9 - LINE OF CREDIT

The Organization entered into a maximum $500,000 line of credit arrangement with Free Will Baptist Foundation secured by the Organization's cash, investments in trusts, and investments. Interest on any outstanding borrowings are payable monthly at The Wall Street Journal published prime rate plus 1.25 percent per annum. No borrowings on the line were outstanding at December 31, 2019 and 2018. The arrangement expired March 12, 2020 and was not renewed.

NOTE 10 - NOTES PAYABLE

Notes payable consist of the following as of December 31:

	2019	2018
Note payable to Free Will Baptist Foundation for the Yahata property requiring monthly payments of principal and interest of $1,477 with an interest rate of 6.0%. The note matures in August 2023. The note is secured by the property financed.	$ 58,293	$ 72,071
Note payable to Free Will Baptist Foundation for the Miharashidai property requiring monthly payments of principal and interest of $1,390 with an interest rate of 6.9%. The note matured in March 2019. The note was secured by the property financed.	-	3,721
	$ 58,293	$ 75,792

Annual principal maturities of notes payable are as follows as of December 31:

Year ending December 31,	
2020	$ 14,624
2021	15,526
2022	16,484
2023	11,659
	$ 58,293

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31:

	2019	2018
Subject to expenditure for mission personnel and projects	$ 2,887,170	$ 2,172,752
Investment in perpetuity, the income which is expendable	26,241	26,241
	$ 2,913,411	$ 2,198,993

The Organization has a policy of allocating certain indirect missionary costs to missionary/field net assets. The administrative allocation totaled $351,291 and $348,807 for 2019 and 2018, respectively and is recorded as a direct transfer from net assets with donor restrictions to net assets without donor restrictions. The support allocation totaled $144,964 and $141,859 for 2019 and 2018, respectively and is recorded as an increase in program services and a reduction of management and general expenses on the statements of functional expenses.

NOTE 12 - DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

Included in net assets without donor restrictions is $519,336 and $474,337 of net assets at December 31, 2019 and 2018, respectively designated by the board of directors to fund missionary accounts with deficit balances and to fund specific mission projects.

NOTE 13 - 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 Organization contributes up to 5% of gross salary for missionaries and administrative employees. Employees are allowed to contribute but are not required to contribute. Pension expenses amounted to $86,504 and $101,732 for 2019 and 2018, respectively. The pension plan is a defined contribution plan. Under the plan, an account is maintained for each participant and upon retirement the participant can either receive a lump-sum distribution or purchase one of several types of annuity contracts.

NOTE 14 - LEASE

The Organization leases office space from the National Association of Free Will Baptists on a year-to-year basis. The rent expense amounted to $96,079 and $92,294 for 2019 and 2018, respectively.

NOTE 15 - CONCENTRATIONS

The Organization's operations occur substantially in countries outside of the United States. The net book value of the Organization's cash and property and equipment residing outside of the United States totaled $737,177 and $719,951 at December 31, 2019 and 2018, respectively.

NOTE 16 - RELATED PARTIES

The Organization is affiliated with the National Association of Free Will Baptists. While the Organization is an independent entity, it shares the common goal with the associated churches and other denominational affiliates to labor with the Body of Christ to fulfill the Great Commission. Accordingly, the various Free Will Baptist churches and affiliates share resources and support. Substantially all of the Organization's revenue and support is provided by churches, individuals, and affiliates associated with the National Association of Free Will Baptists. Significant relationships and transactions with these related parties are noted in the consolidated financial statementss and related notes by naming the specific entity.

NOTE 17 - RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). ASU No. 2016-02 requires recognition of rights and obligations arising from lease contracts, including existing and new arrangements, as assets and liabilities on the balance sheet. ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2020. The Organization's adoption of the new standard in 2021 will require quantitative and qualitative financial statements disclosures regarding the Organization's lease arrangements and balance sheet presentation of right of use assets and lease liabilities representative of the Organization's discounted future lease payments. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial statements in the subsequent years.

NOTE 18 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 9, 2020 which is the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical areas in which the Organization operates and ministers. While it is unknown how long these conditions will last and what the complete financial effect will be to the Organization, to date, the Organization is experiencing a decline in its contributions and its ability perform ministry activities at its normal pace.

IM, Inc.

2021 Operational Budget Summary

Category	2019 Approved Budget	2019 Actuals	2020 Approved Budget	2021 Proposed Budget
Field Ministries & Projects	$1,152,000.00	$ 1,227,492.21	$1,200,000.00	$1,280,000.00
Missionary Compensation & Benefits	$ 3,600,000.00	$ 3,290,519.11	$ 3,750,000.00	$ 4,000,000.00
Missionary Travel/Transportation	$ 1,008,000.00	$ 648,443.23	$ 1,050,000.00	$ 1,120,000.00
Mobilization & Development	$ 432,000.00	$ 770,332.64	$ 450,000.00	$ 480,000.00
Administration	$ 1,008,000.00	$ 850,037.27	$ 1,050,000.00	$ 1,120,000.00
Grand Totals	**$ 7,200,000.00**	**$ 6,786,824.46**	**$ 7,500,000.00**	**$ 8,000,000.00**

	2018 Adj Factor	2019 Adj Factor	2020 Adj Factor	2021 Adj Factor
	1.030	1.030	1.040	1.020
Representative Compensation Proposals - IM, Inc.				
	2018 Actual	**2019 Actual**	**2020 Actual**	**2021 Proposed**
General Director - Clint Morgan				
Salary	52,727.52	55,029.35	58,190.52	59,834.33
Housing and Utilities	24,000.00	24,000.00	24,000.00	24,000.00
Social Security	12,867.92	13,253.96	13,784.11	14,059.80
Retirement	3,836.38	3,951.47	4,109.53	4,191.72
Insurance	19,490.04	19,490.04	19,490.04	19,490.04
Christmas Bonus	1,475.53	1,519.80	1,580.59	1,612.20
Total Cost of Employment	114,397.39	117,244.61	121,154.79	123,188.08
Director of Financial Operations - Robert Conley				
Salary	64,412.09	69,661.68	72,448.15	73,897.11
Social Security	10,876.63	11,763.08	12,233.60	12,478.27
Retirement	3,220.60	3,483.08	3,622.41	3,694.86
Insurance	25,626.24	25,626.24	25,626.24	25,626.24
Christmas Bonus	1,238.69	1,339.65	1,393.23	1,421.10
Total Cost of Employment	105,374.26	111,873.73	115,323.63	117,117.57
Director of Mobilization/THP - Danny Gasperson				
Salary	34,412.09	34,184.45	42,751.83	44,086.86
Housing and Utilities	30,000.00	30,000.00	24,000.00	24,000.00
Social Security	10,802.51	10,764.33	11,194.90	11,418.80
Retirement	3,220.60	3,209.22	3,337.59	3,404.34
Insurance	9,856.32	9,856.32	9,856.32	9,856.32
Christmas Bonus	1,238.69	1,234.32	1,283.69	1,309.36
Total Cost of Employment	89,530.21	89,248.64	92,424.33	94,075.69
Director of Field Ministry Personnel - Curt Holland				
Salary	34,412.09	37,544.46	40,246.23	41,651.16
Housing and Utilities	30,000.00	30,000.00	30,000.00	30,000.00
Social Security	10,802.51	11,327.83	11,780.95	12,016.56
Retirement	3,220.60	3,377.22	3,512.31	3,582.56
Insurance	25,286.04	25,286.04	25,286.04	25,286.04
Christmas Bonus	1,238.69	1,298.93	1,350.89	1,377.91
Total Cost of Employment	104,959.94	108,834.48	112,176.42	113,914.23
Director of Member Care - Neil Gilliland				
Salary	64,412.09	66,344.45	68,998.23	70,378.20
Social Security	10,876.63	11,202.93	11,651.05	11,884.07
Retirement	3,220.60	3,317.22	3,449.91	3,518.91
Insurance	19,490.04	19,490.04	19,490.04	19,490.04
Christmas Bonus	1,238.69	1,275.85	1,326.89	1,353.43
Total Cost of Employment	99,238.06	101,630.50	104,916.12	106,624.64
Director of Church Relations - Don Matchett				
Salary	38,315.00	34,184.45	38,998.23	40,378.19
Housing and Utilities	24,000.00	30,000.00	30,000.00	30,000.00
Social Security	10,450.80	10,764.33	11,571.64	11,803.08
Retirement	3,115.75	3,209.22	3,449.91	3,518.91
Insurance	25,626.24	25,626.24	25,626.24	25,626.24
Christmas Bonus	1,198.37	1,234.32	1,326.89	1,353.43
Total Cost of Employment	102,706.16	105,018.56	110,972.91	112,679.85



FWB WOMEN'S MINISTRIES

As a result of the Coronavirus pandemic, we have all been given a chance to reevaluate how we do ministry. Our mission has not changed. **We exist to help each woman fulfill her roles in the Great Commission at home and abroad.**

As a denomination, we have chosen to grow, stretch, and be creative. As a national agency, our **social media presence** has been heightened (Facebook, Twitter, and Instagram). Sign up for our e-blasts for current information between issues of *Treasure*. We are thankful ***Treasure*** became an on-line resource last fall. This allows anyone to access the Bible studies and complementary articles at their convenience.

Spanish resources are now available on our website. The major portion is the translations of our Bible studies. This is a work in progress but our goal is to have 50+ studies available for our Spanish-speaking friends over the course of 2020.

In April we unveiled our **WNAC app** providing a means for on-line giving, recurring gifts, and text to give. This was in production before we knew about the pandemic. God's timing is always right.

The **Flourish Ladies' Day Event** is postponed until August 15, 2020 meeting at the Central FWB Church in Huntington, West Virginia. To date we have 250 ladies from eight (8) states registered to share this day with us! Our goal remains for these days to become regional events.

The two opportunities for ***Shine*! conferences** did not materialize. We continue to pray and plan for conferences during the coming months.

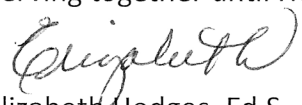
The **Steward Provision Closet** ($30,000) ministry continues to be a blessing to our international missionaries, church planters, etc. We met **110** specific needs of our missionary families. We also gifted our Ivorian sisters during their Women of the Good News Camp, including the dedication ceremonies of the Women's Center. Between 700-1,000 attended the various services during the weekend. What a blessing to participate and see God bring a dream to reality for their ministry.

Our scholarship program met the needs of **11** students totaling **$6000** for the year. What a privilege to invest in the next generation of FWB leaders.
Cleo Pursell Foreign Student Scholarship: Bible Institute students in Uruguay.
Miley International Student Scholarship: Daniel Delgado (Welch)
Dr. Mary R. Wisehart Student Scholarship: Emilee Davis (Welch)

Our **website** (www.wnac.org) underwent a complete revision and update in the fall. Have you visited our site? If you have any questions, please contact us.
As we seek to minister to all FWB women in every FWB church, we are here to serve and learn. Serve in any way we can and learn from each other. Let us know how we can better serve your women because **together we can do more**!

We are grateful for those who support us consistently. We are depending on the Lord to meet your needs...and ours....as we move forward in these uncertain days.

Serving together until He comes,



Elizabeth Hodges, Ed.S., CMP
Director

Synopsis of Board Minutes

MSC, after the last 2019 issue of *Treasure* magazine is published, *Treasure* will become an online resource only.

MSC to approve the proposed 2020 budget.

MSC to establish the following sub-committees for the WNAC board: Finance, *Shine!,* and Flourish. **MSC** to accept the job descriptions for each sub-committee.

MSC to enter into a 3-year contract with PushPay for on-line giving.

MSC to change the Mary Ruth Wisehart Scholarship Fund from a revocable trust to a demand endowment.

HHA
Hill, Harper & Associates
A Professional Limited Liability Company
Certified Public Accountants

Independent Auditors' Report

Board of Trustees of the
Women Nationally Active for Christ
of the National Association of Free Will Baptists, Inc.

Report on the Financial Statements
We have audited the statements of financial position of the Women Nationally Active for Christ of the National Association of Free Will Baptists, Inc. (thereafter WNAC) (a nonprofit organization) as of December 31, 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WNAC as of December 31, 2019, and changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information
We had previously audited WNAC's 2018 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated April 9, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it was derived.

Hill Harper & Associates

A Professional Limited Liability Company
Franklin, Tennessee
April 21, 2020

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WOMEN NATIONALLY ACTIVE FOR CHRIST
OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

Statement of Financial Position

December 31, 2019
With comparative figures for year ended December 31, 2018

Assets

	2019	2018
Current assets:		
Cash and cash equivalents:		
Cash in bank	$ 31,577	20,499
Funds held by Free Will Baptist Foundation (including $109,960 in 2019 and $108,372 in 2018 of funds with donor restrictions)	118,607	128,744
	150,184	149,243
Accounts receivable	-	122
Inventory and prepaid expenses	3,970	3,275
Total current assets	154,154	152,640
Long lived assets:		
Depreciable assets:		
Vehicle	21,264	21,264
Office equipment and furniture	26,384	26,384
	47,648	47,648
Less accumulated depreciation	41,854	33,200
	5,794	14,448
Funds held by Free Will Baptist Foundation for endowments	52,758	51,763
Total long lived assets	58,552	66,211
	$ 212,706	218,851

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued expenses	$ 4,559	2,691
Funds held for other organizations and agencies	11,138	885
Deferred revenues related to magazine subscriptions	-	15,147
Total current liabilities	15,697	18,723
Net assets:		
Net assets without donor restrictions	1,166	9,298
Net assets with donor restrictions	195,843	190,830
Total net assets	197,009	200,128
	$ 212,706	218,851

See accompanying notes to financial statements.

WOMEN NATIONALLY ACTIVE FOR CHRIST
OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

Statement of Activities and Changes in Net Assets

For the year ended December 31, 2019

With comparative totals for year ended December 31, 2018

	Funds Held for Others	Operations	Publications	Convention and Retreats	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2019 Total	2018 Total
Revenue and Support:								
Funds for other agencies and departments:								
Amount received	$ 47,192	-	-	-	47,192	-	47,192	29,851
Amount incurred	(47,192)	-	-	-	(47,192)	-	(47,192)	(29,851)
Gifts, grants and offerings	-	54,279	-	4,260	58,539	15,258	73,797	56,815
International projects	-	3,000	-	-	3,000	-	3,000	-
Together Way Plan distribution	-	92,838	-	-	92,838	-	92,838	105,384
Magazine subscriptions	-	-	15,443	-	15,443	-	15,443	22,021
Literature sales	-	26	-	-	26	-	26	63
Dues / delegate fees	-	41,190	-	-	41,190	-	41,190	46,512
Convention revenues	-	-	-	24,637	24,637	-	24,637	42,521
Interest income	-	1,305	-	-	1,305	2,563	3,868	3,876
Distributions - endowment income	-	6,959	-	-	6,959	(6,959)	-	-
Other revenue	-	292	-	-	292	-	292	1,283
Total revenue and support	-	199,889	15,443	28,897	244,229	10,862	255,091	278,475
Cost of publications:								
Magazine printing and online	-	-	9,035	-	9,035	-	9,035	12,914
Editor / employee compensation	-	-	31,874	-	31,874	-	31,874	32,270
Postage and other	-	-	667	-	667	-	667	927
	-	-	41,576	-	41,576	-	41,576	46,111
Net revenue and support	-	199,889	(26,133)	28,897	202,653	10,862	213,515	232,364
Net assets released from restrictions	-	13,803	-	-	13,803	(13,803)	-	-
	-	213,692	(26,133)	28,897	216,456	(2,941)	213,515	232,364
Operating expenses:								
Program services	-	169,599	-	24,057	193,656	-	193,656	203,038
Supporting service	-	30,932	-	-	30,932	-	30,932	35,644
	-	200,531	-	24,057	224,588	-	224,588	238,682
Net change from operating activities	-	13,161	(26,133)	4,840	(8,132)	(2,941)	(11,073)	(6,318)
Non-operating activities:								
Gain (loss) from investment assets	-	-	-	-	-	7,954	7,954	(3,283)
Net change from non-operating activities	-	-	-	-	-	7,954	7,954	(3,283)
Change in net assets	$ -	13,161	(26,133)	4,840	(8,132)	5,013	(3,119)	(9,601)
Net assets beginning of the year as originally reported					9,298	199,130	208,428	209,729
Accounting error - see Note 8 for further discussion					-	(8,300)	(8,300)	-
Net assets beginning of the year as restated					9,298	190,830	200,128	209,729
Net assets end of the year					$ 1,166	195,843	197,009	200,128

See accompanying notes to financial statements.

WOMEN NATIONALLY ACTIVE FOR CHRIST
OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

Statement of Functional Expenses

For the year ended December 31, 2019
With comparative totals for year ended December 31, 2018

	2019			
	Program Services	Supporting Services	Totals	2018 Totals
Expenses:				
Operations:				
Salaries	$ 46,500	12,664	59,164	60,164
Employee benefits, payroll taxes, and health insurance	18,279	4,874	23,153	28,041
Rent	27,875	-	27,875	26,499
Travel	17,456	-	17,456	9,793
International projects	3,000	-	3,000	700
Cuba medical mission	635	-	635	1,855
Office expense and other	19,297	-	19,297	15,824
Vehicle expense	1,367	-	1,367	1,634
Legal and audit	-	5,100	5,100	5,000
Postage and shipping	2,592	-	2,592	2,646
WNAC Board of Trustees	-	5,064	5,064	7,630
Promotion	1,038	-	1,038	6,407
Dues, subscriptions and continuing education	-	3,230	3,230	4,448
Depreciation	8,654	-	8,654	7,877
Support for One Magazine	8,853	-	8,853	8,735
Operations share of foreign scholarships	250	-	250	-
Restricted expenditures:				
C. Pursell Foreign Scholarship Fund	750	-	750	1,500
Mary Wisehart Student Scholarship Fund	5,000	-	5,000	7,000
Steward Provision Closet	8,053	-	8,053	13,378
Total expenses of operations	169,599	30,932	200,531	209,131
Convention:				
Annual convention	18,925	-	18,925	24,141
Retreat:				
Shine	5,132	-	5,132	5,410
Total expenses	$ 193,656	30,932	224,588	238,682

See accompanying notes to financial statements.

WOMEN NATIONALLY ACTIVE FOR CHRIST
OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

Statement of Cash Flows

For the year ended December 31, 2019
With comparative totals for year ended December 31, 2018

		2019	2018
Cash Flows from Operating Activities			
Decrease in net assets	$	(3,119)	(9,601)
Adjustments to reconcile change in net assets to net operating activities:			
Depreciation		8,654	7,877
(Gain) loss on endowment funds held by Free Will Baptist Foundation		(7,954)	3,283
(Increase) decrease in:			
Receivables		122	(62)
Inventory and prepaid expenses		(695)	2,470
Increase (decrease) in:			
Deferred revenues related to magazine subscriptions		(15,147)	(369)
Funds held for other denominational agencies and organizations		10,253	(1,721)
Accounts payable and accrued expenses		1,868	(5,482)
Net operating activities		(6,018)	(3,605)
Cash Flows from Investing Activities			
Purchase of computers		-	(4,661)
Net change in endowment investments held by Free Will Baptist Foundation		6,959	2,847
Net investing activities		6,959	(1,814)
Increase (decrease) in cash and cash equivalents		941	(5,419)
Cash and cash equivalents:			
Beginning of year		149,243	154,662
End of year	$	150,184	149,243
Cash and cash equivalents consist of:			
Cash in bank	$	31,577	20,499
Funds held by Free Will Baptist Foundation		118,607	128,744
	$	150,184	149,243

See accompanying notes to financial statements.

WOMEN NATIONALLY ACTIVE FOR CHRIST
OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.

Notes to Financial Statements

December 31, 2019

Women Nationally Active For Christ (hereafter WNAC) was approved by the National Association of Free Will Baptists, Inc. to become a department of the organization and is governed by a Board of Trustees. WNAC was incorporated under the laws of the State of Tennessee effective October 2015, after approval was granted by the voting body of the National Association of Free Will Baptists, Inc. at its national convention in July 2015.

The purpose of the organization shall be to assist the various bodies comprising the WNAC in providing opportunities for each woman to fulfill the Great Commission through her God-designed roles in the home, Church, community and world.

(1) Summary of Significant Accounting Policies

Basis of Presentation

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

WNAC implemented ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities with it's effective date for the year ended December 31, 2018. As required by generally accepted accounting principles, WNAC reports information regarding its financial position and activities according to two classes of net assets, as applicable:

Net assets without donor restrictions - Net assets not subject to donor imposed stipulations. These funds may be designated for specific purposes by action of the governing body.

Net assets with donor restrictions - Net assets whose use is subject to donor imposed stipulations and / or the passage of time.

Certain amounts in the prior-year financial statements may have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

The amount of each of the classes of net assets are presented in the statements of financial position and the change in each class of net assets is presented in the statements of activities.

Funds received which are designated by the donor to be transferred to third parties are accounted for as liability transactions. WNAC is encouraging donors to make their contributions direct to the respective beneficiary.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to ongoing activities, including investment income. Non-operating activities are limited to resources that generate return from investment, if any, and other activities of a more unusual or non recurring nature.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in statement of activities. These expenses are presented by their natural classification in the statement of functional expenses by individual component of program service and administrative expenses. Administrative expenses consist of administration, accounting and other general expenses.

Cash and Cash Equivalents

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

Use of Estimates

The preparation of financial statements 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.

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

Concentration of Credit Risk

WNAC has an accounting risk of loss to the extent of funds held by Free Will Baptist Foundation. Further, bank balances in excess of the amount of FDIC insurance are subject to risk of accounting loss. Management does not anticipate nonperformance by the financial institutions and has not experienced, nor does it anticipate, any losses with with respect to such accounts.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy which gives the highest priority to observable inputs such as quoted prices in active markets for identical assets or liabilities (Level 1), the next highest priority to inputs from observable data other than quoted prices (Level 2) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. For the years ended December 31, 2019 and 2018, endowment funds held by Free Will Baptist Foundation were valued at market using Level 2 inputs.

The carrying value of cash, accounts receivable, accounts payable and accrued expenses approximate fair value because of the short maturity of these instruments.

Contributions, including Grants

Contributions received are recorded as net assets without donor restriction or net assets with donor restriction depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets of with donor restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Contributions of assets, if any, are recorded at fair value at the date of the donation, depending upon whether or not the contribution is restricted by the donor.

Accounts Receivable and Printing of Magazine (Treasure)

During 2018 WNAC extended credit to churches and individuals located throughout the United States for magazine subscriptions and literature. Printing of magazines has been terminated. The magazine has experienced substantial losses for many years. Losses for 2019 and 2018 amounted to $26,133 and $24,090, respectively. The current magazine is available online at no charge. Receivables, if any, are miscellaneous in nature.

Fixed Assets

Furniture and equipment are recorded at cost or at fair value as of the date contributed. Expenditures for acquisition of assets in excess of $500 are capitalized and depreciated over their usable lives on the straight line method. Expenditures for maintenance and repairs, renewals, and betterments that do not significantly extend the useful life's of asset are expensed as incurred.

Income Taxes

WNAC is exempt from Federal and state income taxes; accordingly, no provision for income taxes is made in the accounts. There is no unrelated business income for 2019 and 2018. Further, management believes that WNAC has no activities which will lead to income taxes being levied.

Compensated Absences

Employees of the WNAC are entitled to paid vacation, 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. WNAC's policy is to recognize the cost of compensated absences when actually paid to the employees.

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

Subsequent Events

Subsequent events have been evaluated for potential recognition and disclosure through April 21, 2020, the date these financial statements were available to be issued.

On March 19, 2020, a national emergency was declared by the President of the United States relating to the COVID-19 virus outbreak. COVID-19 has caused business disruption beginning March 2020 which is expected to be temporary, but the duration of the disruption is uncertain. Therefore, WNAC expects the matter to negatively impact its operations. However, the related financial impact cannot be reasonably estimated at this time.

In order to mitigate the negative impact, the United States has implemented the "Payroll Protection Program" which is a low interest loan program (ultimately may become a grant if conditions are met) to cover two and half months of total payroll costs. WNAC has made application to participate in this program with a potential loan amount of $19,250.

(2) **Liquidity and Availability of Financial Assets**

The following reflects WNAC's financial assets as of balance sheet dates, reduced by the amounts not available for general use because of donor-imposed restrictions within one year from the balance sheet date as follows:

	2019	2018
Financial assets:		
Cash and cash equivalents	$ 150,184	149,243
Gift cards included in inventory and prepaid assets	2,470	1,775
Accounts receivable	-	122
	152,654	151,140
Donor restricted net assets included in financial assets above		
Mary Wisehart Student Scholarship Fund	89,068	90,112
C. Pursell Foreign Scholarship Fund	830	467
Steward Provision Closet (providing supplies and other benefit to missionaries)	53,187	48,488
	142,255	138,600
Financial assets available to meet general expenditures over the next twelve months	$ 10,399	12,540

WNAC continually monitors cash flow and cash balances, with an end goal to maintain positive cash flows and cash balances.

(3) **Endowment Funds**

Contributions to the endowment fund are subject to donor restrictions that stipulate the original principal of the gift is to be held and invested indefinitely, and the income earned be expended for the mission of WNAC. As required by generally accepted accounting principles, net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

WNAC is subject to the State Prudent Management of Institutional Funds Act (SPMICA) and, therefore, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions until appropriated for expenditure. The Board of Trustees have interpreted SPMIFA as requiring maintenance of only the original gift amount contributed to the endowment fund. As a result of this interpretation, WNAC would consider the fund to be underwater if the fair value of the fund is less than the sum of the original value of the contribution and subsequent gifts donated to the fund. WNAC has interpreted SPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. The fund is not currently underwater.

Investments of endowment funds are held by Free Will Baptist Foundation and are valued using Level 2 inputs (as described above) based on fair market value quotes. All resulting net accumulated investments gains are maintained either as net assets with donor restriction to fund appropriations which are generally calculated at approximately 5%. During 2019, WNAC took a larger distribution amounting to $6,959 which is in accordance with the original trust agreement.

(3) **Endowment Funds, continued**

The balances relating to endowment funds are as follows:

		2019	2018
Amounts required to be invested in perpetuity:			
Balance at beginning of year	$	50,617	50,617
Donor gifts		-	-
	$	50,617	50,617
Funds accumulated for appropriations:			
Balance at beginning of year	$	1,146	7,276
Investment earnings (losses), including investment gains and losses		7,954	(3,283)
Distributions of earnings		(6,959)	(2,847)
	$	2,141	1,146
Total invested funds with Free Will Baptist Foundation as endowment	$	52,758	51,763

(4) **Net Assets With Donor Restrictions**

Net assets with donor restrictions are as follows as of December 31:

		2019	2018
Specific purposes:			
Mary Wisehart Student Scholarship Fund	$	89,068	90,112
C. Pursell Foreign Scholarship Fund		830	467
Steward Provision Closet		53,187	48,488
		143,085	139,067
Endowment fund components:			
Undesignated funds invested in perpetuity		50,617	50,617
Funds available for distributions		2,141	1,146
		52,758	51,763
Total net assets with donor restrictions	$	195,843	190,830

(5) **Net Assets Released From Donor Restrictions**

Net assets were released from donor restrictions during the year ended December 31, 2019 by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors:

Cleo Pursell Foreign Student Scholarship Fund	$	750
Mary Wisehart Student Scholarship Fund		5,000
Steward Provision Closet		8,053
Net assets released		13,803
M. Workman Endowment funds distributed		6,959
Net assets released after distributions	$	20,762

(6) Pension

WNAC 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 expense amounted to $3,660 in 2019 and $5,290 in 2018. 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 of one of several types of annuity contracts.

(7) Related Party Transactions

Operating Leases

WNAC rents office space from the National Office Building located in Antioch, Tennessee. The lease agreement is cancelable with 90 day written notice. Office lease expense amounted to $27,875 in 2019 and $26,449 in 2018.

One Magazine of the National Association of Free Will Baptists

The denomination began the publication - One Magazine - in 2005 to combine the publications of certain Free Will Baptist agencies and organizations. One Magazine is funded by contributions from each of these agencies and organizations. WNAC provided support to One Magazine of $8,853 in 2019 and $8,735 in 2018.

Large Revenues From Related Parties

Larger than normal gifts and grants have been received as follows from agencies of the National Association of Free Will Baptists:

		2019	2018
Cooperative giving through the Together Way Plan	$	92,838	105,384
Executive Office		4,954	4,683
IM, Inc.		10,000	-
Free Will Baptist Foundation		-	22,000

(8) Accounting Error

An error was made in recording Gift Cards on Hand as of December 31, 2018, The effect of the error overstated by $8,300 the ending balance of "Net Assets with Donor Restrictions". The resulting adjustment reduced these net assets as originally reported from $199,130 to $190,830 as restated. This adjustment is presented on the Statement of Activities and Changes in Net Assets.

WOMEN NATIONALLY ACTIVE FOR CHRIST
2021 Proposed Budget

Projected Revenue	2019 Budget	2019 Actuals	2020 Budget	2021 Budget
Gifts, grant, and offerings	65,000.00	57,571.00	65,000.00	65,000.00
Together Way Funds	80,000.00	92,838.00	92,000.00	92,000.00
Dues	50,000.00	41,190.00	50,000.00	50,000.00
Magazine Subscriptions	20,000.00	15,443.00	-	-
Literature	1,000.00	26.00	500.00	500.00
Convention and Retreats	24,000.00	28,897.00	25,000.00	25,000.00
Interest Income	500.00	1,305.00	1,000.00	1,000.00
Endowment Income	2,000.00	6,959.00	2,000.00	2,000.00
Total	**242,500.00**	**244,229.00**	**235,500.00**	**235,500.00**
Projected Operating Expenses				
Salaries and Wages	58,465.00	59,164.00	82,365.00	82,365.00
Payroll Taxes and Employee Benefits	24,250.00	23,153.00	32,625.00	32,625.00
Rent	27,000.00	27,875.00	27,000.00	28,000.00
Travel	8,000.00	17,456.00	9,000.00	9,000.00
International Projects		3,885.00	-	-
Auto Expense	5,000.00	1,367.00	5,000.00	2,000.00
Promotion	1,000.00	1,038.00	3,000.00	3,000.00
Office Expense	14,500.00	19,297.00	14,500.00	16,500.00
Professional Service	5,200.00	5,100.00	5,500.00	5,500.00
Postage and shipping	3,000.00	2,592.00	3,000.00	3,000.00
WNAC Board	5,000.00	5,064.00	5,000.00	5,000.00
Dues, Subscriptions, Cont. Education	2,000.00	3,230.00	2,000.00	2,000.00
Depreciation		8,654.00	-	-
Conventions & Retreats	24,000.00	18,925.00	24,000.00	24,000.00
Contingency Fund	7,200.00		7,200.00	7,200.00
Support for One Magazine	9,000.00	8,853.00	9,000.00	9,000.00
Shine	3,000.00	5,132.00	3,000.00	3,000.00
Flourish		-	3,000.00	3,000.00
	196,615.00	**210,785.00**	**235,190.00**	**235,190.00**
Cost of Publications:				
Magazine Printing	10,325.00	9,035.00	-	-
Editor and Employee Compensation	23,900.00	23,904.00	-	-
Payroll Taxes and Employee Benefits	8,375.00	7,970.00	-	-
Postage	1,500.00	667.00	-	-
Accounts Payable		-	-	-
	44,100.00	**41,576.00**	**-**	**-**
Total	**240,715.00**	**252,361.00**	**235,190.00**	**235,190.00**

2019 WNAC SALARIES AND BENEFITS BREAKDOWN

Executive Director	**2019**	**2020**	**2021**
Salary	$ 46,500.00	$ 46,500.00	$ 46,500.00
Social Security/Medicare	$ 3,560.00	$ 3,560.00	$ 3,560.00
Retirement	$ 2,325.00	$ 2,325.00	$ 2,325.00
Insurance (Travel/Key Man,Health/Life, Dental)	$ 10,500.00	$ 10,500.00	$ 10,500.00
Christmas Bonus	$ 1,000.00	$ 1,000.00	$ 1,000.00
Total Salary and Benefits	$ 63,885.00	$ 63,885.00	$ 63,885.00
Administrative Assistant			
Salary	$ 11,965.00	$ 35,865.00	$ 35,865.00
Social Security/Medicare	$ 915.00	$ 2,745.00	$ 2,745.00
Retirement	$ 600.00	$ 1,795.00	$ 1,795.00
Insurance (Health/Life & Dental)	$ 5,000.00	$ 10,000.00	$ 10,000.00
Christmas Bonus	$ 350.00	$ 700.00	$ 700.00
Total Salary and Benefits	$ 18,830.00	$ 51,105.00	$ 51,105.00
Editor Salary			
Salary	$ 23,900.00	$ -	$ -
Social Security/Medicare	$ 1,830.00	$ -	$ -
Retirement	$ 1,195.00	$ -	$ -
Insurance	$ 5,000.00	$ -	$ -
Christmas Bonus	$ 350.00	$ -	$ -
Total Salary and Benefits	$ 32,275.00	$ -	$ -
Grand Total of Salaries and Benefits	$ 114,990.00	$ 114,990.00	$ 114,990.00

WNAC Receipts 2019

	General Fund (Operating)						FWB Foundation Accts.									
State	Dues	Gen Fund	Emphasis	Rest of Family Portion	Together Way	Provision Closet Gift Cards	Provision Closet Cash	Workman Endowment	Wisehart Student Scholarship	Purcell Foreign Scholarship	International Missions	Home Missions	State Programs	Children's Homes	Colleges	Total
AL	2,400.00	1,990.26	50.00	15.39	444.45	705.00				100.00	105.00				55.00	5,865.10
AR	7,830.00	1,907.40	250.00	37.69	15,541.92	610.00	1,039.77		20.00							27,236.78
AZ	210.00				16.84											226.84
CA		818.00	200.00		342.80				50.00			643.00	150.00		643.00	2,846.80
CN					68.41											68.41
CO																-
DE																-
FL	870.00	1,067.00		6.46	1,774.64											3,718.10
GA	3,030.00	2,107.46	735.00	158.40	2,998.15	655.00	133.75		675.00	273.75	11,686.84	11,915.25		1,171.30	965.00	36,504.90
HI																-
IL	1,455.00	908.50	32.00	5.13	2,546.69	620.00	370.00				720.00					6,657.32
IN	150.00				159.55						700.00					1,009.55
KS		300.00		5.13	36.18											341.31
KY	2,115.00	3,270.00			1,058.74	165.00	200.00				60.00	210.00	50.00			7,128.74
MD																-
MI	420.00	40.00			566.87	2,400.00	100.00									3,526.87
MO	2,325.00	2,727.60	115.90	15.90	23,042.17		637.30				330.00	330.00		71.80		29,595.67
MS	167.75	15.00			881.49						100.00					1,164.24
NC	5,535.00	4,610.82	85.00	78.45	4,273.53		290.00		10.00						50.00	14,932.80
NH																-
NM	60.00	57.70			632.64		100.00									850.34
NJ																-
OH	1,575.00	27,844.89	250.00	89.07	5,836.75	500.00	25.00									36,120.71
OK	5,220.00	1,118.00	85.00	31.16	22,117.77	100.00	550.00			85.00						29,306.93
OR					210.38											210.38
PA/NY																-
SC	2,895.00	4,447.74	150.00	131.52	23.40		933.00				16,616.55				274.00	25,471.21
TN	2,265.00	4,935.52	320.00	68.09	4,429.90	580.00	692.39		644.75	450.00						14,385.65
TX	735.00	171.50	250.00	5.13	282.40		1,716.30									3,160.33
UT																-
VA	702.00	2,723.83			506.48		100.00									4,032.31
VI					108.07											108.07
WA																-
WV	1,230.00	20.00		5.13	254.22						120.00	40.00				1,669.35
Grant																-
1% Exe. Off					4,683.09											4,683.09
	41,189.75	61,081.22	2,522.90	652.65	92,837.53	6,335.00	6,887.51	-	1,399.75	908.75	30,438.39	13,138.25	200.00	1,243.10	1,987.00	260,821.80

Together Way Other: 1% Coop from Executive Office

General Fund Other: anonymous donations (convention)

REPORTED DIRECT GIVING FROM WNAC January - December 2019

STATE	State Missions	International Missions	Home Missions	Colleges	Children's Homes	Youth Camps	Other Mission Objectives	Total
AL								0.00
AR	16,230.08	11,561.50	6,752.50	25.00	3,966.44	70.00	180.00	38,785.52
AZ								0.00
CA		100.00	80.00					180.00
CANADA								0.00
DE								0.00
FL	1,190.00	571.00			120.00		30.00	1,911.00
GA	6,092.45						100.00	6,192.45
IL	1,120.00	9,992.00	4,181.00	450.00			1,910.00	17,653.00
IN	2,000.00	300.00						2,300.00
KS								0.00
KY	1,180.00	16,881.53	8,071.00		4,962.83	5,385.00	13,506.47	49,986.83
MD								0.00
MI								0.00
MS								0.00
MO	1,995.50	1,900.00	1,454.46	275.00	168.00		35.00	5,827.96
NM		12.00			60.00			72.00
NC	820.00	21,396.33	13,053.50	5,446.75	655.00		5,226.00	46,597.58
OH	26.00	2,742.24	2,797.24		600.00		50.00	6,215.48
OK	2,554.23	3,448.96	2,111.00	603.00	650.00			9,367.19
OR								0.00
PA/NY								0.00
SC								0.00
TN		8,730.00	950.00	100.00	800.00	100.00	632.64	11,312.64
TX		73.85	33.00		60.00			166.85
UT								0.00
VA		1,002.50	2,005.00			1,002.50		4,010.00
VI								0.00
WA								0.00
WV	1,470.00	3,120.00	2,000.00				9,480.00	16,070.00
Grant								0.00
1% Exe. Office								
Anonymus								
Total	34,678.26	81,831.91	43,488.70	6,899.75	12,042.27	6,557.50	31,150.11	**216,648.50**

TOTAL 2019 GIVING

Pass Through Money	WNAC RECEIPTS	Together Way Receipts	Provision Closet Gift Cards	Provision Closet Non-cash gifts	DIRECT GIVING	Grand Total
160.00	4,555.65	444.45	705.00	1,969.35		7,834.45
	11,084.86	15,541.92	610.00		38,785.52	66,022.30
	210.00	16.84				226.84
1,436.00	1,068.00	342.80			180.00	3,026.80
		68.41				68.41
						0.00
	1,943.46	1,774.64		551.50	1,911.00	6,180.60
25,738.39	7,113.36	2,998.15	655.00	263.20	6,192.45	42,960.55
720.00	2,770.63	2,546.69	620.00	210.00	17,653.00	24,520.32
700.00	150.00	159.55			2,300.00	3,309.55
	305.13	36.18				341.31
320.00	5,585.00	1,058.74	165.00	517.00	49,986.83	57,632.57
						0.00
	560.00	566.87	2,400.00	11,840.13		15,367.00
100.00	182.75	881.49				1,164.24
731.80	5,821.70	23,042.17		233.52	5,827.96	35,657.15
	217.70	632.64			72.00	922.34
50.00	10,609.27	4,273.53			46,597.58	61,530.38
	29,783.96	5,836.75	500.00	364.00	6,215.48	42,700.19
	7,089.16	22,117.77	100.00		9,367.19	38,674.12
		210.38				210.38
						0.00
16,890.55	8,557.26	23.40				25,471.21
	9,375.75	4,429.90	580.00	98.96	11,312.64	25,797.25
	2,877.93	282.40			166.85	3,327.18
						0.00
	3,525.83	506.48			4,010.00	8,042.31
		108.07				108.07
						0.00
160.00	1,255.13	254.22			16,070.00	17,739.35
						0.00
		4,683.09				4,683.09
47,006.74	114,642.53	92,837.53	6,335.00	16,047.66	216,648.50	**493,517.96**

2019 WNAC Statistics

Total Giving Through WNAC

1. Arkansas
2. North Carolina
3. Kentucky
4. Georgia
5. Ohio
6. Oklahoma
7. Missouri
8. Tennessee
9. South Carolina
10. Illinois

Missions/Ministry Objectives

1. Kentucky
2. North Carolina
3. Arkansas
4. Georgia
5. Illinois
6. South Carolina
7. West Virginia
8. Michigan
9. Tennessee
10. Oklahoma

WNAC w/Non-cash Gifts

1. Ohio
2. Oklahoma
3. Missouri
4. Arkansas
5. Michigan
6. North Carolina
7. Tennessee
8. Georgia
9. South Carolina
10. Alabama

Provision Closet Gifts

Gift Cards	6,335.00
Cash Gifts	6,887.51
Non-cash gifts	16,047.66
Total Gifts	29,270.17

Music Commission Report

The primary purpose of the Music Commission is to promote the development of worship ministry in Free Will Baptist churches. During 2019 we dug into the work of creating an interactive web site to provide information, training, and other resources for music leaders. Our target audience is comprised of those who serve their local churches in part-time or volunteer music leadership roles.

The new website is named fwbworship.com. A special meeting of the Commission took place in September to define the scope of the project and assign responsibilities. Each of the Commission members is actively involved in creating and compiling the initial content for the site. Bryan Hughes serves as our project leader. The actual launch has been delayed due to the challenges our ministries have experienced in the early months of 2020. We will announce the launch of the site as soon as we are able.

The Music Commission also serves the Executive Office to assist the Convention Music Coordinator in the planning and leading of the worship services during the annual convention. We promote awareness and participation through a Facebook page for the Music Commission. The planning of the 2020 Convention was made in January, 2020. Preparations were well underway when the crisis required the cancellation of the convention. We certainly look forward to serving in preparing for the 2021 Convention.

Our commission members individually continue to assist Free Will Baptist churches as their musicians and worship leaders look for resources and mentoring relationships to develop skills and cultivate hearts required for vibrant worship.

We ask you to pray with us that the Lord of the harvest will send forth workers with a heart for worship into our churches.

As we serve you we welcome your questions, input, and feedback.

Respectfully submitted,

The Free Will Baptist Music Commission

Doug Little, Chairman
Kevin Justice
James Stevens
Bryan Hughes
Joshua Riggs

MUSIC COMMISSION FINANCIAL SUMMARY 2018

Beginning Balance (01/01/2018)			**$ 5,011.05**
Income			**$ 3,171.27**
Together Way (undesignated)	2501.58		
Together Way (designated)	621.94		
2016 Rest of the Family Offering	20.22		
Other gifts	27.53		
Expenses			**$ 1,479.89**
Meetings		1333.55	
Annual meeting	1333.55		
Convention meeting	-0-		
Convention		116.34	
Office Expenses		30.00	
Ending Balance (12/31/2018)			**$ 5,011.05**

MUSIC COMMISSION BUDGET COMPARISONS

	2018 Budget	2018 Actual	2019 Budget	2020 Budget
Income				
Together Way (undesignated)	$ 4,000.00	$ 2,501.58	$ 5,000.00	$ 5,000.00
Together Way (designated)	$ 700.00	$ 621.94	$ 1,000.00	$ 700.00
Rest of the Family Offering	$ 25.00	$ 20.22	$ 25.00	$ 25.00
Other gifts	$ 50.00	$ 27.53	$ 100.00	$ 75.00
Totals	**$ 4,775.00**	**$ 3,171.27**	**$ 6,125.00**	**$ 5,800.00**
Expenses				
Meetings	$ 2,575.00	$ 1,333.55	$ 3,000.00	$ 3,000.00
Convention	$ 1,000.00	$ 116.34	$ 500.00	$ 1,500.00
Projects	$ 1,000.00	-0-	$ 8,000.00	$ 1,100.00
Office Expenses and Misc	$ 200.00	$ 30.00	$ 200.00	$ 200.00
Totals	**$ 4,775.00**	**$ 1,479.89**	**$ 11,700.00**	**$ 5,800.00**

Free Will Baptist Media Commission Report
for the National Association of Free Will Baptists
Oklahoma City, Oklahoma
July, 2020

Since the convention last year we launched a website to share resources and blog about ways the Media Commission can assist our denomination's media teams. We are also connecting with more church media teams through Facebook. If you don't follow us on Facebook I would like to encourage you to like our Facebook page.

The year 2020 marks an exciting year for the Media Commission. The last time we were in Oklahoma City in 2010 was the first year the Media Commission streamed the convention services. From 2010-2019 there have been approximately 109,000 viewers from across the world watching online. In 2017, we were able to start offering streaming in Spanish. We have had approximately 18,000 viewers watching in Spanish. This continues to be our primary focus.

This year has been a year of challenges. None of us could have anticipated the impact of COVID-19. The Media Commission has been privileged to assist many of our churches to begin live streaming.

We are excited to announce this year we have partnered with churchstreaming.tv to host the stream for this year's convention. Please reach out to us on Facebook for more information on the services they provide or how they could assist you with streaming at your church.

Our plan is to continue networking with media teams within the denomination to provide resources. We have setup a private group on Facebook for Free Will Baptist media teams to network together and have a place to ask questions and discuss ideas.

Thank you for allowing us to serve our denomination and our Lord.

Respectfully Submitted,

Stephen Lopes (TN), Chairman
Josh Owens (TN), Treasurer
Marc Neppl (VA)
Daniel Edwards (IN)
Jeremy Smith (NC)

FWB Media Commission Comparative Budget Analysis

April 1 2019 - March 31, 2020

	2020 Budget	2020 Actual	2021 Budget
INCOME			
Together Way (Undesignated)	$4,900.00	$4,683.16	$4,900.00
Together Way (Designated)	$350.00	$165.23	$350.00
Rest of the Family Offering	$10.00	$11.02	$10.00
Misc. Income (Bill Gardner Memorial Gift)	$48.00	$44.85	$48.00
Equipment Reimbursment from Welch College	$3,000.00	$3,000.00	
TOTAL INCOME	**$8,308.00**	**$7,904.26**	**$5,308.00**
EXPENSES			
Office Supplies	$50.00	$30.48	$50.00
Video Hosting (Vimeo)	$200.00	$199.00	$200.00
Digest of Reports	$100.00	$61.07	$100.00
Convention Mobile Giving (Tithe.ly)	$250.00	$228.00	$250.00
Convention Streaming Service (Internet & Rental)	$850.00	$1,048.00	$850.00
Streaming Video Equipment Upgrades*	$5,000.00	$6,909.47	$0.00
Convention Supplies	$250.00	$0.00	$250.00
Convention Travel and Lodging	$900.00	$742.00	$900.00
Convention Meals	$850.00	$770.20	$850.00
Convention Seminar	$0.00	$0.00	$0.00
Software/Hardware	$1,500.00	$200.00	$500.00
Development and Training	$1,000.00	$0.00	$1,000.00
TOTAL EXPENSES	**$10,950.00**	**$10,188.22**	**$4,950.00**

2019-2020 Historical Commission Report

The Free Will Baptist Historical Collection at Welch College continued to expand in 2019, receiving significant donations from Alabama, Georgia, Kansas, Mid-Atlantic District, Northwest Association, the WNAC archives, and West Virginia, along with other individual and organizational donors. The commission is grateful to those helping to preserve the Free Will Baptist story for future generations. ***We encourage every Free Will Baptist to join this important effort*** by donating historical items, or by alerting the commission to historical materials that might be available.

Commission Chairman Robert E. Picirilli continues to author historical volumes. His late-2019 release, ***Free Will Baptist History: Exploring Our Origins and Identity,*** is available for purchase from Randall House (and can be bundled with his previous work ***Little Known Chapters in Free Will Baptist History*** for significant savings). Visit RandallHouse.com.

The commission continues work on The Minutes Project, scanning and posting online all national, state, district or quarterly minutes in the collection. Through April 2020, minutes have been scanned through Missouri and posted online through Mississippi. Additionally in 2019, the entire run of *Heartbeat* magazine was added to the website (in cooperation with IM, Inc.), as well as issues of the long-running North Carolina publication, *The Free Will Baptist,* dating to the 1870s.

Recent scanning efforts have benefited from the addition of a Zeutschel Zeta™ rare document scanner, made possible by a grant from Free Will Baptist Foundation. The overhead scanner allows users to capture high-resolution digital images of rare books and papers without damaging the source documents.

The digital collection may be accessed in person at Welch College, by visiting ***FWBHistory.com,*** or by searching ***welchlibrary.wordpress.com.*** To donate historical materials, contact curator Phillip Morgan: ***pmorgan@welch.edu.*** Once again, the commission thanks the individuals and organizations that contributed during the past year.

2019-2021 Budgets
Free Will Baptist Historical Commission

	2019 Budget	**2019** Actuals	**2020** Budget	**2021** Budget
Income				
Gifts (Together Way)	$5,000.00	$4,856.26	$5,500.00	$5,500.00
Interest	10.00	121.42	50.00	50.00
Sale of Pamphlets	250.00	262.21	300.00	300.00
Rest of the Family Offering	20.00	10.28	20.00	20.00
Tennessee Co-op	15.00	15.00	15.00	15.00
Business Systems Consulting (refund)	0.00	360.00	0.00	0.00
Total Income	**5,295.00**	**5,625.17**	**5,885.00**	**5,885.00**
Expenses				
Books, Materials, Labor, Postage	1,000.00	350.86	1,500.00	1,500.00
Publishing Projects	1,545.00	0.00	1,635.00	1,635.00
Meeting Expenses	250.00	0.00	250.00	250.00
NAFWB Digest	100.00	61.07	100.00	100.00
Website Expense	300.00	205.00	300.00	300.00
Librarian Expense	2,100.00	1,500.00	2,100.00	2,100.00
Total Expenses	**$5,295.00**	**$2,116.93**	**$5,885.00**	**$5,885.00**

Financial Report 2019
Free Will Baptist Historical Commission

Balance on hand (*checking* at Regions Bank) 12/31/2018 ..... $16,584.42

Deposits

FWB Coop/Together Way (12 months)	4,856.26
Interest (Regions Bank)	121,42
Sales of booklets	262.21
Rest of Family offering	10.28
Tennessee State Association, gift	15.00
Business Systems Consultants (refund)	360.00
Total	**$5,625.17**

Expenditures

NAFWB Executive Office: Digest fee	61.07
Phillip Morgan: postage	22.91
Phillip Morgan: stipend	1,500.00
(actually 2,000; check outstanding 12/31)	
Phillip Morgan: ALABI expenses	80.00
Phillip Morgan: refund purchases	18.00
Fwbhistory.com website (one year)	205.00
Alton Loveless: postage refund	79.45
Southern Baptist Seminary: copying	10.00
R. E. Picirilli: postage, 2016-2018	48.29
R. E. Picirilli: refund flash drive	14.19
R. E. Picirilli: Adobe software (4 mo.)	65.52
Regions Bank (checks)	12.50

Total $2,116.93

Balance on hand (checking at Regions Bank) 12/31/2019	$20,092.66
Add: Trust at FWB Foundation 12/31/2019 (gained $1,049.88 in 2019)	$37,927.67

Total on hand 12/31/2018 ..... $58,020.33

Submitted by Robert E. Picirilli, Treasurer

The Report of the Commission for Theological Integrity

The purpose of the Commission for Theological Integrity is: (1) to alert our people to 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 October 28–29, 2019, we sponsored our twenty-third annual Theological Symposium. The Symposium met on the campus of Welch College in Gallatin, Tennessee. The Symposium featured a theme of the doctrine of the church. Papers were presented on the ministry ethos from Paul's address to the Ephesian elders, the eschatology of Luke, apologetics in Acts 17, the future of denominationalism, leading change in the church, conservatism and the church, the infinity and immutability of God, confessional practical theology, the church as embassy, and associationalism.

Our twenty-fourth annual Theological Symposium will meet October 5–6, 2020, on the campus of Welch College in Gallatin, Tennessee. We invite paper proposals for this Symposium. Papers on all theologically and Christian worldview-related topics will be considered. All those interested in submitting papers for possible inclusion in the Symposium program are encouraged to contact Jackson Watts at *fwbtheology@gmail.com*.

In 2019 the Commission published its latest issue of *Integrity: A Journal of Christian Thought*. The journal is provided free of charge to Free Will Baptist pastors as well as a number of theological libraries and can be purchased for a nominal charge. We also encourage you to read theologically related essays at our blog, *FWBTheology.com*.

This year, owing to the cancelling of the Annual Session of the National Association of Free Will Baptists because of the Coronavirus, we will have an online panel discussion on the importance of doctrine for denominational identity. In addition to the members of the Commission, Eddie Moody and Jesse Owens will be a part of the panel.

Respectfully submitted,

The Commission for Theological Integrity
Matt Pinson (chairman)
Kevin Hester (secretary)
Jackson Watts (program coordinator)
Rodney Holloman
Thomas Marberry

2019
Commission for Theological Integrity
Financial Report

Bank Balance - January 1, 2019		**$8,210.88**
Commission Income		
The Together Way	$4,846.23	
Theological Symposium Papers	170.00	
Gifts	26.87	
Total Commission Income	**5,043.10**	
Journal Income	**0.00**	
Total Income		**5,043.10**
Commission Expenses		
Bookkeeping	400.00	
National Seminar/Digest of Reports	651.07	
Annual Meeting and Symposium Expenses	1,605.18	
Miscellaneous Office Expenses	205.00	
Total Commission Expenses	**2,861.25**	
Journal Expenses	**8,911.38**	
Total Expenses		**11,772.63**
Bank Balance - December 31, 2019		**$1,481.35**

2021
Commission for Theological Integrity
Budgets

	2019 Budget	2019 Actuals	2020 Budget	2021 Budget
Income				
Gifts	$100.00	$26.87	$100.00	$100.00
Journal Income	100.00	0.00	100.00	100.00
Theological Symposium Papers	300.00	170.00	500.00	200.00
Together Way Plan	5,200.00	4,846.23	5,300.00	4,800.00
Total Income	5,700.00	5,043.10	6,000.00	5,200.00
Expenses				
Annual Meeting/Symposium	2,800.00	1,605.18	2,500.00	2,800.00
Bookkeeping	400.00	400.00	400.00	400.00
Journal Expenses	100.00	8,911.38	100.00	100.00
National Seminar/Digest	2,200.00	651.07	750.00	750.00
Office Expenses	200.00	205.00	250.00	250.00
Total Expenses	$5,700.00	$11,772.63	$4,000.00	$4,300.00

2020 President's Report
Welch College

This past year, Welch experienced record enrollment, the highest budget in the college's history, solid gains in mission fulfillment, and the addition of several new programs. The big event for the year was the onset of the Coronavirus and the devastating effect it has had and will have on the campus. Despite the challenges of this pandemic, God has blessed Welch. With the support of God's people, we are poised to survive this storm and come out stronger than ever.

COVID-19 has hit us hard. Our students had to leave campus in March and won't be able to come back until the fall, when we plan to start on-campus classes back in full force. So many of our students have been drastically affected by this crisis. That is why we have begun a fundraising campaign to underwrite special scholarships so that needy students can continue their education in the fall.

Our students are eager to get back, and the high school seniors who were so excited to begin their Welch journey this fall are hopeful they can enroll. However, we need you to pray that these students will have the funds they need to fulfill what they believe is God's calling on their lives as they prepare for a life of Christian leadership and service at Welch College.

Remaining True to Our Mission and Purpose

Interacting with Welch students and teaching them and speaking to them in chapel are constant, poignant reminder of the mission and purpose of Welch College: to educate leaders to serve Christ, His church, and His world through biblical thought and life. I see in the eyes of the students with whom our Lord has blessed us a desire to learn how to make a transformative impact on their culture through the gospel of Christ, in the context of their roles as clergy and lay leaders in local churches as well as salt and light in the professional world.

Their desire meshes with the emphasis on spiritual formation that pervades our campus community—a formation that is shaping not only our students' hearts, but also their intellect and their character. As an alumnus or supporter of Welch, you would be proud of these students, and proud of the faculty who are pouring their lives into them.

One of these students is Debbie Driscoll, a member of the Class of 2020. Debbie came to Welch from Bulgaria, where her Bulgarian parents are missionary church planters. At Welch she majored in English and minored in Missions. She met her husband Brenton here, and they are now raising support to go to Bulgaria as full-time missionaries. Recently Debbie said:

> Welch was a whole new world for me—new country, new culture, new people, new educational system, new challenges, and new lessons. And yet all of these "new things" seemed to be united by the common denominator of "adventure." . . . At Welch, I was challenged in more ways than I can count, both academically and spiritually. Academically, I was challenged to persevere and work toward what was good, true, and beautiful, no matter the cost. Spiritually, I was stretched more than I thought I could bear. . . . I am thankful for the spiritual growth that took place in my life during my time at Welch, because I believe that spiritual growth is what permits an even clearer vision of who Jesus is. C. S. Lewis illustrates this very well in his novel *Prince Caspian*. In the book, as Lucy comes face-to-face with the Christ figure Aslan, she finds out that the Great Lion has grown since she last saw him. In truth, it is Lucy's faith that has grown, not Aslan. The Great Lion seems bigger simply because Lucy can see more of him now. Over the course of

> time, Aslan has transformed Lucy's faith into the kind of faith that will transform Narnia. Aslan also requires that Lucy show the courage of a leader. In other words, He requires that Lucy perform the role she seems least qualified to perform. Yet He does not instruct that she do it in her own strength. . . . I cannot tell you how many times I experienced Christ's role as my strength-giver and sustainer while at Welch. He gives strength to the weary and increases the power of the weak. He does not require His people to walk alone and do His will isolated from His presence. Instead, He offers to carry His beloved children and strengthens them along the way. . . . God definitely strengthened me during my time in college. He strengthened me not only through His Word, but also through His people at Welch."

Welch continues to have a life-transforming impact on students like Debbie by inviting them into the rich adventure of the true, the good, and the beautiful, which are ultimately found only in Christ. At Welch, our students find out what this vision of the world means for gospel evangelization and the renewal of families, churches, and cultures.

With our God-given mission and purpose firmly at the college's center, God has sustained Welch in good times and bad times. At this point we don't know what that looks like in the midst of the fallout from the Coronavirus pandemic. Experts believe that higher education—especially private colleges and universities that rely for the majority of their income on dorm students—will be one of the hardest-hit sectors by the COVID-19 recession. This will especially be true in the fall, with families facing job losses, salary decreases, and uncertainty, and many of them having to keep their children at home rather than sending them off to college. Yet we are confident that, with the financial support of our denomination, alumni, and donors, we can make it through this crisis.

Looking Forward to Growth after the Coronavirus Crisis

The approach we are taking is to engage in crisis management and get through the next fiscal year, and the summer after it. Then higher education experts are predicting that the colleges that survive the crisis will be met with increased enrollments in the 2021–22 academic year, as many students who sat out a year or went to a local community college will be ready to go to their first-choice college, and the economy will have bounced back.

The good news is that Welch was stronger than most colleges going into the crisis, and that means we will be more prepared to jump-start things after the crisis has abated. Moody's Investors Service recently reported that fewer than six percent of private colleges and universities have three months or more of cash reserves, and around 30% have been experiencing budget deficits for several years. Residential colleges and universities have also been witnessing shrinking enrollments, as more students stay home and commute to free community colleges or attend online programs, and as the number of high school seniors declines.

Yet Welch has been able to buck these trends in recent years, and this means we will have a better chance of bouncing back strong once the present difficulty subsides. For one thing, we have the advantage of being a lower-cost private college. Only six private colleges and universities in Tennessee (20%) have lower tuition than Welch. Our tuition is about $8,000 less than the average of accredited private colleges and universities in the Tennessee Independent Colleges and Universities Association (TICUA).

However, the statistic that is most encouraging is Welch's record of enrollment growth in a time when private higher education is largely plateaued or declining. Data from TICUA shows that Welch's FTE (full-time equivalent) enrollment has grown by 36% over the past *ten* years, as compared with a 9% increase in TICUA schools as a whole.

Even more encouraging is the comparative numbers over the past *five* years. Welch's FTE (full-time equivalent) enrollment has grown by 18% over the past five years, as compared with TICUA schools as a whole,

whose overall FTE enrollment has *dropped by* less than 1%. Only one out of the other 33 TICUA institutions had a higher five-year enrollment increase than Welch.

We continue this record of growth: This year we had our highest enrollment in thirty-six years, with an annual enrollment of 489 students. Our new campus and the new academic programs we have unveiled in recent years—including new undergraduate programs in nursing, math education, and computer science as well as master's degree programs in theology, ministry, teaching, and special education—are fostering this enrollment growth.

We are thankful for these trends at a time when traditional, private, residential colleges are having difficulty maintaining enrollments—especially of 18 to 22-year-old dormitory students—in the face of the proliferation of cheap online learning. And we believe this strength going into the COVID-19 pandemic will help us come back strong after it's over.

However, we won't be able to experience a rebound unless friends of Welch continue steadfast in their financial support of the college. There is no doubt that we are in for some tough times because of the impairment of our donors' financial situation in the midst of the current crisis. Yet we are asking our donors who still can to sustain the level of support they have been providing for Welch up to this point. Some of them will be in a position that they can make special gifts to make up for the shortfall we will inevitably face.

Many of our supporters have asked how they can help, and the best way is through the COVID-19 Student Relief Fund we have set up. Gifts to this fund will enable students to continue their education who otherwise wouldn't be able to because of economic difficulties their families are facing because of the Coronavirus. With the financial help of God's people, we will be able to survive this crisis, and come back stronger than ever. So I ask you to continue to support us, and support our students, if you are financially able to, and to pray that God will undergird our beloved institution at this crucial time.

The most important thing that I can ask you to do is to pray for Welch and to encourage students to enroll. Pray that God will sustain Welch during this current crisis, and that He will make it stronger. Pray for our students and the faculty and staff who invest in their lives daily. Pray for prospective students who are considering Welch for their college education this fall. Pray for donors whom we believe God is leading to make a significant difference in the future of Welch and its kingdom impact. Pray about what God would have you do to be a part of the ongoing mission of *your* college, and encourage students you believe would benefit from the Welch experience to come this fall.

Thank you for all you do for this institution that has faithfully served the National Association of Free Will Baptists for nearly eighty years.

Sincerely,

Matt Pinson
President

Registration Report
2019-2020

ENROLLMENT 489

States

Alabama 14
Arkansas 9
California 4
Florida 14
Georgia 10
Illinois 13
Indiana 2
Iowa 1
Kansas 3
Kentucky 2
Michigan 6
Mississippi 4
Missouri 13
New York 1
North Carolina 35
Ohio 7
Oklahoma 4
Rhode Island 2
South Carolina 6
South Dakota 1
Tennessee 304
Texas 1
Virginia 12
West Virginia 1
US Virgin Islands 3
International 17

The student body represents 24 states, 1 territory (USA), and 5 international countries (Bulgaria, Canada, Japan, Panama, and Spain).

Classification

Freshman 115
Sophomore 93
Junior 64
Senior 51
Graduate (Degree-seeking) 40
Non-degree Part-time 27
Dual Enrollment 99

Vocational*

Christian Ministry (Grad) 25
Christian Ministry (Bach)** 46
Christian Ministry (Assoc) 12
Missions 14
Biology (TE Licensure: 2) 11
Business 47
English (TE Licensure: 9) 19
Exercise Science (TE Licensure: 2) . . . 12
General Studies 61
History (TE Licensure: 3) 6
Humanities and Arts 3
Music (BME Licensure: 2) 7
Psychology 28
Science/Nursing 29
Teacher Education*** 74
Non-degree Part-time 27
Dual Enrollment 99

Other Categories

Full-Time 240
Part-Time 249

Male 229
Female 260

Single 387
Married 102

Dorm 190
Commuter 65
Adult Studies 55
Online Studies 40
Graduate Studies 40
Dual Enrollment 99

New 40
Transfer 17
Continuing 326
Re-admit 7
Dual Enrollment 99

Free Will Baptist 274
Other 215

**Multiple students pursuing multiple degrees.*
***Pursuing vocational Christian ministry: Pastoral, Youth and Family, and General Christian Ministries.*
****This number includes all undergraduate and graduate teacher education students, including those pursuing secondary education, who are also counted in their respective programs of study.*

Synopsis of Minutes
Board of Trustees
June 2019-May 2020

July 22, 2019
In its meeting at the Annual Session of the NAFWB, the Board of Trustees approved the audited financial statements.

October 30, 2019
The Board of Trustees met via conference call and the Board approved the outsourcing of Plant Operations to a local company.

December 11, 2019
In its regular December meeting, the Board of Trustees welcomed new Board member Chris Truett, engaged in Board training with Dr. Clark Dickerson, heard reports from various departments, and approved the IRS Form 990. Trustees also voted on several items related to the college's investment policy, enacted a new policy for cataloging official minutes and documentation from meetings of the Board of Trustees, and approved the hiring of White and Associates to manage campus plant operations.

April 13, 2020
The Board of Trustees met via video conference and approved the Administration's request to borrow Small Business Administration funds and apply for an additional emergency line of credit from the Free Will Baptist Foundation, both for Coronavirus relief.

Owing to the Coronavirus, the regular May meeting was postponed until the summer.

Salary Breakdowns

	2017-2018	2018-2019	2019-2020	2020-2021
President*				
Salary	$70,136	$71,539	$73,686	$73,686
Social Security	5,365	5,473	5,637	5,637
Retirement	1,403	2,146	2,211	2,211
Medical Insurance	15,469	14,824	13,278	13,278
Life Insurance	337	328	360	360
	$92,710	$94,310	$95,172	$95,172
Provost				
Salary	$54,500	$55,590	$57,258	$57,258
Social Security	4,169	4,253	4,380	4,380
Retirement	1,090	1,667	1,718	1,718
Medical Insurance	15,469	14,824	13,278	13,278
Life Insurance	337	328	360	360
	$75,565	$76,662	$76,994	$76,994
Vice President for Financial Affairs				
Salary	$53,000	$54,060	$55,682	$55,682
Social Security	4,055	4,136	4,260	4,260
Retirement	1,060	1,621	1,670	1,670
Medical Insurance	5,097	4,885	4,375	4,375
Life Insurance	337	328	360	360
	$63,549	$65,030	$66,347	$66,347
Vice President for Institutional Advancement				
Salary	$56,591	$57,723	$59,455	$59,455
Social Security	4,329	4,416	4,548	4,548
Retirement	1,132	1,731	1,784	1,784
Medical Insurance	10,704	10,258	9,187	9,187
Life Insurance	337	328	360	360
	$73,093	$74,456	$75,334	$75,334

*Housing provided (with Social Security variation). Vehicle provided.

2020 Election Schedule
For Standing Boards and Commissions

Board of Women Nationally Active for Christ

2022 – Pam Hackett (South Carolina)
Jonda Patton (Kentucky)
Lee Ann Wilfong (Missouri)

2024 – Amy Johnson (Illinois)
Khristi Shores (Oklahoma)
Sarah Sargent (Ohio)

To be elected in 2020:

2026 – _____
(replacing Diana Bryant, Florida)

_____
(replacing Janie Campbell, Arkansas)

_____
(replacing Tracy Payne, Oklahoma)

Welch College Board of Trustees

2022 – Michael Armstrong (Ohio)
Brad Ryan (Illinois)
Wayne Miracle (Georgia)

2024 — Will Beauchamp (Florida)
Theron Scott (South Carolina)
Tim Campbell (Arkansas)

To be elected in 2020:

2026 – _____
(replacing Jeff Crabtree, Atl-Can)

_____
(replacing Shiloh Hackett, Tennessee)

_____
(replacing Chris Truett, North Carolina)

Board of Randall House Publications

2022 – Darin Gibbs (North Carolina)
Timothy York (David Marks Heritage)
Jay Baines (Virginia)

2024 – Kendall Ross (Arkansas)
Mike Mounts (Ohio)
Mike Trimble (Michigan)

To be elected in 2020:

2026 – _____
(replacing Paul Bryant, Mississippi)

_____
(replacing Steve Lindsay, Alabama- ineligible for re-election)

_____
(replacing Randy Scott, Tennessee- ineligible for re-election)

Board of IM, Inc.

2022 – Cameron Lane (Arkansas)
Will Harmon (Arkansas)
Rodney Yerby (Alabama)

2024 – Darren Walker (North Carolina)
Mark Price (Ohio)
Casey Cariker (Oklahoma)

To be elected in 2020:

2026 – _____
(replacing Janice Banks, Texas)

_____
(replacing Jeff Manning, North Carolina-ineligible for re-election)

_____
(replacing Jeff Nichols, Tennessee)

Commission for Theological Integrity

2021 – W. Jackson Watts (Missouri)
2022 – Kevin Hester (Tennessee)
2023 – Matt Pinson (Tennessee)
2024 – Thomas Marberry (Oklahoma)
2025 – _____
(replacing Rodney Holloman, Tennessee)

Historical Commission

2021 – Jeff Cockrell (Tennessee)
2022 – Willie Martin (Georgia)
2023 – David Crowe (Tennessee)
2024 – Robert Picirilli (Tennessee)
2025 – _____
(replacing Eric Thomsen, Tennessee)

Music Commission

2021 – Joshua Riggs (Oklahoma)
2022 – Doug Little (Tennessee)
2023 – James Stevens (Tennessee)
2024 – Kevin Justice (North Carolina)
2025 – _____
(replacing Bryan Hughes, North Carolina)

Media Commission

2021 – Daniel Edwards (Indiana)
2022 – Marc Neppl (Virginia)
2023 – Stephen Lopes (Tennessee)
2024 – Josh Owens (Tennessee)
2025 – _____
(replacing Jeremy Smith, North Carolina)

General Board

To be elected in 2020:

2021 – _____
(replacing Glenn Poston, Tennessee)

2021 –	North Carolina:	Reuben Cason
	Northeast:	Bill Reynolds
	Northwest:	Brent Nix
	Ohio:	Edwin Hayes
	Oklahoma:	Mike Wade
	South Carolina:	Chris Todd
	Tennessee:	
	Texas:	John Collier
	Virginia:	Bruce Barnes
	West Virginia:	James Cox, Jr.

2022 – Alabama: Danny Williams
Arizona: John Gibson
Arkansas: David Taylor
Assn. of Mexico: Luis Felipe Tijerina
Atlantic-Canada: Oral McAffee
California: Mike Kilcrease
Colorado: Terry Miller
David Marks Heritage: Tom Jones
Florida: Allan Austin
Georgia: Tim Horne
Idaho:
Illinois: David Shores

To be elected in 2020:

2023 – Indiana: _____
(replacing Daniel Edwards)
Iowa: _____
(replacing David Inman)
Kansas: _____
(replacing Josh Bush)
Kentucky: _____
(replacing Ashley Kidd)
Mexico Assn: _____
(replacing Bud Bivens)
Michigan: _____
(replacing Jimmy Lawson)
Mid-Atlantic: _____
(replacing Wayne Hale)
Mississippi: _____
(replacing Larry Reynolds)
Missouri: _____
(replacing Stan Bunch)

Executive Committee

To be elected in 2020:

2021 – _____
(replacing Glenn Poston, Tennessee)

2021– Edwin Hayes (Ohio)
Mike Wade (Oklahoma)

2022– David Taylor (Arkansas)
Danny Williams (Alabama)
David Shores (Illinois)

To be elected in 2020:

2023 – _____
(replacing Stan Bunch, Missouri)

_____
(replacing Wayne Hale, Mid-Atl)

_____
(replacing Daniel Edwards, Indiana)

General Officers

Moderator: _____
(replacing Tim York, Tennessee)

Assistant Moderator: _____
(replacing William Smith, Georgia)

Clerk: _____
(replacing Randy Bryant, Florida)

Assistant Clerk: _____
(replacing Ernie Lewis, Illinois)

The following boards do not elect members in 2020:

Board of Retirement and Insurance

To be elected in 2020:

2023 – _____
(replacing Jack Daniel, Georgia)

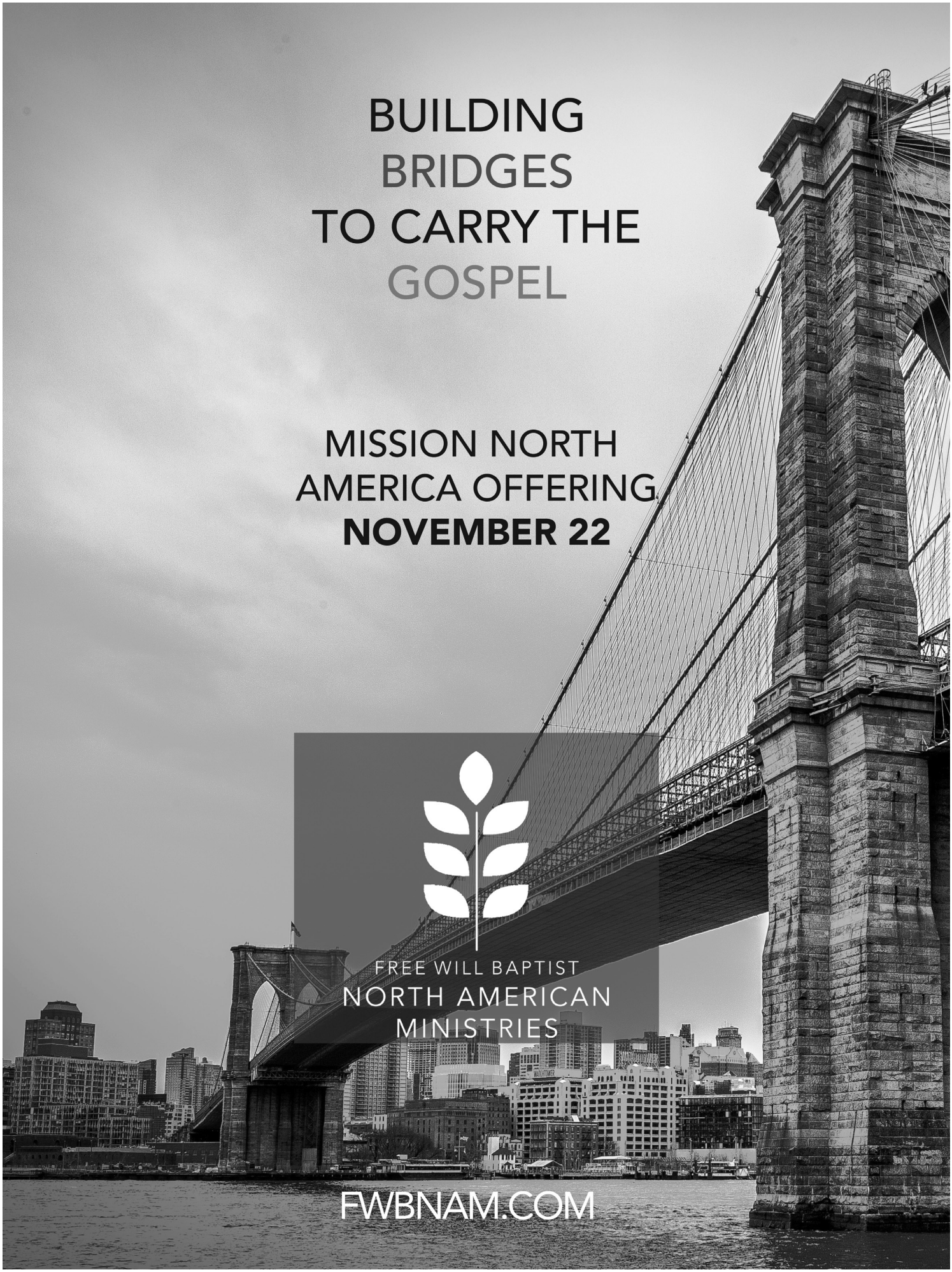
2021 – Larry Clyatt (Illinois)
Ron Barber (Oklahoma)
Rick Dement (Missouri)
2023 – Danny Baer (North Carolina)
James Beasley (South Carolina)
2025 – Lance Boyer (Missouri)
Don Myers (Michigan)
Randy Wilson (Oklahoma)

Board of FWB Foundation

(Members include directors of national agencies.)
2021 – Gene Williams (North Carolina)
Scott Coghill (North Carolina)
Phil Whiteaker (Arkansas)
2023 – Bobby Edwards (Tennessee)
Melissa Haralson (Arkansas)
Bob Thompson (Oklahoma)
2025 – Brent Patrick (Virginia)
Hubert Stafford (Georgia)
Corey Minter (Tennessee)

Board of Home Missions

2021 – Earl Hanna (South Carolina)
Mike Cash (Arizona)
Tim Stout (Ohio)
2023 – Bob Lewis (Tennessee)
Josh Baer (North Carolina)
David Sexton (Virginia)
2025 – Jeff Jones (North Carolina)
Frank Webster (Missouri)
Frank Wiley (Oklahoma)


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