

# DIGEST OF REPORTS

INCLUDES 2023 PROCEEDINGS



NAFWB

NATIONAL ASSOCIATION OF  
FREE WILL BAPTISTS

JULY 21-24, 2024 | TAMPA, FL





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# Digest of National Agency Reports

## Table of Contents

Executive Office.....	3
North American Ministries.....	71
Board of Retirement .....	109
FWB Foundation.....	138
Women Nationally Active for Christ.....	161
D6 Family Ministry .....	178
IM, Inc .....	197
Welch College.....	225
Commission for Theological Integrity.....	264
Historical Commission .....	266
Music Commission.....	268
Media Commission .....	270
Election Schedule for Standing Boards and Commissions .....	272
2023 Proceedings .....	278
2022 Statistical Report.....	292

**National Association of Free Will Baptists  
88th Annual Convention  
July 21-24, 2024  
Tampa, Florida**





# 2023 Report of the Executive Secretary

If any of you lack wisdom, let him ask of God, that giveth to all men liberally, and upbraideth not; and it shall be given him. — **James 1:5**

As we encounter challenges today, may we remember that God will give us the wisdom we need to address them.

## Top Challenges Faced

The North American church faces many challenges. Last fall, the Great Commission Research Network surveyed Protestant pastors and asked them to identify the top challenges they faced. The survey was similar to one conducted in 2022 regarding challenges faced by churches.<sup>1</sup> However, pastors were presented 79 challenges rather than only 50 in the church survey. Pastors answered using five categories: 1) not a challenge; 2) a slight challenge; 3) a significant challenge; 4) a very significant challenge; and 5) a nearly insurmountable challenge. See the table below listing the top ten challenges.<sup>2</sup>

The Top Ten Challenges Facing Pastors in 2024



Results clustered around evangelism, retaining young adults, and training. (Download the entire GCRN report from the Executive Report page: <https://nafwb.org/executivereport>.)

This is helpful information. However, how might Free Will Baptist pastors respond to this survey? Would Free Will Baptist pastors identify the same concerns?

<sup>1</sup> See <https://place.asburyseminary.edu/cgi/viewcontent.cgi?article=1419&context=gcrj>

<sup>2</sup> See <https://place.asburyseminary.edu/gcrj/vol16/iss1/2/>

Fortunately, enough Free Will Baptist pastors (127) participated in the study to make a comparison with other Protestant pastors. The top ten challenges of Free Will Baptist pastors are listed in the table below.

### Top Ten Challenges Faced by Free Will Baptist Pastors

Challenges	FWB Rank	All Pastors Rank	FWB Mean	All Pastors Mean
Effectively Evangelizing People Who Have Never Visited the Church	1	1	3.37	3.3
Retaining Young Adults	2	3	3.32	3.18
Mobilizing for Evangelism	3	2	3.21	3.27
Finding High Quality Pastoral and Intern Candidates	4	8	3.19	2.94
Recruiting Lay Leaders	5	11	3.17	2.9
Increasing Small Group Participation	6	10	3.16	2.9
Getting Members to Put Their Faith Into Practice	7	4	3.15	2.98
Mobilizing Members for Ministry	8	7	3.11	2.94
Running High Quality Youth Programs	9	6	3.02	2.95
Running High Quality Children's Programs	10	8	3.02	2.91

Free Will Baptist pastors identified the same top ten concerns (although in a different order) apart from “Effectively Evangelizing People Contacted Through Outreach Activities,” which was the thirteenth highest concern for Free Will Baptist pastors and the fifth overall concern for all pastors.<sup>3</sup>

### How Are Free Will Baptist Pastors Different From Other Pastors?

Free Will Baptist pastors had significant differences from other pastors. Differences occurred on gender (all Free Will Baptist pastors were male), church size (significantly more Free Will Baptist churches numbered between 51-100 versus 101-200), and church growth (Free Will Baptist pastors reported significantly slower growth than other pastors). Additionally, Free Will Baptist pastors rated 19 challenges as significantly greater than other pastors. See the table below.

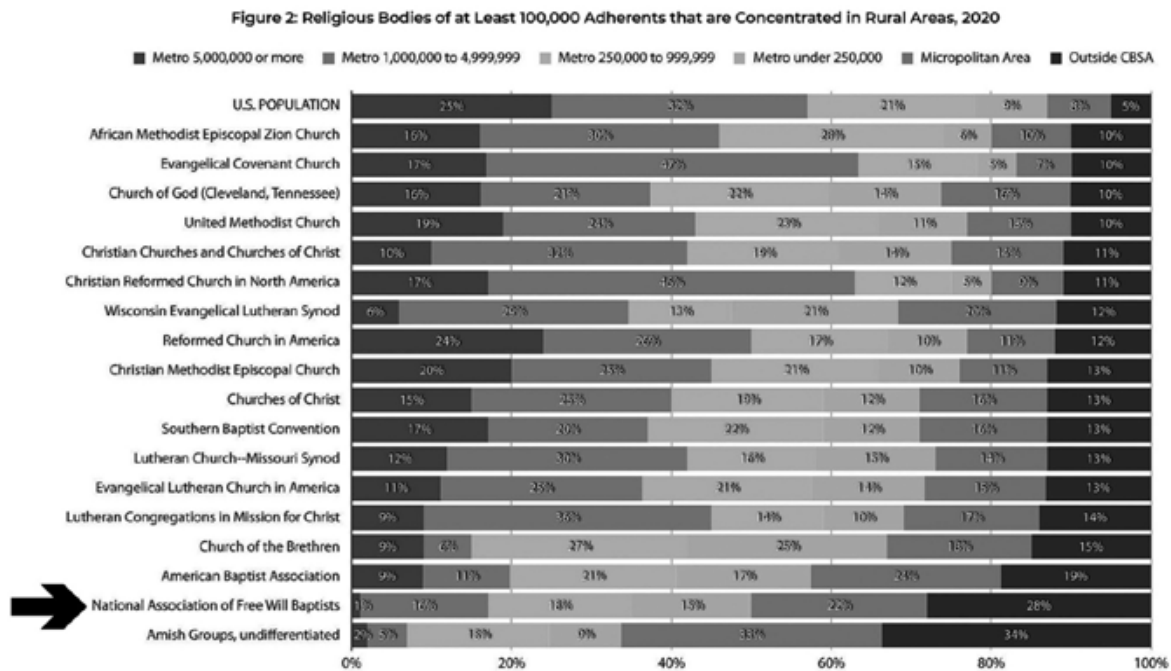
### Significantly Greater Challenges for Free Will Baptist Pastors

Concern	FWB Pastor Rank	Mean	Probability
Finding High Quality Pastoral and Intern Candidates	4	3.19	.005
Recruiting Lay Leaders	5	3.17	.000
Increasing Small Group Participation	6	3.16	.000
Getting Church Members to Put their Faith Into Practice	7	3.15	.010
Mobilizing Members for Ministry	8	3.11	.007
Reducing Member Indifference	11	2.98	.017
Meeting the Demands of My Schedule	15	2.89	.033
Managing My Time	17	2.86	.006
Developing Effective Strategy	19	2.80	.009
Promoting Active Participation in Worship	23	2.76	.013
Using Technology Effectively	24	2.76	.052
Creating High Quality Worship Services	28	2.72	.000
Casting a Clear Vision for the Church	31	2.67	.006
Creating Attractive Programs	35	2.61	.016
Resolving Personal Frustrations	43	2.51	.047
Combatting False Doctrine	47	2.46	.007
Staying Connected to God	55	2.35	.003
Maintaining My Mental Health	56	2.34	.043
Making the Gospel Attractive	67	2.15	.0012

<sup>3</sup> E. Moody, and D.R. Dunaetz. Top Concerns Facing Free Will Baptist Pastors. Unpublished paper.

Although, overall, pastors from all denominations expressed concern about finding high quality pastoral candidates, Free Will Baptists reported this as a significantly greater challenge. As a smaller denomination, perhaps this challenge is more noticeable. Additionally, pastors had an obvious concern about recruiting lay leaders or volunteers. This challenge is likely exacerbated by the size of many of our churches.

Perhaps one reason for these differences is that Free Will Baptist churches are largely located in more rural areas with smaller populations. Last year, the Association of Statisticians of American Religious Bodies released the results of the 2020 U.S. Religion Census. The results indicated that the National Association of Free Will Baptists is the second most rural denomination in the United States. See the table below.<sup>4</sup>



In fact, the only U.S. religious body that is more rural in America is the Amish. Fifty percent of Free Will Baptist churches are located where 13% of the U.S. population lives. The other 50% of NAFWB churches are in more populated areas.<sup>5</sup> This may account for smaller church sizes and slower church growth, since nearly half our churches are in areas where fewer people live.

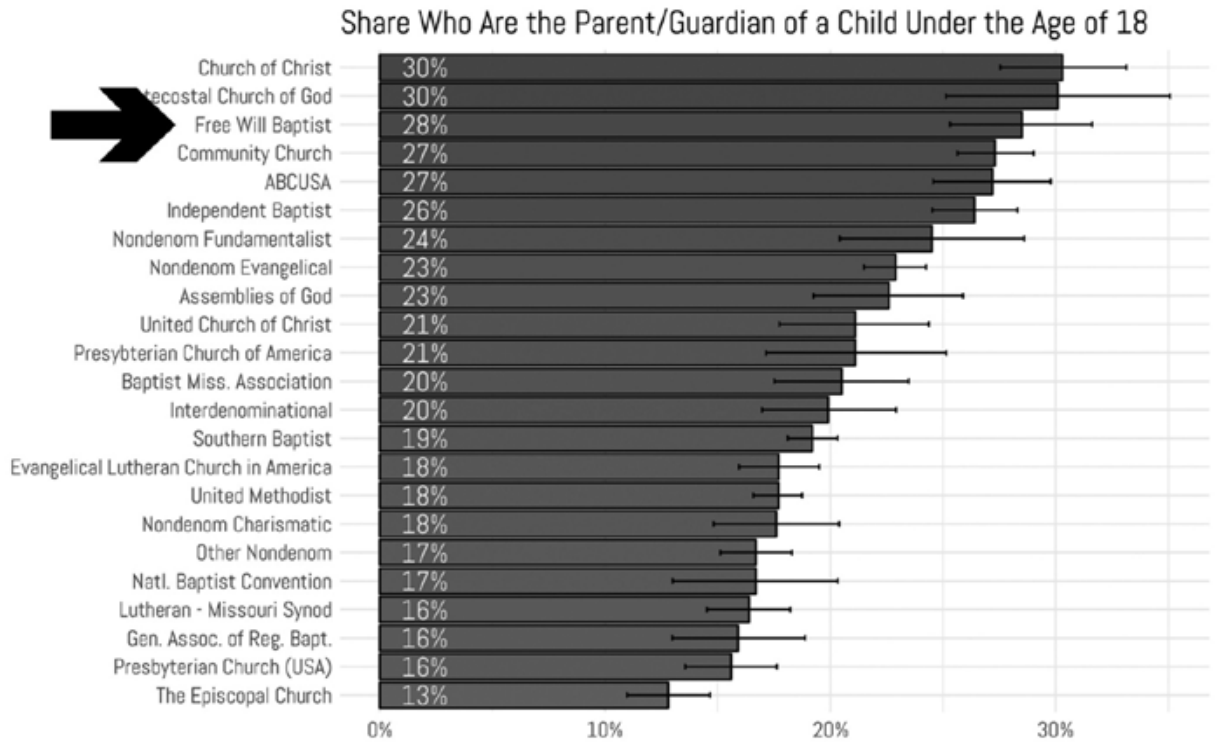
However, 2022 results from the Cooperative Election Survey (CES) indicate the Free Will Baptist denomination is one of the *youngest* denominations in America. Twenty-eight percent of Free Will Baptists in the sample reported being a parent or guardian of a child under the age of 18. See the

<sup>4</sup> See Page 68: [https://www.usreligioncensus.org/sites/default/files/2023-10/2020\\_US\\_Religion\\_Census.pdf](https://www.usreligioncensus.org/sites/default/files/2023-10/2020_US_Religion_Census.pdf)

<sup>5</sup> See "Things to Ponder:" <https://www.nafwb.org/onemag/ponder.htm>



table below.<sup>6</sup> This is the third highest for any large Protestant denomination in the U.S. and even higher than that reported by nondenominational churches (23%).



@ryanburge  
Data: Cooperative Election Study, 2022

It is also possible Free Will Baptists are keeping more youth. A recent study of Gen Z Free Will Baptists indicated 99.25% were regular church attenders (85% attended a Free Will Baptist church) and 87% were involved in church ministry. This was a biased sample of ETEAM, Truth & Peace, College Missions Program, Youth Evangelistic Team, and Church Training Service participants. However, the study shows when Free Will Baptist youth participate in NAFWB youth programs, we keep them in the faith, and overwhelmingly in the denomination, a true anomaly for Gen Z.<sup>7</sup>

There is a warning in the Cooperative Election Survey (CES) results for Free Will Baptists (and all evangelicals). Although 28% of Free Will Baptists reported being a parent or guardian of a child in 2022, in the 2010 administration of the CES, 37% of Free Will Baptists reported being a parent or guardian of a child under 18. In 2022, no denomination had more than 30% of respondents who indicated they were a parent or guardian of a child under the age of 18.<sup>8</sup> The U.S. church is losing ground.

<sup>6</sup> See: [https://churchanswers.com/blog/which-denominations-are-the-grayest-the-youngest-will-surprise-you/?utm\\_source=convertkit&utm\\_medium=email&utm\\_campaign=Which%20Denominations%20Are%20the%20Grayest%20\(The%20Youngest%20Will%20Surprise%20You\)%20-%2012961088](https://churchanswers.com/blog/which-denominations-are-the-grayest-the-youngest-will-surprise-you/?utm_source=convertkit&utm_medium=email&utm_campaign=Which%20Denominations%20Are%20the%20Grayest%20(The%20Youngest%20Will%20Surprise%20You)%20-%2012961088)

<sup>7</sup> See Keeping Our College Students: [http://www.onemag.org/keeping\\_students.htm](http://www.onemag.org/keeping_students.htm)

<sup>8</sup> See: [https://churchanswers.com/blog/which-denominations-are-the-grayest-the-youngest-will-surprise-you/?utm\\_source=convertkit&utm\\_medium=email&utm\\_campaign=Which%20Denominations%20Are%20the%20Grayest%20\(The%20Youngest%20Will%20Surprise%20You\)%20-%2012961088](https://churchanswers.com/blog/which-denominations-are-the-grayest-the-youngest-will-surprise-you/?utm_source=convertkit&utm_medium=email&utm_campaign=Which%20Denominations%20Are%20the%20Grayest%20(The%20Youngest%20Will%20Surprise%20You)%20-%2012961088)

**\*Note:** Links to all podcasts and other resources listed through the rest of the report can be found at <https://nafwb.org/executivereport>.

## What Are the Solutions?

In James 1, the Lord instructs us to view challenges or trials as opportunities. The key is to ask God for wisdom in dealing with them and to engage in the solutions that arise. Free Will Baptist pastors are significantly more concerned about the challenges of developing effective strategies and of casting a clear vision for their churches than other pastors.

Perhaps the 3 for 30 goals and objectives are a way to address the challenges we face. The Scriptures command us to reach people with the gospel, to train and disciple them in the Christian faith, and to give ourselves wholly to the Lord ([nafwb.org/3for30](https://nafwb.org/3for30)). Free Will Baptists have chosen these three scriptural goals to work toward until the year 2030. We encourage churches to identify strengths, weaknesses, opportunities, and threats (see “Questions Every Church Should Ask”) and to use the strategies that best fit them to reach their communities with the gospel, to train people in the Christian faith, and to give of themselves wholly to the Lord.

Below is an update on our progress toward these goals and objectives and ways pastors and churches can use them to address some of the challenges we face.

### 3 for 30: REACH, TRAIN, GIVE

**REACH Goal:** Free Will Baptists will develop a Great Commission mindset, regularly engaging their communities and sharing the gospel.

**Objective:** By the end of 2023, 10% of Free Will Baptist churches will have participated in Know Your Community.

**Progress:** Great progress was made on this goal in 2023, as 13% of all Free Will Baptist churches participated in KYC. Reports are completed on a 5, 10, 15, or 20-minute drive from the church. Each report costs \$100, but we provide the report for churches unable to pay for it. Once our office receives the report, we offer to meet via Zoom with the pastor and/or church leadership to review the results. Sixty-nine percent of Free Will Baptist churches that participate in the feedback session can, as a result, identify an action taken to reach their communities. We encourage churches to collaborate with one another by providing contact information for churches with similar results and through the Know Your Community with Free Will Baptists Facebook page.

We have gained valuable information about the communities where our churches are located.<sup>9</sup> Learn more by checking out the Better Together Podcast with pastors describing how they have used Know Your Community. For more information, visit [nafwb.org/know](https://nafwb.org/know).

**Objective:** By the end of 2023, 24 Free Will Baptist churches will have participated in The Hope Initiative.

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<sup>9</sup> See <http://onemag.org/data.htm>.

**Progress:** Great progress was made on this goal in 2023. Fifty-three Free Will Baptist churches are currently participating in The Hope Initiative. Church Answers gives Free Will Baptists a discount to participate. By engaging three to five participants at a time throughout a 12-month process, The Hope Initiative uses prayer and Scripture as the foundation, with the goal of changing the culture of a church to be more outwardly focused.

The Hope Initiative places great emphasis on sending notes, emails, and texts of encouragement to people in one's sphere of influence. It takes participants 20 minutes a day. We have seen great results from this process as described by Pastor Noah Taylor in a Better Together podcast.

Participants collaborate at The Hope Initiative with Free Will Baptists Facebook page. If you are interested, email [questions@nafwb.org](mailto:questions@nafwb.org) with THI in the subject line. Learn more at [nafwb.org/hope](http://nafwb.org/hope).

**Objective:** By the end of 2023, 12 Free Will Baptist churches will have participated in Child Evangelism Fellowship activities.

**Progress:** We are progressing on this objective, with 12 churches (of which we are aware) that have partnered with CEF. If you have partnered with CEF, email [questions@nafwb.org](mailto:questions@nafwb.org) to let us know. Participants collaborate on the Child Evangelism Fellowship with Free Will Baptists Facebook page. Opportunities to collaborate with CEF are described in a podcast with Jeff Nichols and Don Phares.

**Objective:** By the end of 2023, ten Free Will Baptist associations will have participated in IM's Go Global training.

**Progress:** We made progress toward this goal. IM conducted nine Go Global trainings in 2023. See the Better Together Podcast with Jerry Gibbs to learn how the process works. For more information, visit [iminc.org/go-global](http://iminc.org/go-global).

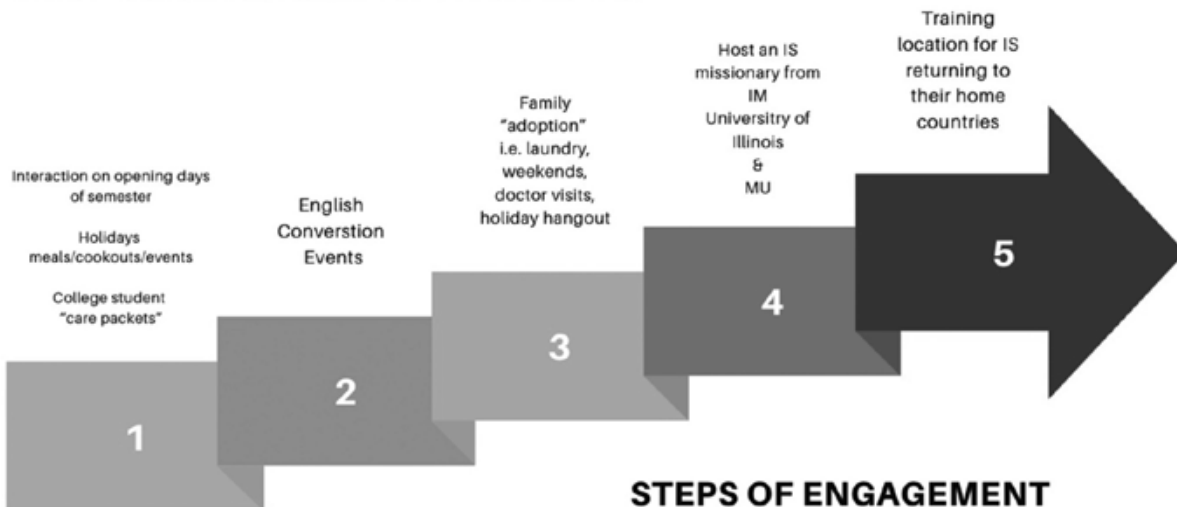
**Objective:** Increase the number of churches that develop outreach activities to area colleges and universities.

**Progress:** We have just begun work toward this goal. Nine churches have expressed interest in reaching international students at colleges near their churches. In fall 2023, we established the Reaching International Students Task Force led by Curt Holland ([curt@iminc.org](mailto:curt@iminc.org)). The task force has developed levels for churches to get involved. See the figure on the following page.

The various levels of international student engagement are described on several Better Together Podcast episodes. If you are interested in reaching international students at a college in your area, contact Curt Holland at [curt@iminc.org](mailto:curt@iminc.org).

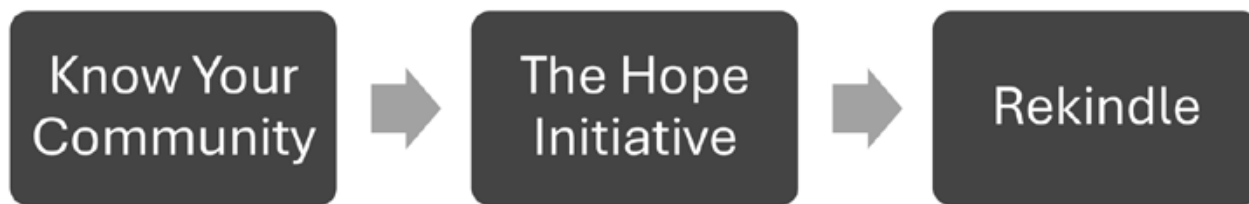


# INTERNATIONAL STUDENTS



**Objective:** Increase the number of churches and associations using Refresh resources.

**Progress:** In 2022, we began working with churches to get them involved in the revitalization process. When a church contacts us, we begin with a Know Your Community report and feedback session. We then encourage them to begin The Hope Initiative. This process allows a church to get moving immediately and prepare for the extensive work of Rekindle. See the graphic below.



Increasingly, churches are finding and utilizing the benefits of Rekindle. I encourage you to watch the Better Together Podcast with Travis Alexander to hear firsthand about some of the results.

Another Refresh resource is the pastor placement program. To date, 25 churches and 18 pastoral candidates have participated. Dr. Tim York describes the process on the Better Together Podcast. For a sense of the process from the perspective of a pastoral candidate, see the Better Together Podcast with Barry Long.

The pastoral counseling program has also been an impactful Refresh resource. Pastors and their families have engaged in 740 counseling sessions since July 2022. To understand how the counseling program works, see the Better Together Podcast with Tom Jones. To see the process from the perspective of a recipient, see the Better Together Podcast with Sherman Branch.

If you are interested in any of these resources, email [questions@nafwb.org](mailto:questions@nafwb.org).

**Objective:** Increase the number of pastors participating in NAM boot camps.

**Progress:** We have made progress on this objective. Along with two boot camps in Nashville in 2023, four regional boot camps were conducted. Thus far in 2024, regional boot camps have been conducted in Texas, West Virginia, and Kansas. Future boot camps are scheduled in North Carolina, Michigan, Oregon, California, and Florida. Contact Dr. Brad Ransom to learn more about NAM boot camps ([brad@nafwb.org](mailto:brad@nafwb.org)). See the Better Together Podcast with Dr. Ransom and learn more at [fwbnam.com/pastors-boot-camp](http://fwbnam.com/pastors-boot-camp).

**TRAIN Goal:** Free Will Baptists will develop a training and discipleship mindset.

**Objective:** Add new Sunday School, Life Group, and Connect classes.

**Progress:** On the 3 for 30 Survey, 30 churches indicated their intention to start a new class, but we are unsure of their progress.

**Objective:** Increase the percentage of churches using D6 Family curriculum.

**Progress:** We are unsure of our progress toward this goal. On the 3 for 30 Survey, 79% of respondents indicated they use D6 curriculum. Contact Katie Greenwood to learn more about the curriculum ([katie.greenwood@d6family.com](mailto:katie.greenwood@d6family.com)).

See the Better Together Podcast with Dr. Ron Hunter and Katie Greenwood on the D6 curriculum.

**Objective:** Increase D-Groups.

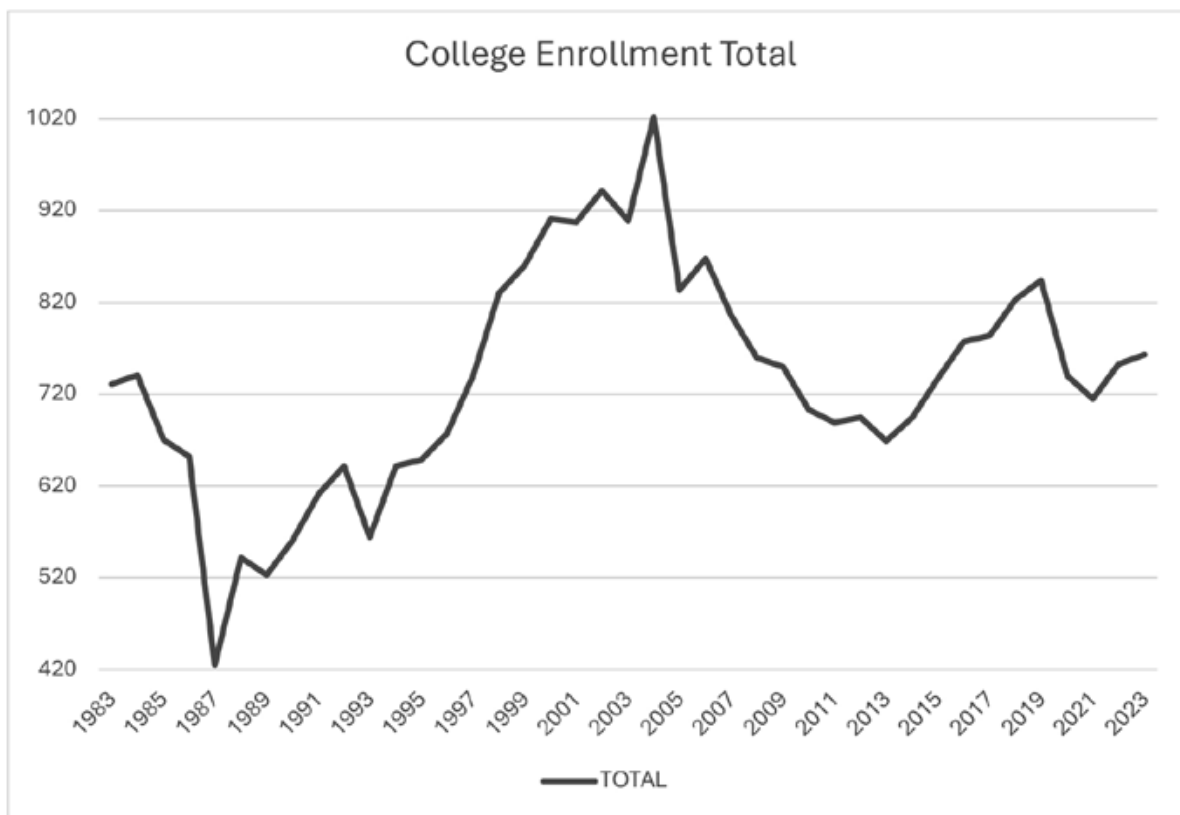
**Progress:** We believe we are making progress on this goal. On the 3 for 30 Survey, 36% of respondents indicated they were conducting D-Groups. Forty-eight percent of respondents reported plans to start a D-Group in the next 12 months.

To learn more about D-Groups, see the Better Together Podcast with pastor Kevin Barnett on how these groups are utilized at his church.

**Objective:** Increase the number of students who attend Free Will Baptist colleges.

**Progress:** There was some progress on this goal in 2023. Free Will Baptist colleges reported enrolling 753 students in the fall of 2023. That was ten more students than enrolled in 2022.

You can track Free Will Baptist College enrollment over the years on the graph on the following page.



If you or someone you know is interested in the new M.Div. program at Welch College, check out the Better Together Podcast with Welch Divinity School faculty.

**Objective:** Increase the churches that send students to ETEAM and Truth & Peace.

**Progress:** We need to work toward increasing the number of churches that participate in these programs. In 2023, only 6.3% of Free Will Baptist churches participated in all programs combined. Truth & Peace had students from 3.9% of NAFWB churches, ETEAM 2.9%, and College Missions Program 1.5%. Learn more about these programs at [verticalthree.com](http://verticalthree.com) and [iminc.org/go/student-missions](http://iminc.org/go/student-missions).

To gain a greater understanding of the impact of these programs, see the Better Together Podcast with Leslie Nichols and Derek Altom.

**Objective:** Recruit students who attend other Christian colleges to Free Will Baptist churches.

**Progress:** We need to work on this objective. We have been encouraging students who attend Liberty University to attend New London Church in Forest, Virginia, where Brandon and Mandy Baber are located ([475-515-1575](tel:475-515-1575); [baberb19@gmail.com](mailto:baberb19@gmail.com)). This past fall, Pastor Baber reported 40 college students are attending New London Church, three from Free Will Baptist churches.

To learn more about Pastor Baber and his ministry, see his Better Together Podcast episode on church revitalization.



If you have a Christian college in your area and would like to encourage Free Will Baptist students to attend, contact us at [questions@nafwb.org](mailto:questions@nafwb.org).

**Objective:** Recruit students who attend non-Christian colleges to attend Free Will Baptist churches near the college they attend.

**Progress:** We are unsure of progress on this objective. To see how this process can work, listen to J.D. Crawford's Better Together Podcast episode about how he became involved with the Mosaic Church in Missouri and began to pursue missions.

**Objective:** Increase the number of students participating in Church Training Services (CTS Ministry Expo).

**Progress:** We are unsure of our progress on this objective. Based on the results of the 3 for 30 Survey, 33% of churches indicated they had youth participating in CTS.

See the podcast episode with Derek Altom on how CTS is a valuable discipleship tool.

**Objective:** Encourage local and state associations to host training sessions for church workers on the Bible and Free Will Baptist doctrine.

**Progress:** While we are unsure of our progress in this area, we should note the "Why I Am a Free Will Baptist" webinars led by Edwin Hayes have been some of our most downloaded resources.

**Objective:** Encourage associations and presbyteries to emphasize Free Will Baptist doctrine and practice and theological knowledge in the ordination process.

**Progress:** We are unsure of our progress in this area.

**GIVE Goal: Free Will Baptists will give themselves wholly to the work of the Lord by giving of their talents, gifts, and resources.**

**Objective:** Increase the number of churches and associations assisting other churches.

**Progress:** Based on the 3 for 30 Survey, 48% of churches reported engaging in activities to assist other churches.

See the Better Together Podcast with Duane Littlefield for an example.

**Objective:** Increase the number of Disaster Response Teams (DRT) to 15 by 2030.

**Progress:** Currently eight DRT are established across the U.S.

See the Better Together Podcast with Ken Akers to learn more.

**Objective:** Increase the number of pastors who serve as chaplains to 100.

**Progress:** Currently, 16 pastors serve as chaplains across North America.

See the Better Together Podcast with Chris Dotson on the value of chaplains.

**Objective:** Increase the number of Free Will Baptists who participate in Disaster Response Teams, The Hanna Project, and College Missions Program.

**Progress:** Based on the 3 for 30 Survey, 17 churches had participants. To learn more about The Hanna Project, visit [hannaproject.com](http://hannaproject.com). To learn more about College Missions Program, visit [iminc.org/go](http://iminc.org/go).

**Objective:** Increase the number of Free Will Baptist pastors who participate in the Board of Retirement and increase contributions.

**Progress:** Currently, 33% of all Free Will Baptist pastors participate in the BOR program.

Learn more from John Brummitt's Better Together Podcast. Find resources at [boardofretirement.com](http://boardofretirement.com).

**Objective:** Increase Free Will Baptist endowments from \$15 million to \$30 million by 2030.

**Progress:** We currently have \$15 million in endowments, including \$1.1 million in The Together Way Trust.

Learn more regarding the impact of these gifts from the Better Together Podcast with David Brown or hear about the intent of The Together Way Endowment from the podcast featuring Bill Evans and Dr. Melvin Worthington.

To learn more, go to [fwbgifts.com](http://fwbgifts.com) or call at **877-336-7575**.

**For a complete listing of all resources, see the “Here to Help” chart on pages 15-16.**

## **New Initiatives**

### **Bless Every Home**

We have partnered with **Bless Every Home** to help our churches pray for, care for, and share the gospel more effectively with their neighbors. We also use this information as a supplemental resource for those participating in Know Your Community as well as The Hope Initiative. Register your church at <https://blesseveryhome.org/nafwb>. When you sign up, your church will be registered in the **BlessEveryHome.com** movement and be connected to others in the NAFWB. As your members become lights in their neighborhoods, you'll be able to follow their pray-care-share progress in covering your mission field on your own real-time dashboard and map.

We are providing your ministry with a free subscription and ask you to partner with us in this endeavor. To enroll, visit <https://blesseveryhome.org/nafwb>.

### **The Great Dechurching**

Based on research used in *The Great Dechurching* (see the podcast with Jim Davis and Michael Graham), we have learned 15.5% of the U.S. population has stopped attending church over the last 25 years. That is 40 million people. The top reason they stopped going to church was simply that they moved. As a result, we have redoubled efforts to use the Free Will Baptist church directory more effectively ([directory.nafwb.org](http://directory.nafwb.org)). We encourage all churches to provide a picture of their

church, include the church website, provide a short description (about three sentences), and post an inviting video (90 seconds or less). These items can be sent to [anna@nafwb.org](mailto:anna@nafwb.org).

We are stressing to churches we believe they have a responsibility to regard anyone who moves away as *part of their church* until that person joins with a new congregation. As a result, the accuracy of the church directory has become far more critical.

## **MINCE**

MINCE is a financial approach created and popularized by Dr. Jay Moon. Increasingly, churches find it difficult to meet financial demands. The MINCE approach can help churches financially while also enabling them to impact their communities more directly.

For more information, visit <https://nafwb.org/mince/>.

## **First Aid Ready**

People are increasingly struggling with emotional needs. We are working to help churches become First Aid Ready.

Explore available resources at [nafwb.org/firstaid](https://nafwb.org/firstaid) and learn how to equip your church on Becoming First Aid Ready. See the Better Together Podcast with Caleb Smith on how a church can use these resources or watch a presentation from Dr. Eddie Moody at the 2023 National Convention providing a succinct description of the First Aid Ready approach.

## **Help Us Help You**

Finally, help us help you. We encourage you to give to Co-op or The Together Way Plan. Without your giving, we would be unable to serve. If you are not already doing so, we encourage you to consider a designated gift to our office and receiving a Rest of the Family offering.

Please prayerfully consider making a yearly gift to The Together Way Trust. Your endowment gift will give to all national ministries until the Lord returns and will make an eternal impact. When we pool our resources, we truly accomplish more because **we are better together**.



**Edward E. Moody, Jr., Ph.D.**

**Executive Secretary**

# NAFWB: HERE TO HELP

PROBLEM	SOLUTION	ACTION
My community has changed.	Know Your Community	<a href="http://nafwb.org/know">nafwb.org/know</a>
My church is inwardly focused.	The Hope Initiative	<a href="http://nafwb.org/hope">nafwb.org/hope</a>
I have hurting people and a hurting community.	First Aid Ready	<a href="http://nafwb.org/firstaid">nafwb.org/firstaid</a>
My church does not have a pastor.	Pastor Placement Program	<a href="http://nafwb.org/refresh">nafwb.org/refresh</a>
My church is plateaued or declining.	Refresh and Rekindle	<a href="http://nafwb.org/refresh">nafwb.org/refresh</a>
I feel disconnected.	Growing Together resources	<a href="http://nafwb.org/grow">nafwb.org/grow</a>
My pastor or his family is struggling.	Pastor Counseling Program	<a href="mailto:questions@nafwb.org">questions@nafwb.org</a>
I don't have an online presence.	Online Church Directory <a href="http://directory.nafwb.org">directory.nafwb.org</a>	Send picture, brief description & video to <a href="mailto:anna@nafwb.org">anna@nafwb.org</a> .
My church lacks	Facebook graphics	<a href="https://facebook.com/NAFWB">facebook.com/NAFWB</a>
I don't know how to reach international students.	Reaching College Students Task Force	<a href="mailto:curt@iminc.org">curt@iminc.org</a>

Need help in areas not mentioned here?

[NAFWB.ORG/RESOURCES](http://NAFWB.ORG/RESOURCES)  
[QUESTIONS@NAFWB.ORG](mailto:QUESTIONS@NAFWB.ORG)



# NAFWB



<b>PROBLEM</b>	<b>SOLUTION</b>	<b>ACTION</b>
My church lacks musicians.	FWB Music Commission fwbworship.com	doug@nafwb.org
I need financial planning assistance.	Board of Retirement boardofretirement.com	boardofretirement@nafwb.org Call: 877-767-7738
I need estate planning.	FWB Foundation fwbgifts.com	foundation@nafwb.org Call: 877-336-7575
I need to increase discipleship activities.	D6 Family Ministry	d6family.com
We need to set up a disaster response team.	Master's Men	ken@nafwb.org
We need a leadership boost.	NAM Boot Camps in Nashville or Boot Camps on the Road	fwbnam.com/ pastors-boot-camp/ brad@nafwb.org
We need an educational boost.	Take a class, attend FORUM, or attend Forlines Lectures.	Welch.edu
We lack Spanish resources.	Spanish Facebook page	facebook.com/NAFWBES
My church is struggling financially.	MINCE resources nafwb.org/mince	questions@nafwb.org
I want my young people involved.	CTS Ministry Expo Truth & Peace ETEAM Student Missions	verticalthree.com  iminc.org/go/ student-missions

Need help in areas not mentioned here?

**NAFWB.ORG/RESOURCES**  
**QUESTIONS@NAFWB.ORG**



National Association of  
Free Will Baptists

**NAFWB**

**2023**  
**Gain/Loss of Churches**

STATE	2022	2023	Gain/ Loss		2022	2023	Gain/ Loss
Alabama	96	95	-1	Michigan	24	23	-1
Arizona	5	5	0	Mid-Atlantic	4	4	0
Arkansas	161	161	0	Mississippi	46	46	0
California	50	48	-2	Missouri	142	140	-2
Canada	7	0	-7	North Carolina	156	153	-3
Colorado	5	5	0	Northeast Assoc.	3	2	-1
David Marks Association	4	4	0	Northwest Assoc.	6	6	0
Florida	54	51	-3	Ohio	120	118	-2
Georgia	101	100	-1	Oklahoma	194	189	-5
Hawaii	1	0	-1	South Carolina	101	102	1
Idaho	3	3	0	South Dakota	1	1	0
Illinois	35	35	0	Tennessee	193	183	-10
Indiana	17	17	0	Texas	41	38	-3
Iowa	3	3	0	Virginia	67	64	-3
Kansas	9	10	1	Virgin Islands	1	1	0
Kentucky	119	119	0	Christiansted, VI			
Mexico				West Virginia	138	135	-3
Assoc. of FWBC of MX	42	0	-42	Wisconsin			
Mexico Assoc.	29	31	2	Twin Valley, Madison, WI	1	0	-1
				Sub-Total	1,238	1,205	-33
Sub-Total	741	687	-54	Grand Total	1,979	1,892	-87

**2023 Rest of the Family Offering  
Top Giving Churches**

1	Parker's Chapel Free Will Baptist Church	Greenville, North Carolina	\$3,000.00
2	Liberty Free Will Baptist Church	Ayden, North Carolina	\$1,215.00
3	Cedar Springs Free Will Baptist Church	Blakely, Georgia	\$1,000.00
4	Liberty Free Will Baptist Church	Marion, North Carolina	\$1,000.00
5	Faith Free Will Baptist Church	Carrollton, Virginia	\$913.90
6	First Free Will Baptist Church	Checotah, Oklahoma	\$850.54
7	Liberty Free Will Baptist Church	Manning, South Carolina	\$848.62
8	White Plains Free Will Baptist Church	Colquitt, Georgia	\$670.00
9	Rocky Pass Free Will Baptist Church	Marion, North Carolina	\$600.00
10	Cross Timbers Free Will Baptist Church	Nashville, Tennessee	\$525.00
11	First Free Will Baptist Church	Owensboro, Kentucky	\$500.00
12	Midfield Free Will Baptist Church	Kingsport, Tennessee	\$493.00
13	Tippett's Chapel Free Will Baptist Church	Clayton, North Carolina	\$365.36
14	Oak Hill Free Will Baptist Church	Union, Missouri	\$300.00
15	Hope Free Will Baptist Church	Plymouth, North Carolina	\$262.43

**50 churches gave for a total of \$17,104.85.**

## Tracking The Together Way Totals

DESIGNATED		CO-OP		TOTAL	
<b>2014</b>					
3,376,818.07	-0.23%	840,505.88	-6.57%	4,217,323.95	-1.56%
80%		20%			
<b>2015</b>					
3,172,270.35	-6.06%	824,395.83	-1.92%	3,996,666.18	-5.23%
79%		21%			
<b>2016</b>					
3,517,079.10	10.87%	851,229.28	3.25%	4,368,308.38	9.30%
81%		19%			
<b>2017</b>					
3,236,515.99	-7.98%	830,153.64	-2.48%	4,066,669.63	-6.91%
80%		20%			
<b>2018</b>					
3,294,858.27	1.80%	900,631.19	8.49%	4,195,489.46	3.17%
79%		21%			
<b>2019</b>					
3,173,069.93	-3.70%	851,469.97	-5.46%	4,024,539.90	-4.07%
79%		21%			
<b>2020</b>					
3,050,180.16	-3.87%	837,871.13	-1.60%	3,888,051.29	-3.39%
78%		22%			
<b>2021</b>					
3,339,733.80	9.49%	883,583.03	5.46%	4,223,316.83	8.62%
79%		21%			
<b>2022</b>					
3,015,386.03	-9.71%	891,124.88	0.85%	3,906,510.91	-7.50%
77%		23%			
<b>2023</b>					
2,841,573.80	-5.76%	943,824.34	5.91%	3,785,398.14	-3.10%
75%		25%			

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### The Together Way Totals Increase/Decrease from 2014-2023

Designated	-15.85%	CO-OP	12.29%
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## 2023 Contributions to the Executive Office

	Co-op	Designated	Rest of Family	Total	% of Total Gifts
Missouri	\$127,770.49	\$0.00	\$218.37	\$127,988.86	27.14%
Oklahoma	103,688.47	-	345.93	104,034.40	22.06%
Arkansas	82,485.75	100.00	86.03	82,671.78	17.53%
Tennessee	26,433.63	5,612.38	779.99	32,826.00	6.96%
North Carolina	6,915.76	18,096.97	2,276.78	27,289.51	5.79%
Georgia	18,703.88	2,000.00	869.02	21,572.90	4.57%
Ohio	11,963.09	950.00	51.57	12,964.66	2.75%
Illinois	11,739.31	-	-	11,739.31	2.49%
Mississippi	6,853.73	2,275.00	25.79	9,154.52	1.94%
Florida	8,784.18	-	117.37	8,901.55	1.89%
Alabama	3,404.82	4,533.60	120.36	8,058.78	1.71%
South Carolina	123.75	3,627.60	334.99	4,086.34	0.87%
Michigan	2,038.88	1,100.00	-	3,138.88	0.67%
Virginia	1,102.41	1,649.40	321.30	3,073.11	0.65%
Kentucky	2,892.43	-	172.06	3,064.49	0.65%
California	2,711.20	166.67	34.44	2,912.31	0.62%
West Virginia	2,179.17	-	34.47	2,213.64	0.47%
New Mexico	1,971.58	-	-	1,971.58	0.42%
Oregon	1,147.50	-	-	1,147.50	0.24%
Texas	895.66	-	96.29	991.95	0.21%
Indiana	-	600.00	-	600.00	0.13%
Delaware	450.00	-	-	450.00	0.10%
Virgin Islands	336.01	-	-	336.01	0.07%
Canada	-	323.34	-	323.34	0.07%
Kansas	95.63	-	-	95.63	0.02%
Arizona	33.75	-	-	33.75	0.01%
<b>TOTALS</b>	<b>\$424,721.08</b>	<b>\$41,034.96</b>	<b>\$5,884.76</b>	<b>\$471,640.80</b>	<b>100.00%</b>

Arkansas, Missouri and Oklahoma giving makes up 66.72% of total.  
 90% of Executive Office Income is from Co-op.  
 FWB's have churches in 38 states + CN, MX, VI.



**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.**

***Opinion***

We have audited the statement of financial position of the Executive Office of the National Association of the Free Will Baptists, Inc. - a nonprofit organization (hereafter Executive Office as of December 31, 2023 and 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Executive Office, as of December 31, 2023 and 2022, and results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Executive Office and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Executive Office's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

Terry A. Hill  
615 417 - 7414  
terryhill37027@comcast.net

P O Box 680788  
Franklin, Tennessee 37068

Ernest R. Harper  
615 417 - 6358  
e.harper@comcast.net

In performing an audit in accordance with GAAS, we:

- > Exercise professional judgement and maintain professional skepticism throughout the audit.
- > Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- > Obtain an understating of internal control relevant to the audit 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 Executive Office's internal control. Accordingly, no such opinion is expressed.
- > Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- > Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Executive Office's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



**A Professional Limited Liability Company**  
**Franklin, Tennessee**  
**April 30, 2024**

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

**Statements of Financial Position**

**December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
<b>Current assets:</b>		
Cash in bank		
Executive Office	\$ 189,022	211,102
Convention	58,531	344,202
Special Projects - Hymnal royalties	60,549	51,067
<b>Total cash in bank</b>	308,102	606,371
Funds held by Free Will Baptist Foundation	21,085	12,500
Receivables:		
Randall House royalties	2,516	1,438
Other departmental and agency charges	203,683	17,944
<b>Total receivables</b>	206,199	19,382
Prepaid expenses	16,277	-
<b>Total current assets</b>	551,663	638,253
<b>Equipment:</b>		
Office equipment and furniture	55,918	55,279
Automobiles	52,256	34,469
	108,174	89,748
Less accumulated depreciation	77,103	88,031
<b>Equipment, net of depreciation</b>	31,071	1,717
<b>Other assets:</b>		
Deposits for future conventions	9,263	10,998
Right to use assets	10,416	-
<b>Total other assets</b>	19,679	10,988
	\$ 602,413	650,958
<u>Liabilities and Net Assets</u>		
<b>Current liabilities:</b>		
Accounts payable	\$ -	1,940
Lease obligations - current portion	4,640	-
Funds held for distribution to other Free Will Baptist agencies	2,504	2,236
Hymnal royalty liability	22,667	16,658
<b>Total current liabilities</b>	29,811	20,834
<b>Lease obligations, net of current portion</b>	5,776	-
<b>Total liabilities</b>	35,587	20,834
<b>Net assets:</b>		
Without donor restrictions	566,826	630,124
With donor restrictions	-	-
<b>Total net assets</b>	566,826	630,124
	\$ 602,413	650,958

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, 2023 and 2022**

	2023			2022		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Revenues:</b>						
<b>Executive Office:</b>						
The Together Way Plan	3,785,398	-	3,785,398	3,906,511	-	3,906,511
Disbursed to agencies and departments	(3,319,642)	-	(3,319,642)	(3,464,893)	-	(3,464,893)
Executive Office portion of Together Way Plan	465,756	-	465,756	441,618	-	441,618
Offerings	5,885	-	5,885	6,310	-	6,310
Other	20,612	-	20,612	26,583	-	26,583
	492,253	-	492,253	474,511	-	474,511
<b>Convention:</b>						
Convention revenues	410,325	-	410,325	416,928	-	416,928
Contributions	18,409	-	18,409	8,204	-	8,204
Other	2,631	-	2,631	1,360	-	1,360
	431,365	-	431,365	426,492	-	426,492
<b>Special Projects:</b>						
Hymnal royalties	10,556	-	10,556	8,180	-	8,180
Rekindle contributions	-	650	650	-	1,147	1,147
Other income	-	-	-	-	-	-
	10,556	650	11,206	8,180	1,147	9,327
	934,174	650	934,824	909,183	1,147	910,330
Net assets released from restrictions	650	(650)	-	3,425	(3,425)	-
<b>Total revenues</b>	<b>934,824</b>	<b>-</b>	<b>934,824</b>	<b>912,608</b>	<b>(2,278)</b>	<b>910,330</b>
<b>Expenses:</b>						
<b>Program services</b>						
Executive Office	379,958	-	379,958	380,111	-	380,111
Convention	508,658	-	508,658	494,653	-	494,653
Special Projects	11,287	-	11,287	20,287	-	20,287
	899,903	-	899,903	895,051	-	895,051
<b>Supportive services</b>						
Administration	98,219	-	98,219	81,947	-	81,947
<b>Total expenses</b>	<b>998,122</b>	<b>-</b>	<b>998,122</b>	<b>976,998</b>	<b>-</b>	<b>976,998</b>
<b>Change in net assets</b>	<b>(63,298)</b>	<b>-</b>	<b>(63,298)</b>	<b>(64,390)</b>	<b>(2,278)</b>	<b>(66,668)</b>
<b>Net assets as restated:</b>						
<b>Beginning of year</b>	<b>630,124</b>	<b>-</b>	<b>630,124</b>	<b>694,514</b>	<b>2,278</b>	<b>696,792</b>
<b>End of year</b>	<b>566,826</b>	<b>-</b>	<b>566,826</b>	<b>630,124</b>	<b>-</b>	<b>630,124</b>

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, 2023 and 2022

	2023					2022						
	Program Services			Adminis- trative		Program Services			Adminis- trative			
	Executive Office	Convention	Special Projects	Totals	Totals	Executive Office	Convention	Special Projects	Totals	Totals		
<b>Expenses of operations:</b>												
<b>Employment costs:</b>												
Salaries	\$ 68,331	88,214	-	156,545	41,342	67,003	90,319	-	157,322	40,327	197,649	197,649
Housing allowance	21,738	7,246	-	28,984	3,220	21,738	7,246	-	28,984	3,220	32,204	32,204
Payroll taxes and other benefits	37,823	72,949	-	110,772	16,722	47,965	70,531	-	118,496	11,405	129,901	129,901
<b>Total employment costs</b>	<b>127,892</b>	<b>168,409</b>	<b>-</b>	<b>296,301</b>	<b>61,284</b>	<b>136,706</b>	<b>168,096</b>	<b>-</b>	<b>304,802</b>	<b>54,952</b>	<b>359,754</b>	<b>359,754</b>
<b>Other operating costs:</b>												
Support to One Magazine Auditorium and other convention services	104,539	18,816	-	123,355	-	103,504	18,630	-	122,134	-	122,134	122,134
Office rental	40,354	295,852	-	295,852	-	295,852	218,641	-	218,641	-	218,641	218,641
Travel	38,291	4,599	-	42,890	4,484	35,243	73,386	-	35,243	39,159	39,159	39,159
Supplies, office expense	-	7,661	-	7,661	16,420	52,950	12,274	-	126,336	5,883	132,219	132,219
Copier lease	8,776	-	-	8,776	975	6,815	-	-	12,274	6,192	18,466	18,466
Executive Committee and General Board	-	6,455	-	6,455	-	-	(3,656)	-	(3,656)	-	(3,656)	(3,656)
Depreciation	3,665	-	-	3,665	407	4,079	-	-	4,079	453	4,532	4,532
Legal and audit	-	-	-	-	9,120	-	-	-	-	7,135	7,135	7,135
Payroll service	-	-	-	-	1,034	-	-	-	-	2,419	2,419	2,419
Printing and promotion	10,858	3,682	-	14,540	-	16,516	3,748	-	20,264	-	20,264	20,264
Postage / mail services	1,606	171	-	1,777	-	1,725	281	-	2,006	-	2,006	2,006
Telephone	2,376	577	-	2,953	-	471	264	-	735	-	735	735
International Fellowship	-	-	-	-	240	-	-	-	-	240	240	240
Support to WNAC	5,191	-	-	5,191	-	4,901	-	-	4,901	-	4,901	4,901
Support to Randall House	5,191	-	-	5,191	-	4,901	-	-	4,901	-	4,901	4,901
Royalties	-	-	6,010	6,010	-	-	-	6,657	6,657	-	6,657	6,657
Rekindle	-	-	5,277	5,277	-	-	-	13,630	13,630	-	13,630	13,630
Impact Project	-	486	-	486	-	-	1,201	-	1,201	-	1,201	1,201
Ministerial counseling	12,360	-	-	12,360	-	1,988	-	-	1,988	-	1,988	1,988
Educational materials	7,150	-	-	7,150	-	10,312	-	-	10,312	-	10,312	10,312
Coaching	7,490	-	-	7,490	-	7,490	-	-	-	-	-	-
Church answers	3,719	-	-	3,719	-	-	-	-	-	-	-	-
Other	500	1,950	-	2,450	-	-	1,788	-	1,788	-	1,788	1,788
<b>Total expenses</b>	<b>\$ 379,958</b>	<b>508,658</b>	<b>11,287</b>	<b>899,903</b>	<b>98,219</b>	<b>380,111</b>	<b>494,653</b>	<b>20,287</b>	<b>895,051</b>	<b>81,947</b>	<b>976,998</b>	<b>976,998</b>

See accompanying notes to financial statements.

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

**Statements of Cash Flows**

**For the years ended December 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b><u>Cash Flows from Operating Activities</u></b>		
Change in net assets	\$ (63,298)	(66,668)
Adjustments to reconcile change in net assets to net operating activities :		
Depreciation	4,072	4,532
Change in deposits for future conventions	1,735	-
Increase in:		
Receivables	(186,817)	113,972
Increase (decrease) in:		
Prepaid expense	(16,277)	-
Funds held for distribution to other Free Will Baptist agencies	268	2,236
Accounts payable and accrued expenses	4,069	2,943
<b>Net operating activities</b>	<b>(256,248)</b>	<b>57,015</b>
<b><u>Cash Flows from Investing Activities</u></b>		
Purchase of equipment and vehicle	(33,436)	(2,060)
<b>Change in cash and cash equivalents</b>	<b>(289,684)</b>	<b>54,955</b>
<b>Cash and cash equivalents:</b>		
<b>Beginning of year</b>	<b>618,871</b>	<b>563,916</b>
<b>End of year</b>	<b>\$ 329,187</b>	<b>618,871</b>
<b>Cash and cash equivalents consist of:</b>		
Cash in bank	\$ 308,102	606,371
Funds held by Free Will Baptist Foundation	21,085	12,500
	<b>\$ 329,187</b>	<b>618,871</b>
<b>Non-cash transactions:</b>		
Lease assets obtained in exchange for lease obligations	\$ 14,076	-
Amortization of right-of-use assets	\$ 3,660	-

See accompanying notes to financial statements.

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

**Notes to Financial Statements**

**December 31, 2023 and 2022**

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 its 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 its 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.

**Revenue Recognition**

We have reviewed the provisions of the FASB ASC Topic 606, Revenue from Contracts with Customers, and have concluded that no changes are necessary to conform with the new standard.

**Leases**

As required by generally accepted accounting principles, Executive Office adopted FASB ASC 842 which requires the present value of leases by capitalized as right-of-use assets with a corresponding lease obligation recorded between current and long term liabilities. An election was made to exempt leases with an original or remaining terms of one year or less from these calculations.



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

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

**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.

**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 administrator allocated as Executive Office, audit and legal, dues and subscriptions, supplies and office expense, payroll processing fee;

10% of Executive Secretary salary and related costs allocated as Executive Office, 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.

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

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

**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 2023 and 2022. 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.

**Subsequent Events**

Subsequent events have been evaluated for potential recognition and disclosure through April 30, 2024 the date these financial statements were available to be issued.

(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.

	<b><u>2023</u></b>	<b><u>2022</u></b>
<b>Financial assets at end of year:</b>		
Cash in bank	\$ 308,102	606,371
Funds held by Free Will Baptist Foundation	21,085	12,500
Accounts receivable	206,199	19,382
<b>Financial assets available to meet general expenditures the next twelve months</b>	535,386	638,253
<b>Less amount not available to be used within one year:</b>		
Accounts payable	-	1,940
Hymnal royalty liability	22,667	16,658
Funds held for distribution to other Free Will Baptist agencies	2,504	2,236
<b>Amount not available to be used within one year</b>	25,171	20,834
<b>Net financial assets available for expenditure within one year</b>	\$ 510,215	617,419

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) **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.

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

**(4) Net Assets**

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

	<u>2023</u>	<u>2022</u>
<b>Rekindle</b>		
A program to provide long-term health and revitalization for FWB churches		
Private contributions	\$ 650	1,147
Expenditures for program purposes - net assets released	650	3,425
	-	(2,278)
<b>Net assets with donor restrictions, beginning of year</b>	-	2,278
<b>Net assets with donor restrictions, end of year</b>	\$ -	-

Net assets without donor restrictions are summarized as follows:

	<u>Undesignated</u>		<u>Designated</u>		<u>Overall</u>
	<u>Executive</u>	<u>Convention</u>	<u>Special</u>	<u>Total</u>	<u>Total</u>
	<u>Office</u>	<u>Convention</u>	<u>Projects</u>	<u>Total</u>	<u>Total</u>
<b>For year ending December 31, 2023</b>					
<b>Revenues</b>	\$ 492,253	431,365	11,206	442,571	934,824
<b>Expenses</b>					
Program services	379,958	508,658	11,287	519,945	899,903
Administrative	93,909	4,310	-	4,310	98,219
Total expenses	473,867	512,968	11,287	524,255	998,122
<b>Change in net assets</b>	18,386	(81,603)	(81)	(81,684)	(63,298)
<b>Net assets, beginning of year</b>	381,935	174,805	73,384	248,189	630,124
<b>Net assets, end of year</b>	\$ 400,321	93,202	73,303	166,505	566,826
<b>For year ending December 31, 2022</b>					
<b>Revenues</b>	\$ 474,511	426,492	11,605	438,097	912,608
<b>Expenses</b>					
Program services	380,111	494,653	20,287	514,940	895,051
Administrative	77,332	4,615	-	4,615	81,947
Total expenses	457,443	499,268	20,287	519,555	976,998
<b>Change in net assets</b>	17,068	(72,776)	(8,682)	(81,458)	(64,390)
<b>Net assets, beginning of year</b>	364,867	247,581	82,066	329,647	694,514
<b>Net assets, end of year</b>	\$ 381,935	174,805	73,384	248,189	630,124

**(5) Right-of-Use Assets and Relating Obligations**

Lease obligations relate to equipment leases that are operating leases and complying with this standard had no effect on reported results of operations. Further, election was made to exempt leases with remaining terms of one year or less from these calculations.

The right-of-use asset amounts to \$10,416 in 2023 as reported as an other asset, with corresponding current liability of \$4,640 and long term liability of 5,776 which are presented on the statement of financial position. The lease liabilities at present value were calculated using Executive Office's incremental borrowing rate of 6% in 2023.

Expenses relating to operating leases for office equipment amounts to \$9,751 in 2023 and \$7,572 in 2022.

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

(5) **Right-of-Use Assets and Relating Obligations, continued**

Maturities of operating lease liabilities are as follows:

		<b><u>Required Payments</u></b>	<b><u>Interest Amount</u></b>	<b><u>Lease Maturities</u></b>
2024	\$	5,138	498	4,640
2025		5,138	213	4,925
2026		856	5	851
	\$	<u>11,132</u>	<u>716</u>	<u>10,416</u>

(6) **Commitments for Future Conventions**

Contractual obligations for conventions have been executed into future years. Deposits amounting to \$9,263 in 2023 and \$10,988 in 2022 are recorded as other assets. Contracts are in place for conventions through 2028. Costs cannot be estimated accurately and vary between cities. Expenses of convention facilities and other production costs amounted to \$295,852 in 2023 and \$218,641 in 2022.

(7) **Pension**

The Executive Office participates in the master pension plan of the Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc. The plan is contributory and a contribution of 5% of compensation is made by the Executive Office. Employees may participate at date of employment. Pension expense amounts to \$26,020 in 2023 and \$25,510 in 2022. 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) **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 \$123,355 in 2023 and \$122,134 in 2022.

The Executive Office provided support for WNAC (Woman Nationally Active for Christ) and D6 Family Ministry support each in the amounts of \$5,191 in 2023 and \$4,901 in 2024.

The Free Will Baptist Foundation held accounts in the amount of \$21,085 in 2023 and \$12,500 in 2022.

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 \$44,838 in 2023 and \$39,154 in 2022. Office rent for 2024 is budgeted for 46,333.

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 9 for detail information relating to this giving program.

(9) **The Together Way Plan**

A trust has been established in the accounts of Free Will Baptist Foundation to benefit distributions made by The Together Way Plan to the various departments who participate in the Plan. The trust is formed as an endowment whereas only the income can be distributed. These distributions will begin when endowment value reaches a \$5,000,000. The trust has a balance of \$1,095,486 and \$1,038,538 at 2023 and 2022, respectively.



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

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

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 years ended December 31, 2023 and 2022.

	2023			2022		
	Designated	Cooperative	Total	Designated	Cooperative	Total
<b>Receipts:</b>						
Alabama	\$ 5,979	7,566	13,545	8,358	5,670	14,028
Arkansas	379,824	183,302	563,126	476,727	179,286	656,013
California	800	6,025	6,825	100	1,433	1,533
Florida	341	19,520	19,861	-	18,729	18,729
Georgia	510,269	41,564	551,833	515,434	37,551	552,985
Illinois	132,725	26,087	158,812	100,336	29,698	130,034
Indiana	1,600	-	1,600	3,784	-	3,784
Kentucky	500	6,428	6,928	-	7,208	7,208
Michigan	101,579	4,531	106,110	130,032	5,168	135,200
Mississippi	2,950	15,230	18,180	2,752	14,299	17,051
Missouri	518,368	283,934	802,302	488,522	271,244	759,766
New Mexico	-	4,381	4,381	-	4,349	4,349
North Carolina	58,956	15,368	74,324	58,723	24,740	83,463
Ohio	146,216	26,585	172,801	116,501	41,482	157,983
Oklahoma	368,873	230,419	599,292	394,018	185,458	579,476
Oregon	-	2,550	2,550	-	2,375	2,375
South Carolina	471,968	275	472,243	580,597	625	581,222
Tennessee	10,639	58,741	69,380	15,926	48,664	64,590
Texas	119,307	1,990	121,297	116,674	2,380	119,054
Virginia	2,733	2,450	5,183	1,800	2,932	4,732
West Virginia	100	4,843	4,943	-	4,864	4,864
Canada	7,847	-	7,847	5,102	967	6,069
Contributions totaling \$2,500 or less	-	2,035	2,035	-	2,003	2,003
Total receipts	\$ 2,841,574	943,824	3,785,398	3,015,386	891,125	3,906,511
<b>Disbursements:</b>						
Executive Office	\$ 41,035	424,721	465,756	40,612	401,006	441,618
FWB Foundation	50	2,596	2,646	113	2,451	2,564
Home Missions	404,793	109,011	513,804	422,907	102,925	525,832
IM, Inc.	2,011,166	109,011	2,120,177	2,171,002	102,925	2,273,927
Retirement & Insurance	3,467	57,101	60,568	4,070	53,913	57,983
Randall House	1,363	23,360	24,723	2,778	22,056	24,834
Welch College	234,062	109,012	343,074	230,038	102,925	332,963
WNAC	3,421	88,248	91,669	2,882	83,320	86,202
Historical Commission	97	5,191	5,288	258	4,901	5,159
Media Commission	97	5,191	5,288	94	4,901	4,995
Music Commission	257	5,191	5,448	354	4,901	5,255
Theological Integrity Commission	97	5,191	5,288	158	4,901	5,059
Randall University	48,227	-	48,227	45,299	-	45,299
Alabama Children	34,844	-	34,844	30,112	-	30,112
Family Ministries	33,775	-	33,775	38,990	-	38,990
Other	24,823	-	24,823	25,719	-	25,719
Total disbursements	\$ 2,841,574	943,824	3,785,398	3,015,386	891,125	3,906,511

**2025  
EXECUTIVE OFFICE  
ADMINISTRATIVE BUDGET**

<b>PROJECTED EXPENSES</b>	<b>2023 Budget</b>	<b>2023 Actuals*</b>	<b>2024 Budget</b>	<b>2025 Budget</b>
Salaries	\$105,567.10	\$108,172.83	\$106,814.55	\$112,360.84
Housing	24,153.03	24,153.00	25,500.00	25,500.00
Social Security	4,633.14	4,500.00	4,725.80	5,042.17
Retirement	17,066.91	17,746.54	17,408.25	17,901.41
Employees Insurance (Dental/Disability/Health/Life/Travel)	37,866.27	33,049.48	39,967.17	35,421.90
Auditing/Legal	5,000.00	4,809.50	5,500.00	6,000.00
Books/Dues/Registrations	5,000.00	3,449.01	3,000.00	4,000.00
Car Lease/Purchase	5,000.00	0.00	4,500.00	5,000.00
Coaching	0.00	7,490.09	0.00	7,250.00
Computer Services/Supplies	5,000.00	5,384.67	4,000.00	5,000.00
Copier Lease	9,200.00	9,750.99	8,661.80	10,000.00
Counseling	0.00	12,360.00	0.00	11,000.00
Educational Materials	5,000.00	7,150.48	5,000.00	6,000.00
General/Disability Insurance	2,500.00	2,503.76	2,300.00	2,600.00
Int'l. Fellowship of FWB Churches	240.00	240.00	240.00	240.00
Know Your Community Reports	0.00	3,718.80	0.00	2,500.00
Office Rental (\$1.60 per sq. ft. x 2,491)	44,838.00	44,838.00	46,332.60	47,827.20
Office Supplies/Expense	3,000.00	3,299.10	2,200.00	3,000.00
Postage	1,300.00	1,606.47	1,200.00	1,500.00
Printing	3,000.00	0.00	1,500.00	2,500.00
Promotion	10,000.00	10,858.42	6,000.00	10,000.00
Telephone	6,000.00	2,376.47	1,000.00	2,500.00
Travel	33,000.00	42,546.40	61,074.43	43,250.82
Other	0.00	500.00	0.00	0.00
<i>One Magazine</i>	104,539.22	104,539.20	107,675.40	110,905.66
Contingency Fund	1,896.33	0.00	0.00	0.00
Randall House Publications	5,100.00	5,191.03	5,200.00	5,300.00
Women Nationally Active for Christ	5,100.00	5,191.03	5,200.00	5,300.00

**Totals** \$444,000.00 \$465,425.27 \$465,000.00 \$487,900.00

**PROJECTED INCOME**

The Together Way Plan				
Cooperative Gifts	\$398,000.00	\$424,721.08	\$401,000.00	\$420,900.00
Designated Gifts	30,000.00	41,034.96	41,000.00	45,000.00
Travel Reimbursement	10,000.00	12,649.94	14,000.00	15,000.00
Other Income	6,000.00	13,840.93	9,000.00	7,000.00

**Totals** \$444,000.00 \$492,246.91 \$465,000.00 \$487,900.00

**2025  
EXECUTIVE OFFICE  
ADMINISTRATIVE BUDGET  
SALARY BREAKDOWN**

	2023	2024	2025
<b>Executive Secretary*</b>			
Salary	\$45,003.21	\$45,039.37	\$46,450.16
Housing and Utilities	24,153.03	25,500.00	25,500.00
Retirement	3,457.81	3,526.97	3,597.51
Retirement in Lieu of Social Security	10,580.90	10,792.52	11,008.37
Insurance (Health/Dental/Life)	23,276.98	24,625.80	19,282.04
Disability/Travel	476.69	488.95	488.95
 NOTE: Office car furnished.	 106,948.62	 109,973.61	 106,327.03
 <b>Accounting Administrator*</b>			
Salary	35,342.18	36,049.03	39,670.01
Social Security	2,703.68	2,757.75	3,034.76
Retirement	1,767.11	1,802.45	1,983.50
Insurance (Health/Dental/Life)	7,000.49	7,366.53	7,752.54
Disability	226.19	230.71	253.89
	47,039.65	48,206.48	52,694.70
 <b>Church Directory/Registration Coordinator*</b>			
Salary	25,221.71	25,726.15	26,240.67
Social Security	1,929.46	1,968.05	2,007.41
Retirement	1,261.09	1,286.31	1,312.03
Insurance (Health/Dental/Life)	6,724.50	7,090.53	7,476.54
Disability	161.42	164.65	167.94
	35,298.17	36,235.68	37,204.59

<p>*Executive pays 75% of Executive Secretary's Salary, 58% of Accounting Administrator and Church Directory Coordinator's Salary.</p>
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**CONVENTION BUDGET**  
**National Association of Free Will Baptists, Inc.**  
**July 21-24, 2024**  
**Tampa, Florida**

	2023 Budget	2023 Actuals	2024 Budget
<b>PROJECTED REVENUE</b>			
Booth Fees	\$41,000.00	\$41,450.00	\$45,000.00
Host State (Florida)	40,000.00	40,000.00	40,000.00
Offerings	81,754.39	18,408.76	83,190.66
State Representation Fees (\$175 per church)	332,000.00	327,812.33	349,125.00
Other	<u>12,600.00</u>	<u>3,692.50</u>	<u>3,000.00</u>
<b>TOTALS</b>	<b><u>507,354.39</u></b>	<b><u>431,363.59</u></b>	<b><u>520,315.66</u></b>
 <b>PROJECTED EXPENDITURES</b>			
Auditorium	200,406.80	224,956.61	216,637.27
Printing and Promotion	21,915.84	22,497.73	22,805.32
Convention Office	193,554.24	188,763.07	188,849.36
Convention Personnel			
Meals	6,104.00	5,506.28	6,440.00
Travel	10,254.90	3,497.43	10,351.44
Lodging	10,339.35	2,079.20	13,511.91
Convention Officials	8,144.00	8,303.71	7,910.16
Volunteer Staff	10,690.35	10,935.56	11,144.50
Honorariums	1,200.00	1,200.00	1,200.00
Decorator Services	17,355.00	17,584.14	19,063.50
Meal Functions	3,639.91	3,461.25	3,602.20
Executive Committee	4,050.00	3,600.00	4,050.00
Pre-Convention Expenses	8,700.00	16,933.82	6,750.00
National Committee Expenses	<u>11,000.00</u>	<u>8,019.24</u>	<u>8,000.00</u>
<b>Sub-Totals</b>	507,354.39	517,338.04	520,315.66
Surplus Revenue	<u>0.00</u>	<u>-85,974.45</u>	<u>0.00</u>
(Operating Capital for Future Conventions)			
<b>TOTALS</b>	<b><u>\$507,354.39</u></b>	<b><u>\$431,363.59</u></b>	<b><u>\$520,315.66</u></b>

Convention pays 100% of Convention Manager's Salary,  
42% of Registration Coordinator's Salary and  
25% of Executive Secretary's Salary,



**CONVENTION BUDGET**  
**National Association of Free Will Baptists, Inc.**  
**July 21-24, 2024**  
**Tampa, Florida**

	2023 Budget	2023 Actuals	2024 Budget
<b>PROJECTED REVENUE</b>			
Booth Fees	\$41,000.00	\$41,450.00	\$45,000.00
Host State (Florida)	40,000.00	40,000.00	40,000.00
Offerings	81,754.39	18,408.76	83,190.66
State Representation Fees (\$175 per church)	332,000.00	327,812.33	349,125.00
Other	<u>12,600.00</u>	<u>3,692.50</u>	<u>3,000.00</u>
<b>TOTALS</b>	<b><u>507,354.39</u></b>	<b><u>431,363.59</u></b>	<b><u>520,315.66</u></b>
 <b>PROJECTED EXPENDITURES</b>			
<b>AUDITORIUM</b>			
Rental/Arena/Meeting Space/Liability/Staging	19,825.00	25,952.17	12,158.00
Other			
First Aid Staff	5,520.00	7,187.04	6,720.00
ASCAP, BMI, CCLI Licenses	2,663.60	2,886.27	2,915.27
Music/Equipment	6,100.00	8,487.13	6,500.00
Signs	300.00	0.00	0.00
Sound System/AV Equipment	141,136.20	142,190.32	143,000.00
Boom/Rigging/Stage Hands	8,500.00	9,403.38	22,000.00
Usher Badges/Usher Room Table, Chairs	300.00	0.00	450.00
Police Security/Badge Checkers	15,000.00	25,144.66	22,167.00
Streaming Video License	362.00	3,562.00	377.00
General Board	<u>700.00</u>	<u>143.64</u>	<u>350.00</u>
<b>TOTALS</b>	<b>200,406.80</b>	<b>224,956.61</b>	<b>216,637.27</b>
 <b>PRINTING AND PROMOTION</b>			
Convention Materials			
<i>Digest of Reports</i>	700.00	1,056.97	800.00
Programs	2,400.00	2,625.00	2,625.00
<i>ONE Magazine</i>	<u>18,815.84</u>	<u>18,815.76</u>	<u>19,380.32</u>
<b>TOTALS</b>	<b>21,915.84</b>	<b>22,497.73</b>	<b>22,805.32</b>

**CONVENTION BUDGET**  
**National Association of Free Will Baptists, Inc.**  
**July 21-24, 2024**  
**Tampa, Florida**

	2023 Budget	2023 Actuals	2024 Budget
<b>CONVENTION OFFICE</b>			
<b>Convention CEO</b>	\$15,001.07	\$21,149.57	\$15,013.12
Housing	8,051.01	8,051.04	8,500.00
Retirement/Retirement in Lieu of Social Security	4,679.57	4,679.52	4,773.17
Insurance (Health/Life/Disability, etc.)	<u>7,917.89</u>	<u>6,720.60</u>	<u>8,371.58</u>
	<b>35,649.54</b>	<b>40,600.73</b>	<b>36,657.87</b>
<b>Convention Manager Salary</b>	71,874.57	70,492.45	73,312.06
Payroll Taxes	5,498.40	5,635.20	5,608.37
Retirement	3,593.73	3,593.76	3,665.60
Insurance (Health/Life/Disability, etc.)	<u>30,093.01</u>	<u>25,210.20</u>	<u>22,551.27</u>
	<b>111,059.71</b>	<b>104,931.61</b>	<b>105,137.31</b>
<b>Registration Coordinator Salary</b>	18,629.28	17,912.73	18,629.28
Payroll Taxes	1,425.14	7,105.48	1,425.14
Retirement	931.46	0.00	931.46
Insurance (Health/Life/Disability, etc.)	<u>5,253.75</u>	<u>0.00</u>	<u>5,253.75</u>
	<b>26,239.63</b>	<b>25,018.21</b>	<b>26,239.63</b>
<b>Assistant Registration Coordinator Salary</b>	1,500.00	1,308.63	1,500.00
Payroll Taxes	<u>114.75</u>	<u>100.11</u>	<u>114.75</u>
	<b>1,614.75</b>	<b>1,408.74</b>	<b>1,614.75</b>
Audit	4,800.00	5,130.35	6,000.00
Convention Manager Computer	540.60	0.00	600.00
Equipment Rentals			
Computers, Printers	2,000.00	851.61	900.00
Copiers (2)/Paper	1,500.00	2,145.30	3,000.00
Furniture	1,200.00	1,053.50	1,200.00
Information Tables	100.00	107.00	143.80
Media Room/Press Office	250.00	1,206.00	406.00
Convention Office Expense/Supplies/Internet	3,000.00	3,065.37	3,100.00
Postage	300.00	171.10	300.00
Pre-Registration (Supplies, Postage)	1,200.00	990.87	1,200.00
Registration (Supplies)	2,000.00	803.55	1,000.00
Registration Computers/Printers	1,500.00	701.70	750.00
Telephone/Home Office Internet	<u>600.00</u>	<u>577.43</u>	<u>600.00</u>
<b>TOTALS</b>	<b>193,554.24</b>	<b>188,763.07</b>	<b>188,849.36</b>
<b>CONVENTION PERSONNEL</b>			
<b>MEALS</b>			
Eddie Moody (33 meals @ \$14.00 each)	462.00	462.00	462.00
Anna Fox (24 meals @ \$14.00 each)	336.00	336.00	336.00
Elizabeth Hill (24 meals @ \$14.00 each)	336.00	336.00	336.00
Melody Hood (24 meals @ \$14.00 each)	336.00	336.00	336.00
Ryan Lewis (33 meals @ \$14.00 each)	462.00	462.00	462.00
Eric Thomsen (24 meals @ \$14.00 each)	336.00	336.00	336.00
Stephen Yerby (24 meals @ \$14.00 each)	0.00	0.00	336.00
Charles Wise (24 meals @ \$14.00 each)	336.00	336.00	336.00
Convention Interns (11)	<u>3,500.00</u>	<u>2,902.28</u>	<u>3,500.00</u>
<b>TOTALS</b>	<b>6,104.00</b>	<b>5,506.28</b>	<b>6,440.00</b>

**CONVENTION BUDGET**  
**National Association of Free Will Baptists, Inc.**  
**July 21-24, 2024**  
**Tampa, Florida**

	2023 Budget	2023 Actuals	2024 Budget
<b>CONVENTION OFFICE (Continued)</b>			
<b>TRAVEL</b>			
Eddie Moody	\$377.00	\$317.12	\$410.00
Anna Fox	377.00	243.96	410.00
Elizabeth Hill	377.00	426.95	410.00
Melody Hood	377.00	68.01	410.00
Kevin Justice	111.35	0.00	410.00
Ryan Lewis	377.50	548.86	300.00
Eric Thomsen	377.00	0.00	410.00
Charles Wise	327.50	109.29	410.00
Stephen Yerby	0.00	0.00	410.00
Convention Truck (Fuel/Meals/Rooms/Trailer Rental)	6,753.55	1,318.66	5,871.44
Staff Expense Money	<u>800.00</u>	<u>464.58</u>	<u>900.00</u>
<b>TOTALS</b>	<b>10,254.90</b>	<b>3,497.43</b>	<b>10,351.44</b>
<b>LODGING/PARKING</b>			
Eddie Moody	165.00	217.60	371.25
Anna Fox (7 nights @ \$181.62)	1,181.25	0.00	1,271.73
Elizabeth Hill (7 nights @ \$182.75)	1,181.25	0.00	1,279.25
Melody Hood (7 nights @ \$182.75)	1,181.25	0.00	1,279.25
Ryan Lewis	675.00	0.00	371.25
Eric Thomsen (7 nights @ \$219.75)	1,181.25	0.00	1,538.25
Stephen Yerby (7 nights @ \$182.75)	0.00	0.00	1,279.25
Charles Wise (7 nights @ \$107.50)	1,286.25	0.00	752.50
Convention Interns (21 nights)	<u>3,488.10</u>	<u>1,861.60</u>	<u>5,369.18</u>
<b>TOTALS (Includes applicable tax and parking)</b>	<b>10,339.35</b>	<b>2,079.20</b>	<b>13,511.91</b>
<b>CONVENTION OFFICIALS</b>			
<b>Moderator - Tim York</b>			
Travel	359.00	310.96	410.00
Meals (21 meals @ \$14.00 each)	294.00	294.00	294.00
Lodging (6 nights @ \$181.68)	1,012.50	1,012.50	1,090.08
Honorarium	<u>1,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>
	<b>2,665.50</b>	<b>2,617.46</b>	<b>2,794.08</b>
<b>Clerk - Randy Bryant</b>			
Travel	379.00	339.35	200.00
Meals (21 meals @ \$14.00 each)	294.00	294.00	294.00
Lodging (6 nights @ \$141.25)	1,012.50	1,181.20	847.50
Honorarium	<u>1,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>
	<b>2,685.50</b>	<b>2,814.55</b>	<b>2,341.50</b>
<b>Assistant Moderator - Jackson Watts</b>			
Meals (21 meals @ \$14.00 each)	294.00	294.00	294.00
Lodging (6 nights @ \$181.68)	<u>1,102.50</u>	<u>1,102.50</u>	<u>1,090.08</u>
	<b>1,396.50</b>	<b>1,396.50</b>	<b>1,384.08</b>
<b>Assistant Clerk - Ernie Lewis</b>			
Meals (21 meals @ \$14.00 each)	294.00	294.00	294.00
Lodging (6 nights @ \$182.75)	<u>1,102.50</u>	<u>1,181.20</u>	<u>1,096.50</u>
	<b>1,396.50</b>	<b>1,475.20</b>	<b>1,390.50</b>
<b>TOTALS (Includes applicable tax and parking)</b>	<b>8,144.00</b>	<b>8,303.71</b>	<b>7,910.16</b>

**CONVENTION BUDGET**  
**National Association of Free Will Baptists, Inc.**  
**July 21-24, 2024**  
**Tampa, Florida**

	2023 Budget	2023 Actuals	2024 Budget
<b>VOLUNTEER STAFF</b>			
<b>Convention Reporter</b>	\$1,286.25	\$1,181.20	\$988.75
Lodging (7 nights @ \$141.25)			
<b>Impact Coordinator - Ken Akers</b>	1,286.25	1,181.20	988.75
Lodging (7 nights @ \$141.25)			
<b>Media Commission</b>	966.60	730.45	1,096.50
Lodging (6 nights @ \$182.75)			
<b>Music Coordinator - Kevin Justice</b>	1,102.50	1,012.44	1,096.50
Lodging (6 nights @ \$182.75)			
<b>Musicians (4 Rooms)</b>	3,222.00	4,326.93	3,307.50
Lodging (27 nights x \$122.50)			
<b>Photographer - Rodney Yerby</b>	1,102.50	1,012.44	1,501.50
Lodging (6 nights @ \$250.25)			
<b>Translators (2 Rooms)</b>			
Lodging (5 nights @ \$216.50)	918.75	745.45	1,082.50
Lodging (5 nights @ \$216.50)	<u>805.50</u>	<u>745.45</u>	<u>1,082.50</u>
<b>TOTALS (Includes applicable tax and parking)</b>	<b>10,690.35</b>	<b>10,935.56</b>	<b>11,144.50</b>
<b>HONORARIUMS</b>			
Gary Clark	200.00	200.00	200.00
Bob Brown	200.00	200.00	200.00
Josue Suarez	200.00	200.00	200.00
Brad Hanna	200.00	200.00	200.00
Reuben Cason	200.00	200.00	200.00
Noah Taylor	<u>200.00</u>	<u>200.00</u>	<u>200.00</u>
<b>TOTALS</b>	<b>1,200.00</b>	<b>1,200.00</b>	<b>1,200.00</b>
<b>DECORATOR SERVICES</b>			
Booth Installation/Draped Tables	7,085.00	8,222.05	9,705.00
Exhibitor Badges/Hall Sound System	100.00	710.99	100.00
Registration			
Chairs, Counters, Skirted Tables	3,370.00	2,750.00	4,822.50
Electricity/Masking Drape	300.00	800.00	800.00
Stage			
Furnishings/Carpet	<u>6,500.00</u>	<u>5,101.10</u>	<u>3,636.00</u>
<b>TOTALS</b>	<b>17,355.00</b>	<b>17,584.14</b>	<b>19,063.50</b>



**CONVENTION BUDGET**  
**National Association of Free Will Baptists, Inc.**  
**July 21-24, 2024**  
**Tampa, Florida**

	2023 Budget	2023 Actuals	2024 Budget
<b>MEAL FUNCTIONS</b>			
Executive Committee Dinner	\$2,679.19	\$2,601.25	\$1,909.60
Presidents' Breakfast	148.84	110.00	328.60
State Director's Wives Luncheon	<u>811.88</u>	<u>750.00</u>	<u>1,364.00</u>
<b>TOTALS</b>	<b>3,639.91</b>	<b>3,461.25</b>	<b>3,602.20</b>
<b>EXECUTIVE COMMITTEE</b>			
<b>Per Diem</b>			
<b>(For the Executive Committee Meeting prior to the 2023 National Convention)</b>			
Stan Bunch	450.00	450.00	450.00
Reuben Cason	450.00	450.00	450.00
Chris Dotson	450.00	450.00	450.00
Daniel Edwards	450.00	450.00	450.00
Wayne Hale	450.00	450.00	450.00
Mike Kilcrease	450.00	450.00	450.00
David Taylor	450.00	450.00	450.00
Dick Terry	450.00	0.00	450.00
Danny Williams	<u>450.00</u>	<u>450.00</u>	<u>450.00</u>
<b>TOTALS</b>	<b>4,050.00</b>	<b>3,600.00</b>	<b>4,050.00</b>
<b>PRE-CONVENTION EXPENSES</b>			
Impact Tampa	1,200.00	785.78	750.00
Pre-Convention Meetings/Site Inspections	<u>7,500.00</u>	<u>16,148.04</u>	<u>6,000.00</u>
<b>TOTALS</b>	<b>8,700.00</b>	<b>16,933.82</b>	<b>6,750.00</b>
<b>NATIONAL COMMITTEE EXPENSES</b>			
Executive Committee	11,000.00	8,019.24	8,000.00
<b>SUB-TOTALS</b>	<b><u>507,354.39</u></b>	<b><u>517,338.04</u></b>	<b><u>520,315.66</u></b>
<b>SURPLUS REVENUE</b>			
(Operating Capital for Future Conventions)	0.00	-85,974.45	0.00
<b>GRAND TOTALS</b>	<b><u>\$507,354.39</u></b>	<b><u>\$431,363.59</u></b>	<b><u>\$520,315.66</u></b>

**2023  
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	\$58.95	\$1,231.47	\$106.71	\$61.25	\$71.32	\$119.18	\$1,058.18	\$63.53	\$0.00	\$450.61	\$125.86	\$57.75	\$3,404.82
Arizona	0.00	0.00	0.00	0.00	0.00	33.75	0.00	0.00	0.00	0.00	0.00	0.00	33.75
Arkansas	7,366.92	13,889.41	0.00	6,140.06	8,547.59	5,940.73	6,650.78	7,329.84	7,028.11	4,978.21	6,051.76	8,562.34	82,485.75
California	1,009.91	0.00	214.24	0.00	530.78	0.00	301.16	0.00	324.68	0.00	330.43	0.00	2,711.20
Canada	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Delaware	45.00	45.00	45.00	0.00	45.00	45.00	45.00	45.00	45.00	0.00	45.00	45.00	450.00
Florida	0.00	714.75	1,491.55	714.75	714.75	714.75	751.52	714.75	772.59	713.10	706.35	775.32	8,784.18
Georgia	1,707.15	1,802.57	1,255.28	1,742.31	1,551.57	1,031.94	2,193.18	1,417.30	1,134.04	2,154.00	1,438.41	1,276.13	18,703.88
Illinois	1,331.40	1,181.96	791.36	1,023.89	1,315.91	765.44	1,408.13	1,011.93	692.10	907.18	911.57	398.44	11,739.31
Indiana	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
Kansas	0.00	0.00	0.00	0.00	95.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	95.63
Kentucky	323.44	201.07	0.00	443.78	222.00	256.05	277.52	164.97	0.00	232.38	235.98	535.24	2,892.43
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	265.28	270.00	445.13	90.55	11.00	165.98	78.76	196.44	45.00	188.42	131.95	150.37	2,038.88
Mississippi	489.89	763.27	672.53	354.01	556.11	555.57	0.00	1,194.94	0.00	882.74	746.80	637.87	6,853.73
Missouri	10,098.14	11,535.21	10,709.34	9,051.91	11,323.67	9,913.43	11,886.98	13,477.01	10,224.62	10,648.96	10,176.22	8,725.00	127,770.49
New Mexico	188.33	301.73	174.65	124.20	171.23	203.49	173.75	184.55	106.88	190.80	151.97	0.00	1,971.58
North Carolina	1,100.80	904.49	571.03	567.34	677.11	313.02	705.98	347.60	305.72	341.91	794.29	286.47	6,915.76
Ohio	991.91	771.18	1,391.18	1,202.95	0.00	1,388.03	0.00	1,192.57	0.00	2,229.40	2,031.91	763.96	11,963.09
Oklahoma	9,889.19	8,260.65	8,238.12	6,101.38	5,064.16	10,211.46	5,894.81	5,436.09	8,380.90	5,015.34	6,777.61	24,418.76	103,688.47
Oregon	112.50	90.00	90.00	112.50	90.00	90.00	112.50	90.00	90.00	90.00	90.00	90.00	1,147.50
South Carolina	0.00	11.25	11.25	11.25	11.25	22.50	0.00	11.25	22.50	0.00	22.50	0.00	123.75
Tennessee	6,366.37	965.04	1,474.92	87.93	1,961.17	1,444.38	3,424.56	87.93	4,853.93	2,995.01	1,223.69	1,548.70	26,433.63
Texas	91.88	115.95	60.96	67.95	92.99	33.40	51.15	95.35	80.10	71.91	31.14	102.88	895.66
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	69.31	31.30	25.68	0.00	29.53	48.69	0.00	49.77	25.67	35.80	0.00	20.26	336.01
Virginia	83.77	84.91	77.21	100.03	69.63	83.69	0.00	194.12	50.99	78.32	60.07	219.67	1,102.41
West Virginia	45.72	68.47	69.34	280.41	101.12	156.42	301.26	61.97	308.76	55.53	401.65	328.52	2,179.17
<b>TOTALS</b>	<b>\$41,635.87</b>	<b>\$43,239.68</b>	<b>\$27,915.48</b>	<b>\$28,278.45</b>	<b>\$33,253.52</b>	<b>\$33,536.90</b>	<b>\$35,315.22</b>	<b>\$33,366.91</b>	<b>\$34,491.59</b>	<b>\$32,259.62</b>	<b>\$32,485.16</b>	<b>\$48,942.68</b>	<b>\$424,721.08</b>

**2023**  
**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	\$302.20	\$349.40	\$500.20	\$505.40	\$358.00	\$352.30	\$321.30	\$488.80	\$0.00	\$786.10	\$246.50	\$323.40	\$4,533.60
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	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
California	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	166.67	166.67
Canada	51.18	0.00	0.00	0.00	250.00	0.00	22.16	0.00	0.00	0.00	0.00	0.00	323.34
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	2,000.00	2,000.00
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	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00
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	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
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	400.00	0.00	0.00	0.00	0.00	0.00	200.00	500.00	0.00	0.00	0.00	1,100.00
Mississippi	0.00	1,000.00	10.00	750.00	0.00	0.00	0.00	0.00	0.00	500.00	0.00	15.00	2,275.00
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	795.00	2,863.00	300.00	2,099.00	2,945.00	500.00	700.00	3,298.45	461.04	936.47	1,603.75	1,595.26	18,096.97
Ohio	600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	300.00	25.00	950.00
Oklahoma	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
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	368.41	227.32	246.38	308.05	375.09	203.91	187.61	393.01	196.87	203.35	423.15	494.45	3,627.60
Tennessee	533.00	400.00	587.80	0.00	400.00	40.00	1,156.00	500.00	320.00	689.40	513.09	473.09	5,612.38
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	149.70	0.00	0.00	149.70	0.00	0.00	150.00	0.00	0.00	0.00	0.00	1,200.00	1,649.40
West Virginia	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
<b>TOTALS</b>	\$2,949.49	\$5,289.72	\$1,694.38	\$3,862.15	\$4,378.09	\$1,146.21	\$2,587.07	\$4,930.26	\$1,527.91	\$3,190.32	\$3,136.49	\$6,342.87	\$41,034.96

## 2023 Gifts to National Ministries

States	Executive	FWB Foundation	IM, Inc.	North American Ministries	Board of Retirement	Welch College	WNAC	Commission for Theological Integrity	Historical Commission	Media Commission	Music Commission	Totals
Alabama	\$9,059.76	\$66.62	\$474,706.81	\$629,696.34	\$569.55	\$61,629.25	\$5,433.31	\$42.51	\$42.36	\$42.85	\$42.62	\$1,160,604.20
Alaska	0.00	0.00	270.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	270.00
Arizona	33.75	0.21	35,745.00	30,303.37	4.54	1,283.66	7.01	0.41	0.41	0.00	0.41	67,379.18
Arkansas	82,671.78	427.60	1,045,514.71	116,363.40	11,169.96	60,447.50	26,277.06	1,008.90	1,008.70	1,009.05	1,009.03	1,346,926.59
California	2,912.33	17.38	117,662.00	49,495.18	396.23	12,372.67	1,139.29	33.39	33.35	33.49	33.44	184,094.31
Canada	323.34	0.00	1,639.35	3,263.32	0.00	4,716.68	0.00	0.00	0.00	0.00	0.00	9,976.03
Colorado	0.00	0.00	9,887.37	87,543.71	0.00	240.00	0.00	0.00	0.00	0.00	0.00	97,671.08
Connecticut	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Delaware	450.00	2.80	1,640.00	0.00	60.50	408.30	93.50	5.50	5.50	5.50	5.50	2,677.10
Florida	8,901.55	56.49	203,284.66	173,744.40	1,286.98	105,759.15	3,874.47	108.28	108.14	108.61	108.58	497,343.31
Georgia	21,572.90	134.97	500,896.91	243,973.15	3,314.64	447,696.81	11,181.83	235.02	233.96	237.50	237.49	1,229,645.20
Hawaii	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,050.00
Idaho	0.00	0.00	10,167.31	1,712.58	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	13,879.87
Illinois	11,739.31	71.75	315,856.56	75,566.31	1,578.29	190,202.35	4,379.16	143.48	143.48	143.48	143.48	599,967.65
Indiana	600.00	2.72	34,603.21	31,050.67	0.00	26,110.81	0.00	0.00	0.00	0.00	0.00	92,367.41
Iowa	0.00	0.00	2,950.00	2,620.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,570.00
Kansas	95.63	0.59	21,460.00	21,504.99	12.86	89.29	19.87	1.17	1.17	1.17	1.17	43,186.80
Kentucky	3,064.49	21.77	160,260.90	63,947.39	547.26	15,521.24	4,176.30	36.62	36.41	37.11	35.40	267,684.89
Louisiana	0.00	0.00	0.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	800.00
Maine	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Maryland	0.00	0.00	6,460.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,460.00
Massachusetts	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,500.00
Michigan	3,138.88	9.74	130,467.23	66,707.70	274.13	41,852.71	1,228.65	24.94	24.94	24.94	24.94	243,778.80
Mid-Atlantic/Assoc	0.00	0.00	0.00	3,040.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,040.50
Minnesota	0.00	0.00	1,305.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,305.00
Mississippi	9,154.52	42.49	80,657.48	86,128.76	921.43	25,531.35	1,617.72	83.98	83.95	84.05	84.05	214,389.80
Missouri	127,998.86	786.01	683,058.21	185,531.82	17,429.06	69,119.23	31,303.73	1,563.25	1,562.99	1,563.87	1,563.82	1,214,470.85
Montana	0.00	0.00	3,340.00	5,460.99	23.74	0.00	0.00	0.00	0.00	0.00	0.00	8,824.73
Nebraska	0.00	0.00	350.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	350.00
Nevada	0.00	0.00	1,250.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,250.00
New Hampshire	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Jersey	0.00	0.00	0.00	0.00	0.00	203.40	100.00	0.00	0.00	0.00	0.00	303.40
New Mexico	1,971.58	12.05	1,916.00	3,104.02	285.08	1,858.02	488.64	24.10	24.10	24.10	24.10	9,489.77
New York	0.00	0.00	47,023.00	12,206.42	0.00	2,262.50	0.00	0.00	0.00	0.00	0.00	61,481.92
North Carolina	27,289.51	136.46	1,081,690.46	630,906.04	3,909.68	247,059.48	31,318.32	183.33	180.63	189.83	1,187.25	2,023,949.99
Northwest Associate	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	12,964.66	74.34	147,256.74	132,286.38	1,655.64	22,677.43	13,059.53	146.59	146.53	146.74	146.73	330,561.51
Oklahoma	104,034.40	641.89	897,918.90	250,619.02	14,318.80	121,461.91	29,506.47	1,269.87	1,269.46	1,270.86	1,270.78	1,423,582.36
Oregon	1,147.50	7.02	1,464.54	154.29	0.00	374.56	238.44	14.04	14.04	14.04	13.76	3,442.23
Pennsylvania	0.00	0.00	30,035.00	5,400.09	0.00	500.00	0.00	0.00	0.00	0.00	0.00	35,835.09
Rhode Island	0.00	0.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00
South Carolina	4,066.34	6.74	399,345.71	116,889.37	2,144.41	197,550.21	6,252.28	4.01	3.61	4.97	23.81	726,313.46
South Dakota	0.00	0.00	2,700.00	0.00	0.00	62,412.00	0.00	0.00	0.00	0.00	0.00	65,112.00
Tennessee	32,826.00	190.12	1,244,498.09	417,228.78	5,290.86	822,696.45	30,708.64	343.77	342.84	348.00	311.89	2,554,773.42
Texas	991.95	7.76	184,887.84	61,219.08	209.07	780,092.94	6,122.22	11.68	11.57	11.95	11.93	1,033,577.97
Utah	3,073.11	14.38	205,460.68	132,404.66	444.00	13,808.90	1,034.31	15.82	15.44	16.74	14.29	356,102.23
Virginia	0.00	0.00	7,599.30	3,836.00	0.00	2,037.00	0.00	0.00	0.00	0.00	0.00	13,472.30
Washington	2,213.62	14.16	122,347.65	46,734.79	325.03	7,895.07	1,678.09	26.91	26.88	27.01	26.66	181,113.87
West Virginia	0.00	0.00	4,200.00	6,525.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,725.00
Wisconsin	0.00	0.00	5,640.00	940.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,580.00
Wyoming	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Puerto Rico	336.01	2.04	9,637.06	48,872.99	45.17	1,361.12	69.82	4.11	4.11	4.11	4.11	60,340.65
Virgin Islands	0.00	0.00	6,015.91	780,857.84	237,066.16	0.00	0.00	0.00	0.00	0.00	0.00	1,029,857.21
Other	0.00	0.00	66,306.59	10,500.81	0.00	93,011.94	0.00	0.00	0.00	0.00	0.00	169,819.24
Foundation	0.00	0.00	20,483.75	4,481.65	0.00	2,345.75	0.00	0.00	0.00	0.00	0.00	27,321.15
WNAC	0.00	0.00	\$0,119,627.32*	\$4,020,462.24*	\$99,361.38*	\$3,446,878.76	\$216,471.89*	\$6,331.68	\$6,324.69	\$6,348.38	\$6,326.34	\$17,372,228.07
<b>2023 TOTALS</b>	<b>\$471,640.60</b>	<b>\$8,786.00</b>	<b>\$8,027,876.24</b>	<b>\$3,885,804.30</b>	<b>\$83,073.65</b>	<b>\$2,878,889.87</b>	<b>\$246,003.44</b>	<b>\$6,106.46</b>	<b>\$5,199.84</b>	<b>\$6,034.60</b>	<b>\$4,048.29</b>	<b>\$19,372,870.22</b>
<b>2022 Comparisons</b>	<b>\$447,628.61</b>	<b>\$2,703.63</b>	<b>\$8,027,876.24</b>	<b>\$3,885,804.30</b>	<b>\$83,073.65</b>	<b>\$2,878,889.87</b>	<b>\$246,003.44</b>	<b>\$6,106.46</b>	<b>\$5,199.84</b>	<b>\$6,034.60</b>	<b>\$4,048.29</b>	<b>\$19,372,870.22</b>

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

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

\*Board of 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.





**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.**

***Opinion***

We have audited the statement of financial position of the Building Services Fund of the National Association of Free Will Baptists, Inc. - a nonprofit organization (hereafter Building Services) as of December 31, 2023 and 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Building Services, as of December 31, 2023 and 2022, and results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Building Services and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Building Services' ability to continue as a going concern within one year after the date the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

Terry A. Hill  
615 417 - 7414  
terryhill37027@comcast.net

410 Bobby Drive  
Franklin, Tennessee 37069

Ernest R. Harper  
615 417 - 6358  
e.harper@comcast.net

In performing an audit in accordance with GAAS, we:

- > Exercise professional judgement and maintain professional skepticism throughout the audit.
- > Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- > Obtain an understating of internal control relevant to the audit 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 Building Services' internal control. Accordingly, no such opinion is expressed.
- > Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- > Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Building Services' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Hill Harper & Associates*

A Professional Limited Liability Company  
Franklin, Tennessee  
April 30, 2023

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

**Statements of Financial Position**

**December 31, 2023 and 2022**

<u>Assets</u>	<u>2023</u>	<u>2022</u>
<b>Current assets:</b>		
Cash and cash equivalents:		
Cash in bank	\$ 22,360	73,812
Funds held by Free Will Baptist Foundation	150,579	202,465
	172,939	276,277
Accounts receivable - denominational agencies	79,320	29,279
Investment in funds held by Board of Retirement & Insurance of the National Association of Free Will Baptists, Inc.	310,425	261,490
Prepaid expenses	13,639	-
<b>Total current assets</b>	<b>576,323</b>	<b>567,046</b>
<b>Property, plant and equipment:</b>		
Land and land improvements	238,728	238,728
Building	1,758,797	1,698,017
Building services equipment	115,925	86,697
Departmental workstations	77,228	77,228
	2,190,678	2,100,670
Less accumulated depreciation	1,859,058	1,841,572
<b>Net property, plant and equipment</b>	<b>331,620</b>	<b>259,098</b>
<b>Right of use asset</b>	27,802	34,893
<b>Deposit - elevator in 2023 and building roof in 2022</b>	19,950	34,200
	<b>\$ 955,695</b>	<b>895,237</b>
<b><u>Liabilities and Net Assets</u></b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 11,199	1,072
Lease obligations - current portion	7,454	7,091
Funds held in connection with other Free Will Baptist departments:		
Stewardship promotion	40,955	40,579
Security training	6,959	8,570
Employee health insurance	79,448	82,278
<b>Total funds held in connection with other Free Will Baptist departments</b>	<b>127,362</b>	<b>131,427</b>
<b>Total current liabilities</b>	<b>146,015</b>	<b>139,590</b>
<b>Lease obligations, net of current portion</b>	20,348	27,802
<b>Net assets:</b>		
<b>Net assets without donor restrictions:</b>		
Operations	427,144	393,987
Net investment in property, plant and equipment	331,620	259,098
Designated for maintenance; building and equipment replacement	30,569	74,760
<b>Total net assets without donor restrictions</b>	<b>789,332</b>	<b>727,845</b>
	<b>\$ 955,695</b>	<b>895,237</b>

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, 2023 and 2022**

	2023			2022		
	Net Assets Without Donor Restrictions			Net Assets Without Donor Restrictions		
	Operations	Designations	Total	Operations	Designations	Total
<b>Revenues:</b>						
Building rental	\$ 361,890	-	361,890	315,722	-	315,722
Leadership conference	44,971	-	44,971	61,091	-	61,091
Interest income	5,909	-	5,909	5,091	-	5,091
Other	3,648	-	3,648	9,233	-	9,233
<b>Total revenues</b>	<b>416,418</b>	<b>-</b>	<b>416,418</b>	<b>391,137</b>	<b>-</b>	<b>391,137</b>
<b>Expenses:</b>						
<b>Program services</b>						
Building operations	307,604	-	307,604	290,328	-	290,328
Leadership conference	53,924	-	53,924	50,219	-	50,219
	361,528	-	361,528	340,547	-	340,547
<b>Supportive services</b>						
Administration	39,683	-	39,683	36,740	-	36,740
<b>Total expenses</b>	<b>401,211</b>	<b>-</b>	<b>401,211</b>	<b>377,287</b>	<b>-</b>	<b>377,287</b>
<b>Change in net assets from operating activities</b>	<b>15,207</b>	<b>-</b>	<b>15,207</b>	<b>13,850</b>	<b>-</b>	<b>13,850</b>
<b>Non-operating activities:</b>						
Unrealized gain (loss) from investment activities	48,935	-	48,935	(38,908)	-	(38,908)
Net deficit from inter-departmental billings for shared costs	(2,655)	-	(2,655)	(5,161)	-	(5,161)
Provision for replacements	(4,500)	4,500	-	(6,000)	6,000	-
Replacement reserve used	66,178	(66,178)	-	-	-	-
Funding depreciation	(17,486)	17,486	-	(16,094)	16,094	-
<b>Change in net assets from non-operating activities</b>	<b>90,472</b>	<b>(44,192)</b>	<b>46,280</b>	<b>(66,163)</b>	<b>22,094</b>	<b>(44,069)</b>
<b>Change in net assets</b>	<b>105,679</b>	<b>(44,192)</b>	<b>61,487</b>	<b>(52,313)</b>	<b>22,094</b>	<b>(30,219)</b>
<b>Net assets:</b>						
<b>Beginning of year</b>	<b>653,085</b>	<b>74,760</b>	<b>727,845</b>	<b>705,398</b>	<b>52,666</b>	<b>758,064</b>
<b>End of year</b>	<b>\$ 758,764</b>	<b>30,569</b>	<b>789,332</b>	<b>653,085</b>	<b>74,760</b>	<b>727,845</b>

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, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b><u>Cash Flows from Operating Activities</u></b>		
Change in net assets	\$ 61,487	(30,219)
Adjustments to reconcile change in net assets to net operating activities:		
Depreciation	17,486	8,797
Unrealized return on investment	(48,935)	38,908
(Increase) decrease in:		
Receivables	(50,041)	42,256
Prepaid expenses	(13,639)	13,908
Deposits	14,250	(34,200)
Increase (decrease) in:		
Funds held for other Free Will Baptist departments	(4,065)	4,768
Accounts payable	10,127	1,072
	<u>(13,330)</u>	<u>45,290</u>
<b><u>Cash Flows from Investing Activities</u></b>		
Purchase of property and equipment	<u>(90,008)</u>	<u>(1,950)</u>
	<u>(90,008)</u>	<u>(1,950)</u>
<b>Change in cash and cash equivalents</b>	(103,338)	43,340
<b>Cash and cash equivalents, at beginning of year</b>	<u>276,277</u>	<u>232,937</u>
<b>Cash and cash equivalents, at end of year</b>	<u>\$ 172,939</u>	<u>276,277</u>
<b>Cash and cash equivalents consists of:</b>		
Cash in bank	\$ 22,360	73,812
Funds held by Free Will Baptist Foundation	150,579	202,465
	<u>\$ 172,939</u>	<u>276,277</u>
<b>Non cash transactions:</b>		
Lease assets obtained in exchange for lease obligations	<u>\$ -</u>	<u>39,984</u>
Amortization of right-of-use assets and change in decrease in lease obligations	<u>\$ 7,091</u>	<u>5,091</u>

See accompanying notes to financial statements.

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

**Notes to Financial Statements**

**December 31, 2023 and 2022**

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.

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:

100% of legal and audit expense; and

Salary and benefits of the Accounting Administrator allocated from the Executive Office

(42% of total compensation package)

**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.

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

**Notes to Financial Statements, continued**

**(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 2023 and 2022. 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.

**Revenue Recognition**

We have reviewed the provisions of the FASB ASC Topic 606, Revenue from Contracts with Customers, and have concluded that no changes are necessary to conform with the new standard.



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

**Notes to Financial Statements, continued**

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

**Leases**

Building Services compiles with FASB ASC 842 which requires the present value of leases be capitalized as right-of-use assets with a corresponding lease obligation recorded between current and long term liabilities. This implementation had no effect on prior net asset carrying values.

**Subsequent Events**

Subsequent events have been evaluated for potential recognition and disclosure through April 30, 2024 the date these financial statements were available to be issued.

**(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 statement of financial position date.

	<u>2023</u>	<u>2022</u>
<b>Financial assets at end of year:</b>		
Cash in bank	\$ 22,360	73,812
Funds held by Free Will Baptist Foundation	150,579	202,465
Investment in funds held by Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc.	310,425	261,490
Accounts receivable	79,320	29,279
<b>Financial assets available to meet general expenditures the next twelve months</b>	<u>562,684</u>	<u>567,046</u>
<b>Less amount not available to be used within one year:</b>		
Net assets designated for maintenance and building and equipment replacement	30,569	74,760
Funds held in connection with other Free Will Baptist departments	127,362	131,427
Amounts not available to be used within one year	<u>157,931</u>	<u>206,187</u>
Net financial assets available for expenditure within one year	<u>\$ 404,754</u>	<u>360,859</u>

Building Services' 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. The following summarized the investment activity and return on investments.

	<u>2023</u>	<u>2022</u>
Cost of investment	\$ 250,000	250,000
Market value of investment	\$ 310,425	261,490
Unrealized gain (loss) on investments	<u>\$ 48,935</u>	<u>(38,908)</u>

**(4) 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 benefits 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.

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

**Notes to Financial Statements, continued**

**(5) 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:

	<u>2023</u>	<u>2022</u>
<b>Stewardship promotion</b>		
Accumulated funds to provide material to foster special giving offerings for various other Free Will Baptist organizations	\$ 40,955	40,579
<b>Security training</b>		
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	6,959	8,570
<b>Employee health insurance</b>		
Excess billings of monthly premium amounts to departments housed in the National Office Facility to fund health insurance deductibles	79,448	82,278
	<u>\$ 127,362</u>	<u>131,427</u>

**(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 \$6,440 in 2023 and \$6,314 in 2022. 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) Right-of-Use Assets and Relating Obligations**

These equipment leases are operating leases and the adoption of this standard has no effect on current year reported results of operations. Further, election was made to exempt leases with remaining terms of one year or less from these calculations.

The right-of-use asset amounts to \$27,802 in 2023 and \$34,893 in 2022 are reported as an other asset, with corresponding current liability of \$7,454 and long term liability of \$20,348, which are presented on the statement of financial position. The lease liabilities at present value were calculated using Building Service's incremental borrowing rate of 6%.

Maturities of operating lease liabilities are as follows:

		<u>Required Payments</u>	<u>Interest Amount</u>	<u>Lease Maturities</u>
2024	\$	8,675	1,221	7,454
2025		8,675	840	7,835
2026		8,675	439	8,236
2027		4,336	59	4,277
	<u>\$</u>	<u>30,361</u>	<u>2,559</u>	<u>27,802</u>

The above leases are recorded as lease expense in the amount of \$8,675 in 2023 and 9,849 in 2022.

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

**Notes to Financial Statements, continued**

**(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 \$361,890 in 2023 and 315,722 in 2022; rental income for 2024 will approximate \$374,000.

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

As described in note 3, investments for operations are held by the Board of Retirement and Insurance of NAFWB and had a market value of \$310,425 at 2023 and \$261,490 at 2022.

Free Will Baptist Foundation holds interest bearing funds for Building Services amounting to \$150,579 in 2023 and \$202,465 in 2022.

Building Services procures various services for fellow occupants of the National Office Building and bills each occupant for the cost of these services. These services include health insurance, general and auto insurance, postage and mailing, among others.

**2025  
BUILDING SERVICES  
BUDGET**

<b>PROJECTED INCOME</b>	<b>2023 Budget</b>	<b>2023 Actuals*</b>	<b>2024 Budget</b>	<b>2025 Budget</b>
Square Footage (20,105 @ \$1.60 = \$32,168.00 mo.)	\$361,890.00	\$361,890.00	\$373,953.00	\$386,016.00
Building Security Reimbursement/Interest	3,000.00	5,130.91	3,000.00	3,000.00
<b>Total Income</b>	<b>364,890.00</b>	<b>367,020.91</b>	<b>376,953.00</b>	<b>389,016.00</b>
 <b>PROJECTED EXPENSES</b>				
Audit & Legal	6,000.00	5,619.00	6,500.00	6,500.00
Replacement Reserve	18,000.00	4,500.00	14,400.00	18,000.00
Building Security	3,000.00	3,000.00	3,600.00	3,600.00
Insurance (Employee)	40,328.50	38,540.82	41,000.00	32,175.10
Insurance (Plant)	36,500.00	43,333.91	36,000.00	45,000.00
Janitorial Services	35,500.00	32,735.55	37,000.00	37,000.00
Janitorial Supplies	3,500.00	1,869.99	4,000.00	4,000.00
Mail Room	10,000.00	3,911.07	7,000.00	7,000.00
Mail Machine Lease	0.00	8,674.92	8,000.00	9,000.00
Maintenance/Contingency Fund	27,000.00	13,698.71	32,000.00	32,000.00
Network Expense	11,000.00	10,729.40	11,500.00	12,000.00
Payroll Taxes (Employer's S.S.)	8,333.64	7,903.60	8,491.64	8,763.08
Postage Meter/UPS	1,000.00	744.00	1,200.00	1,200.00
Retirement	5,163.42	6,440.07	5,266.69	5,444.10
Salaries	108,936.49	106,558.18	111,001.86	114,550.07
General Supplies	5,600.00	9,275.50	6,000.00	8,000.00
Telephone	1,000.00	0.00	1,200.00	1,200.00
Utilities	38,000.00	36,079.08	40,000.00	40,000.00
Other	6,027.95	685.71	2,792.81	3,583.65
<b>Total Expenses</b>	<b>\$364,890.00</b>	<b>\$334,299.51</b>	<b>\$376,953.00</b>	<b>\$389,016.00</b>

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



**2025  
BUILDING SERVICES  
BUDGET  
SALARY BREAKDOWN**

	<b>2023</b>	<b>2024</b>	<b>2025</b>
Maintenance Superintendent/ Mail Room Supervisor			
Salary	\$40,790.53	\$41,606.35	\$39,780.00
Social Security	3,120.48	3,182.89	3,043.17
Insurance (Dental/Health/Life)	23,019.48	24,281.53	12,932.17
Disability	261.06	266.28	254.59
Retirement	2,039.53	2,080.32	1,989.00
	69,231.07	71,417.36	57,998.93
Receptionist/Phone System Administrator/Assistant Bookkeeper			
Salary	36,885.34	37,623.05	40,375.51
Social Security	2,821.73	2,878.16	3,088.73
Insurance (Dental/Health/Life)	11,578.78	12,209.87	12,932.17
Disability	236.07	240.79	258.40
Retirement	1,844.27	1,881.15	2,018.78
	53,366.18	54,833.02	58,673.59
Accounting Administrator			
Salary	25,592.62	26,104.47	28,726.56
Social Security	1,957.84	1,996.99	2,197.58
Insurance (Dental/Health/Life)	5,069.32	5,334.38	5,613.91
Disability	163.79	167.07	183.85
Retirement	1,279.63	1,305.22	1,436.33
	34,063.20	34,908.13	38,158.23
Part-time Worker			
Salary	5,668.00	5,668.00	5,668.00
Social Security	<u>433.60</u>	<u>433.60</u>	<u>433.60</u>
	6,101.60	6,101.60	6,101.60



**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.**

***Opinion***

We have audited the statement of financial position of One Magazine of the National Association of Free Will Baptists, Inc. - a nonprofit organization (hereafter One Magazine) as of December 31, 2023 and 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of One Magazine, as of December 31, 2023 and 2022, and results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of One Magazine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about One Magazine's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

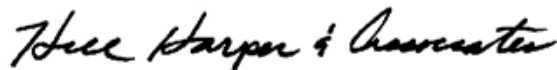
***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- > Exercise professional judgement and maintain professional skepticism throughout the audit.
- > Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- > Obtain an understanding of internal control relevant to the audit 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 One Magazine's internal control. Accordingly, no such opinion is expressed.
- > Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- > Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about One Magazine's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



A Professional Limited Liability Company  
Franklin, Tennessee  
April 30, 2024

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

**Statements of Financial Position**

**December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
<b>Current assets:</b>		
Cash and interest bearing deposits	\$ 123,295	144,477
Accounts receivable	4,182	50
Investment in funds held by Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc.	390,271	287,033
<b>Total current assets</b>	517,748	431,560
<b>Other assets:</b>		
Investment in funds held by Free Will Baptist Foundation for endowment fund purposes	21,868	20,773
<b>Fixed assets:</b>		
Furniture and equipment	15,237	15,237
Less accumulated depreciation	(9,541)	(5,241)
<b>Net fixed assets</b>	5,696	9,996
Right of use assets	5,208	-
	\$ 550,520	462,329
<u>Liabilities and Net Assets</u>		
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 2,701	-
Lease obligations - current portion	2,320	-
<b>Total current liabilities</b>	5,021	-
<b>Lease obligations, net of current portion</b>	2,888	-
<b>Total liabilities</b>	7,909	-
<b>Net assets:</b>		
Net assets without donor restriction	521,611	441,329
Net assets with donor restriction	21,000	21,000
<b>Total net assets</b>	542,611	462,329
	\$ 550,520	462,329

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, 2023 and 2022**

	2023			2022		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Revenues:</b>						
Assessments from Free Will Baptist departments and agencies	\$ 457,254	-	457,254	454,837	-	454,837
Gifts	1,000	-	1,000	-	-	-
Endowment earnings	-	1,095	1,095	-	-	-
Other	1,121	-	1,121	1,074	-	1,074
	459,375	1,095	460,470	455,911	-	455,911
Net assets released from restrictions	-	-	-	15,000	(15,000)	-
<b>Total revenues</b>	459,375	1,095	460,470	470,911	(15,000)	455,911
<b>Expenses:</b>						
<b>Program services</b>						
Magazine productions	474,381	-	474,381	450,873	-	450,873
<b>Supportive services</b>						
Administration	9,045	-	9,045	10,608	-	10,608
<b>Total expenses</b>	483,426	-	483,426	461,481	-	461,481
<b>Change in net assets from operating activities</b>	(24,051)	1,095	(22,956)	9,430	(15,000)	(5,570)
<b>Non-operating activities:</b>						
Grant from FWB Foundation	-	-	-	-	15,000	15,000
Endowment distributions	1,095	(1,095)	-	-	-	-
Investment gain (loss)	103,238	-	103,238	(21,052)	(4,281)	(25,333)
Transfers among net asset groups	-	-	-	(227)	227	-
<b>Change in net assets from non-operating activities</b>	104,333	(1,095)	103,238	(21,279)	10,946	(10,333)
<b>Change in net assets</b>	80,282	-	80,282	(11,849)	(4,054)	(15,903)
<b>Net assets:</b>						
Beginning of year	441,329	21,000	462,329	453,178	25,054	478,232
End of year	\$ 521,611	21,000	542,611	441,329	21,000	462,329

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, 2023 and 2022**

	2023			2022		
	Program Services	Supporting Services	Totals	Program Services	Supporting Services	Totals
	Magazine Production	Adminis- tration		Magazine Production	Adminis- tration	
<b>Employee compensation:</b>						
Salary	\$ 79,558	-	79,558	78,375	-	78,375
Payroll Taxes	5,980	-	5,980	5,996	-	5,996
Retirement	4,996	-	4,996	4,898	-	4,898
Other employee benefits	11,975	-	11,975	11,399	-	11,399
	<u>102,509</u>	<u>-</u>	<u>102,509</u>	<u>100,668</u>	<u>-</u>	<u>100,668</u>
<b>Expenses:</b>						
<b>Direct cost of publication:</b>						
Printing	168,402	-	168,402	169,892	-	169,892
Postage and mailing services	119,554	-	119,554	107,596	-	107,596
Design	43,418	-	43,418	43,630	-	43,630
Graphics expense	6,412	-	6,412	7,041	-	7,041
Writer's fees	2,846	-	2,846	3,837	-	3,837
	<u>340,632</u>	<u>-</u>	<u>340,632</u>	<u>331,996</u>	<u>-</u>	<u>331,996</u>
<b>Operating expenses:</b>						
Supplies	3,182	-	3,182	3,570	-	3,570
Computer services	6,629	-	6,629	4,132	-	4,132
Promotion	2,371	-	2,371	1,938	-	1,938
Website	817	-	817	502	-	502
Travel	13,941	-	13,941	5,162	-	5,162
Audit and professional Books, dues and registration	-	5,619	5,619	-	5,304	5,304
Other	-	1,022	1,022	-	1,659	1,659
Depreciation	-	2,404	2,404	-	3,645	3,645
Depreciation	4,300	-	4,300	2,905	-	2,905
<b>Total operating expenses</b>	<u>31,240</u>	<u>9,045</u>	<u>40,285</u>	<u>18,209</u>	<u>10,608</u>	<u>28,817</u>
<b>Total expenses</b>	<u>\$ 474,381</u>	<u>9,045</u>	<u>483,426</u>	<u>450,873</u>	<u>10,608</u>	<u>461,481</u>

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, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b><u>Cash Flows from Operating Activities</u></b>		
Change in net assets	\$ 80,282	(15,903)
Adjustments to reconcile increase in net assets to net operating activities:		
Depreciation	4,300	2,905
(Gain) loss from investments	(103,238)	25,333
Distributions from endowment funds held by Free Will Baptist Foundation	(1,095)	-
(Increase) decrease in:		
Accounts receivable	(4,132)	1,086
Increase (decrease) in accounts payable	2,701	-
<b>Net operating activities</b>	<u>(21,182)</u>	<u>13,421</u>
<b><u>Cash Flows from Investing Activities</u></b>		
Purchase of equipment	-	(11,387)
<b>Net investing activities</b>	<u>-</u>	<u>(11,387)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	(21,182)	2,034
<b>Cash and cash equivalents, at beginning of year</b>	<u>144,477</u>	<u>142,443</u>
<b>Cash and cash equivalents, at end of year</b>	<u>\$ 123,295</u>	<u>144,477</u>
<b>Non-cash transactions:</b>		
Lease assets obtained in exchange for lease obligations	<u>\$ 5,208</u>	<u>-</u>
Amortization of right-of-use assets	<u>\$ 1,830</u>	<u>-</u>

See accompanying notes to financial statements.

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

**Notes to Financial Statements**

**December 31, 2023 and 2022**

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.

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.

**Revenue Recognition**

We have reviewed the provisions of the FASB ASC Topic 606, Revenue from Contracts with Customers, and have concluded that no changes are necessary to conform with the new standard.



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

**Notes to Financial Statements, continued**

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

**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.

**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.

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

**Notes to Financial Statements, continued**

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

**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 2023 and 2022. Further, management believes that One Magazine has no activities which will lead to income taxes being levied.

**Leases**

As required by generally accepted accounting principles, One Magazine adopted FASB ASC 842 which requires the present value of leases by capitalized as right-of-use assets with a corresponding lease obligation recorded between current and long term liabilities. This has no effect on operations.

**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 30, 2024 the date these financial statements were available to be issued.

(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 statement of financial position date.

	<u>2023</u>	<u>2022</u>
<b>Financial assets at end of year:</b>		
Cash in bank	\$ 123,295	144,477
Investment in funds held by Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc.	390,271	287,033
Funds held by Free Will Baptist Foundation for endowment	21,868	20,773
Accounts receivable	4,182	50
Financial assets available to meet general expenditures the next twelve months	539,616	452,333
<b>Less amount not available to be used within one year:</b>		
Net assets with donor restrictions	21,000	21,000
	<b>\$ 518,616</b>	<b>431,333</b>

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

**Notes to Financial Statements, continued**

**(3) Endowment Funds, continued**

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 governing body has 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.

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:

	<u>2023</u>	<u>2022</u>
Original donor investment (corpus)	\$ 21,000	21,000
Accumulated gains (losses) on endowment funds	\$ 868	(227)
Funds held by Free Will Baptist Foundation for Endowment and net assets with donor restriction	\$ 21,868	20,773
Amount of endowment accumulated losses (underwater balance) which was covered by transfer among net asset groups	\$ -	227

**(4) Investments**

The following is summary of investments:

	<u>2023</u>			<u>2022</u>		
	<u>Cost or Basis</u>	<u>Market Value</u>	<u>Cumulative Gain (loss)</u>	<u>Cost or Basis</u>	<u>Market Value</u>	<u>Cumulative Gain (loss)</u>
<b>Endowment</b>	\$ 21,000	21,868	868	21,000	20,773	(227)
<b>Operations</b>	\$ 250,000	390,271	140,271	250,000	287,033	37,033

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

	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>Endowment</u>		<u>Operations</u>	
Change in annual gain (loss) market value to cost	\$ 1,095	(4,281)	103,238	(21,052)
Income distributions	(1,095)	-	-	-
	\$ -	(4,281)	103,238	(21,052)

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

**Notes to Financial Statements, continued**

**(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.:	<b><u>2023</u></b>	<b><u>2022</u></b>
Executive Office:		
Administrative budget	\$ 104,539	103,504
Convention budget	18,816	18,630
Free Will Baptist Foundation	50,182	49,685
Welch College	47,623	49,633
Board of Home Missions	76,522	75,765
IM, Inc.	65,860	65,208
Master's Men	9,031	8,942
Randall House Publications	50,182	49,685
Board of Retirement and Insurance	25,091	24,843
Women Nationally Active for Christ	9,408	8,942
	<u>\$ 457,254</u>	<u>454,837</u>

Revenues from these assessments are budgeted to approximate \$470,000 in 2024, a 3% increase.

**(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 follows:

	<b><u>2023</u></b>	<b><u>2022</u></b>
<b>Net assets with donor restrictions:</b>		
<b>Endowment funds:</b>		
Fund corpus	\$ 21,000	21,000
Accumulated gains (losses)	-	(227)
Transfer among net asset group	-	227
	<u>\$ 21,000</u>	<u>21,000</u>
<b>Net assets without donor restrictions:</b>		
Undesignated funds	\$ 521,611	441,329
<b>Net assets released from restrictions:</b>		
Satisfaction of purpose restrictions		
Grant from Free Will Baptist Foundation for computer and related equipment which was expended	\$ -	15,000



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

**(8) Related Party Transactions**

One Magazine is funded by assessments to other Free Will Baptist agencies and organizations who provide material 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.

Investments for operations are held by the Board of Retirement and Insurance of NAFWB which were valued at \$390,271 and \$287,033 at December 31, 2023 and 2022, respectively.

Randall House Publications provides printing and related services to One Magazine. For these services, One Magazine expended \$242,018 in 2023 and \$246,161 in 2022.

**(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 \$4,996 in 2023 and \$4,898 in 2022. 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.

**(10) Right-of-Use Assets and Relating Obligations**

Lease obligations relate to equipment leases that are operating leases and complying with this standard had no effect on reported results of operations. Further, election was made to exempt leases with remaining terms of one year or less from these calculations.

The right-of-use asset amounts to \$5,208 in 2023 as reported as an other asset, with corresponding current liability of \$2,320 and long term liability of \$2,888, which are presented on the statement of financial position. The lease liabilities at present value were calculated using One Magazine's incremental borrowing rate of 6% in 2023.

Maturities of operating lease liabilities are as follows:

		<b>Required Payments</b>	<b>Interest Amount</b>	<b>Lease Maturities</b>
2023	\$	2,569	249	2,320
2024		2,569	106	2,463
2025		428	3	425
		\$ 5,566	358	5,208

The above leases are recorded in graphic expense in the amount of \$2,569 in 2023.

**2025  
ONE MAGAZINE  
BUDGET**

				3%
REVENUE	2023 Budget	2023 Actuals*	2024 Budget	2025 Budget
Convention	\$18,815.84	\$18,815.76	\$19,380.32	\$19,961.73
Executive Office	104,539.22	104,539.20	107,675.40	110,905.66
Free Will Baptist Foundation	50,181.92	50,181.96	51,687.38	53,238.00
IM, Inc.	65,860.23	65,860.20	67,836.04	69,871.12
Master's Men	9,031.21	9,031.20	9,302.15	9,581.21
North American Ministries	76,522.18	76,522.20	78,817.85	81,182.39
Randall House Publications	50,181.92	50,181.96	51,687.38	53,238.00
Retirement & Insurance	25,090.97	25,090.92	25,843.70	26,619.01
Welch College	50,129.00	47,622.57	51,632.87	42,545.35
WNAC	9,031.19	9,407.50	9,302.13	14,371.84
FWB Foundation Grant/Trust	0.00	0.00	8,000.00	8,000.00
Reimbursements	500.00	2,695.39	500.00	500.00
Subscription Revenue	0.00	521.00	0.00	0.00
<b>Total Revenue</b>	<b>459,883.68</b>	<b>460,469.86</b>	<b>481,665.19</b>	<b>490,014.32</b>
 <b>EXPENSES</b>				
Salary & Benefits	93,932.81	96,509.42	96,158.34	98,461.63
Auto/Cell Phone Allowance	6,000.00	6,000.00	6,000.00	6,000.00
Audit & Legal	6,500.00	5,619.00	6,250.00	6,000.00
Books, Dues & Registrations	2,000.00	1,021.77	1,900.00	2,000.00
Computer Software/Services	3,500.00	6,628.68	5,000.00	5,000.00
Design	43,000.00	43,417.50	44,000.00	45,000.00
Graphics	6,250.00	6,411.98	6,250.00	6,250.00
Mail Services	2,000.00	0.00	1,750.00	2,000.00
Postage	100,000.00	118,795.91	110,000.00	120,000.00
Postal Returns	1,000.00	758.52	1,200.00	1,200.00
Printing	165,000.00	168,402.34	172,000.00	173,000.00
Promotion	2,500.00	2,370.90	2,500.00	2,500.00
<i>Pulpit Issue</i>	8,500.00	0.00	8,000.00	0.00
Supplies	5,000.00	3,182.25	4,000.00	4,000.00
Travel	8,000.00	13,941.27	8,800.00	10,702.69
Website	1,250.00	816.53	900.00	900.00
Writer's Fees	2,500.00	2,846.10	3,950.00	4,000.00
Other	2,950.87	2,404.07	3,006.85	3,000.00
<b>Total Expenses</b>	<b>\$459,883.68</b>	<b>\$479,126.24</b>	<b>\$481,665.19</b>	<b>\$490,014.32</b>

\*Budget comparison does not include depreciation expense.

**2025  
ONE MAGAZINE  
BUDGET  
SALARY BREAKDOWN**

	<b>2023</b>	<b>2024</b>	<b>2025</b>
Salary	\$72,170.27	\$73,613.68	\$75,085.95
Auto/Cell Phone Allowance	6,000.00	6,000.00	6,000.00
Social Security	5,980.03	6,090.45	6,203.08
Retirement	3,608.51	3,680.68	3,754.30
Insurance			
Medical/Dental/Life	11,460.00	12,090.00	12,725.35
Disability	540.00	509.53	518.95
Worker's Compensation	124.00	124.00	124.00
Travel Insurance	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>
	<b>\$99,932.81</b>	<b>\$102,158.34</b>	<b>\$104,461.63</b>



## North American Ministries 2023

Dear Friends of North American Ministries,

Fear about what the future holds can threaten to sink even the strongest among us into deep discouragement. But there is good news!

In Psalm 31:24, God offers us a way forward. Instead of letting our anxieties lead, Scripture directs us to “be of good courage” and promises that when we put our hope in the Lord, He will strengthen our hearts for the days ahead.

As Christians, the hope that we have through the Gospel of Jesus can give us the courage to face even the darkest of life’s storms, and together we can fulfill His mission to proclaim that hope to those who need it most across North America and around the world.

This year, we have been especially encouraged by your generous giving, the dedication of our church planters, and the service of our chaplains.

### **Encouraged by Your Giving**

Our generous Free Will Baptist friends across North America have shown a consistent willingness to give sacrificially of their time and financial resources. We are all encouraged by their generosity and love for the cause of North American Ministries. Total gifts for 2023 exceeded \$4.2 million! Thank you for your faithful support. Listed below are the top ten states for giving this year.

North Carolina	\$630,806
Alabama	\$629,896
Tennessee	\$417,228
Oklahoma	\$250,619
Georgia	\$243,973
Missouri	\$185,531
Florida	\$173,744
Virginia	\$132,404
Ohio	\$132,286
South Carolina	\$116,889



### **Encouraged by the Dedication of NAM Church Planters**

Across North America our church planters continue to demonstrate outstanding dedication to the Lord, following His calling on their lives with faithful obedience. These planters are building congregations of believers committed to discipleship, outreach, and service. This year our church plants saw over 200 individuals place their faith in Jesus and baptized over 150. Thousands of first-time guests visited their churches, and countless Gospel-centered relationships began. Multi-ethnic ministry is thriving through the work of cross-cultural church planters and English-speaking congregations who are opening their doors to win the souls of countless individuals coming to America from all over the world.

### **Encouraged by the Service of FWB Chaplains**

North American Ministries continues to endorse and support our Free Will Baptist chaplains for the United States Army, Air Force, Navy, National Guard and Reserve Forces, and the Department of Veterans Affairs. We thank these men and their families for their faithful service to our country and the Lord.

CH (LTJG, CHC) Josh Alderman, US Navy  
Chaplain Candidate (2LT) Mason Anderson, Army National Guard  
CH (CPT) Amir Ashoori, US Army Reserve  
CH (CPT) Michael Beatty, US Army  
CH (1LT) Elliott Deilus, US Army Reserve and Department of Veterans Affairs  
CH (CPT) David Dodson, US Army  
CH (MAJ) W. Lee Frye, Jr. US Army  
CH (COL) Brad Hanna, Army National Guard  
CH(CPT) Shaun Hembree, US Army  
CH (LT, CHC) Hal Jones, US Navy  
CH (LTC) Tracy Kerr, US Army  
CH (LCDR, CHC) Mark McCraney, US Navy  
CH (MAJ) Kevin Trimble, US Army  
CH (LT) Jonathan Truett, US Army Reserve  
Terry Austin, US Army (CH COL-Retired) Chaplain Support Officer

*(If you need information regarding our chaplains, please call the North American Ministries office.)*

### **Encouraged by the Daily Support of NAM Staff Members**

I must express my profound appreciation to our staff members, Brad Ransom, Chief Training Officer; Ken Akers, Director of Men's Ministries and Chief Financial Officer; Terry Austin, Chaplain Support Officer; Rick Bowling, Cross Cultural Officer; Kathy Brown, CELF Accounting Administrator; Teresa Womack and Kyla Kivette, Accounting Administrators; Bethany Douglas, Publications Editor and Administrative Assistant; Mayan Bustamante, Chief Translation Specialist; Megan Morgan, Historical Digital Scanner; and Daniel Rodriguez, Historical Digital Scanner. I appreciate their willing spirits, commitment to our ministry, and excellent work in our office. Members of our North American Ministries Board continue to serve with strength and wisdom.



Dr. H David Crowe  
Executive Director  
North American Ministries

## **North American Ministries**

## **Synopsis of Board Minutes**

### **May 2, 2023**

Motion, seconded, and carried to approve Steve Schmidt transferring as a church planter to Casa Grande, AZ.

### **August 14, 2023**

Motion, seconded, and carried to raise the interest rate for all CELF investments by one-half percent as of September 1, 2023, and that the interest rate for CELF loans remain the same for the time being.

### **November 15, 2023**

Motion, seconded, and carried to approve the interest rate of all CELF investments be raised by an additional one-half percent as of December 1, 2023, and that the interest rate for CELF loans be raised one-half percent to 7% effective January 1, 2024.

### **December 6, 2023**

Motion, seconded, and carried to approve Armon and Yvette Jordan as lead church planters to Hilo, HI.

Motion, seconded, and carried to approve the "I Will Build My Church" grants as follows: \$3,000 to Connect Church (Summerfield, FL) for an AED and \$13,216.34 to Hilltop Church (Ardmore, OK) for drive expansion project, along with the \$20,000 given to Carl Spruill (Hawaii) for shipping of new chairs and the extra \$3,783.66 given to the Hispanic Institute last year to pay off the balance of their CELF loan.



**Joel D. Collum, Jr.**  
Certified Public Accountant

### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the  
Free Will Baptist North American Ministries, Inc.  
Antioch, Tennessee

#### **Opinion**

I have audited the accompanying financial statements of The Free Will Baptist North American Ministries, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Free Will Baptist North American Ministries, Inc. as of December 31, 2023 and 2022, 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.

#### **Basis for Opinion**

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of The Free Will Baptist North American Ministries, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Free Will Baptist North American Ministries, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if

there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Free Will Baptist North American Ministries, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Free Will Baptist North American Ministries, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

A handwritten signature in black ink that reads "Joel D. Collum, Jr., CPA". The signature is written in a cursive, flowing style.

Nashville, Tennessee  
April 26, 2024



**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash	\$ 225,153	\$ 193,681
Investments	582	1,660
Investments in Church Extension Fund	582,025	611,976
Investments in Free Will Baptist Foundation	7,737	7,365
Endowments	695,596	690,006
Inventory	-	8,219
Property & equipment, at cost less accumulated less accumulated depreciation of \$281,047 (\$251,641 in 2022)	231,313	249,119
Right of use asset	27,676	-
<b>TOTAL ASSETS</b>	<b>\$ 1,770,082</b>	<b>\$ 1,762,026</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 53,204	\$ 31,274
Lease liability	27,998	-
Financing lease payable	-	4,509
Total liabilities	81,202	35,783
<b>COMMITMENTS</b>		
<b><u>NET ASSETS</u></b>		
<b>NET ASSETS</b>		
Without donor restrictions		
Operating	226,373	68,392
Total Without Donor Restrictions	226,373	68,392
With donor restrictions	1,462,507	1,657,851
Total net assets	1,688,880	1,726,243
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,770,082</b>	<b>\$ 1,762,026</b>

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



**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><i>WITHOUT DONOR RESTRICTIONS</i></b>		
<b>REVENUES</b>		
Cooperative program	\$ 195,672	\$ 227,930
Designated contributions	535,318	671,871
Fund-raising special events	19,329	22,742
Management fees - Note 4	1,451,500	1,250,000
Investment income	25,532	23,210
Unrealized gain (loss) on value of investment	34,286	(151,375)
Gain (loss) on sale of property and equipment	15,873	-
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>3,420,780</u>	<u>3,323,513</u>
Total revenue	<u>5,698,290</u>	<u>5,367,891</u>
<b>EXPENSES</b>		
North American Ministries' management and general expenses	2,093,136	2,112,644
North American Ministries' missionary expenses	3,416,371	3,294,047
Master's Men management and general expenses	16,261	22,307
Master's Men fundraising expenses	16,656	13,235
Master's Men Ridge Church Bell Tower expenses	-	1,500
Master's Men disaster relief expenses	<u>4,409</u>	<u>27,966</u>
Total expenses	<u>5,546,833</u>	<u>5,471,699</u>
Increase (decrease) in net assets without donor restrictions	<u>151,457</u>	<u>(103,808)</u>
<b><i>WITH DONOR RESTRICTIONS</i></b>		
<b>REVENUES</b>		
Cooperative program	318,106	297,899
Designated contributions	2,913,854	2,955,144
Net assets released from restrictions:		
Restrictions satisfied by payments		
Missionary expenses	(3,416,371)	(3,294,047)
Ridge Church Bell Tower	-	(1,500)
Master's Men disaster relief fund	<u>(4,409)</u>	<u>(27,966)</u>
Increase (decrease) in net assets with donor restrictions	<u>(188,820)</u>	<u>(70,470)</u>
Total increase (decrease) in net assets	(37,363)	(174,278)
Net assets - beginning of year	<u>1,726,243</u>	<u>1,900,521</u>
Net assets - end of year	<u>\$ 1,688,880</u>	<u>\$ 1,726,243</u>

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

**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

EXPENSES AND OTHER DEDUCTIONS	Master's Men				North American Ministries			Total
	Program services		Operations		Program services		Operations	
	Disaster Relief	Bell Tower	Management and General	Fundraising	Missionaries	Management and General		
Salaries and wages	\$ -	\$ -	\$ -	\$ -	\$ 2,644,170	\$ 671,945	\$ 3,316,115	
Payroll taxes	-	-	-	-	-	24,295	24,295	
Housing allowance and employee benefits	-	-	-	-	-	116,400	116,400	
Retirement	-	-	-	-	60,200	22,851	83,051	
Literature	-	-	(540)	-	8,589	2,746	10,795	
Promotion expense	3,850	-	1,243	1,194	15,263	106,214	127,764	
Utilities	-	-	-	-	-	30,100	30,100	
Office expense	92	-	1	-	-	64,967	65,060	
Printing and postage	-	-	-	-	31,341	51,144	82,485	
Rent expense	(30)	-	3,234	-	-	64,045	67,249	
Professional fees	-	-	-	-	-	11,383	11,383	
Auto and travel expense	(1,671)	-	450	110	187,925	326,168	512,982	
Board meeting expense	-	-	-	-	-	21,733	21,733	
Conference expense	-	-	140	14,734	-	14,389	29,263	
Insurance expense	1,339	-	-	-	66,389	186,934	254,662	
Telephone	-	-	-	-	-	4,616	4,616	
Scholarships	-	-	-	-	-	7,500	7,500	
Flowers and gifts	-	-	-	-	-	108,913	108,913	
Lease payments	-	-	-	-	-	3,075	3,075	
Miscellaneous	829	-	(552)	618	66,640	125,082	192,617	
One magazine	-	-	6,773	-	-	71,651	78,424	
Missionary land and buildings	-	-	-	-	335,854	-	335,854	
Interest expense	-	-	-	-	-	481	481	
Depreciation	-	-	5,512	-	-	56,504	62,016	
Total expenses and other deductions	\$ 4,409	\$ -	\$ 16,261	\$ 16,656	\$ 3,416,371	\$ 2,093,136	\$ 5,546,833	

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

**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2022						
	Master's Men			North American Ministries			
	Program services		Operations		Program services		
	Ridge Church Bell Tower	Management and General	Management and General	Fundraising	Missionaries	Management and General	Total
<b>EXPENSES AND OTHER DEDUCTIONS</b>							
Salaries and wages	\$ -	\$ -	\$ -	\$ -	\$ 2,585,517	\$ 623,538	\$ 3,209,055
Payroll taxes	-	-	-	-	-	17,524	17,524
Housing allowance and employee benefits	-	-	-	-	-	116,400	116,400
Retirement	-	-	-	-	60,547	16,353	76,900
Literature	-	-	-	-	27,840	1,626	29,466
Promotion expense	100	-	2,032	1,173	23,787	116,271	143,363
Utilities	-	-	-	-	-	30,858	30,858
Office expense	354	-	449	-	-	51,159	51,962
Printing and postage	801	-	-	-	6,753	107,959	115,513
Rent expense	-	-	3,109	-	-	68,802	71,911
Professional fees	-	-	-	-	-	14,986	14,986
Auto and travel expense	10,257	-	(129)	12,632	175,554	319,532	517,846
Board meeting expense	-	-	-	-	-	19,604	19,604
Conference expense	-	-	-	-	-	27,633	27,633
Insurance expense	498	-	851	-	62,137	152,496	215,982
Telephone	-	-	-	-	-	910	910
Scholarships	-	-	-	-	-	6,000	6,000
Flowers and gifts	-	-	563	-	-	55,637	56,200
Miscellaneous	15,956	1,500	705	(570)	113,404	230,565	361,560
One magazine	-	-	6,706	-	-	78,071	84,777
Missionary land and buildings	-	-	-	-	238,508	-	238,508
Interest expense	-	-	-	-	-	-	-
Depreciation	-	-	8,021	-	-	56,720	64,741
Total expenses and other deductions	\$ 27,966	\$ 1,500	\$ 22,307	\$ 13,235	\$ 3,294,047	\$ 2,112,644	\$ 5,471,699

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

**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ (37,363)	\$ (174,278)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	62,016	64,741
(Gain) loss on value of investment	(34,286)	151,028
(Gain) loss on value of property and equipment	(15,873)	-
Amortization of right of use asset	3,075	-
Amortization of lease liability	(2,753)	-
Changes in operating assets and liabilities:		
(Increase) decrease in inventories	8,219	8,218
Increase (decrease) in accounts payable and accrued expenses	21,930	122
	<u>4,965</u>	<u>49,831</u>
Net Cash Provided (Used) By Operating Activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Redemption of investments	54,000	62,873
Acquisition of investments	(24,049)	(57,471)
Distributions received from beneficial trust	29,402	-
Proceeds from the sale of property and equipment	19,000	-
Purchases of property and equipment	(47,337)	(46,122)
	<u>31,016</u>	<u>(40,720)</u>
Net Cash Provided (Used) By Investing Activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Financing lease payments made	(4,509)	(5,738)
	<u>(4,509)</u>	<u>(5,738)</u>
Net Cash Provided (Used) by Financing Activities		
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	31,472	3,373
Cash and cash equivalents at beginning of years	193,681	190,308
Cash and cash equivalents at end of years	<u>\$ 225,153</u>	<u>\$ 193,681</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid	<u>\$ 481</u>	<u>\$ 1,542</u>
Non-cash investing and financing activity:		
Acquisition of right of use asset	\$ (30,751)	\$ -
Acquisition of lease liability	30,751	-
	<u>\$ -</u>	<u>\$ -</u>

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

**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

**Organization and Purpose:**

The Free Will Baptist North American Ministries, 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 2023 or 2022.

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, 2023 and 2022.



**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**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.

**Cost Allocation**

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

**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**2. PROPERTY AND EQUIPMENT**

A summary of property and equipment is as follows:

	<u>2023</u>	<u>2022</u>
Land - Puerto Rico	\$ 105,000	\$ 105,000
Automobile	191,583	183,820
Computer equipment	1,228	1,228
Equipment	80,282	80,282
Trailers	13,640	13,640
Office furniture & equipment	120,627	116,790
	<u>512,360</u>	<u>500,760</u>
Less: Accumulated depreciation	(281,047)	(251,641)
	<u>\$ 231,313</u>	<u>\$ 249,119</u>
Depreciation for the year	<u>\$ 62,016</u>	<u>\$ 64,741</u>

**3. RESTRICTIONS ON NET ASSETS**

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

	<u>2023</u>	<u>2022</u>
Missionaries	\$ 1,147,117	\$ 1,348,985
Build a House program	50,181	50,181
Disaster Relief Program	232,234	225,710
Ridge Church	(68,275)	(68,275)
Life Member endowment	101,250	101,250
	<u>\$ 1,462,507</u>	<u>\$ 1,657,851</u>

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

**4. BENEFICIAL INTERESTS IN PERPETUAL TRUSTS**

The Organization is the beneficiary under a perpetual trust administered by the Free Will Baptist Foundation. Under the terms of the trust, the Organization has the irrevocable right to receive income earned on the trust assets in perpetuity, but never receives the assets held in trust. The Organization has elected to value the trust at the fair value of the assets in the trust. The change in value of beneficial interests (net of disbursements) in the perpetual trust for 2023 was an increase of \$338 (a decrease of \$166,797 for 2022).

**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**5. RELATED PARTY TRANSACTIONS**

The North American Ministries 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 North American Ministries a management fee of \$1,451,500 (\$1,250,000 in 2022) to reimburse the cost of the office space and salaries. The North American Ministries has invested money in a demand note of the Church Extension Loan Fund. The balance in this investment at December 31, 2023 and 2022 was \$582,025 and \$611,976 respectively. This investment is uncollateralized. The North American Ministries' 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**

The Board maintains cash deposits in excess of the federally insured amount of \$250,000. At December 31, 2023 and 2022, 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 \$582,025 and \$611,976 invested in a demand note of the Church Extension Loan Fund at December 31, 2023 and 2022 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 \$83,051 (\$76,900 in 2022). 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.

**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**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, 2023 and 2022, 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 \$16,656 and \$13,235 for the years ended December 31, 2023 and 2022.

**10. INVESTMENTS**

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

	December 31, 2023		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Equity securities	\$ 5,685	\$ 582	\$ (5,103)

Investment return is summarized as follows:

Net realized and unrealized income (loss)	\$ (1,078)
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	December 31, 2022		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Equity securities	\$ 5,685	\$ 1,660	\$ (4,025)

Investment return is summarized as follows:

Net realized and unrealized income (loss)	\$ (2,331)
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**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**11. INVESTMENT THE FREE WILL BAPTIST FOUNDATION**

The Organization is invested in two trusts and two endowments 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:

	<u>2023</u>	<u>2022</u>
Build A House	\$ 7,394	\$ 7,024
Ridge Trust	343	341
East Nashville Church Endowment	590,755	590,417
Life Member Endowment	104,841	99,589
	<u>\$ 703,333</u>	<u>\$ 697,371</u>

Investment return is summarized as follows:

Net realized and unrealized income (loss)	<u>\$ 35,363</u>	<u>\$ (149,045)</u>
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**12. FAIR VALUE MEASUREMENTS**

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

	<u>Fair Value Measurements at December 31, 2023</u>		
	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>
Equity securities	\$ 582	\$ 582	\$ -
Investment in the FWB Foundation	703,333	-	703,333
	<u>\$ 703,915</u>	<u>\$ 582</u>	<u>\$ 703,333</u>
	<u>Fair Value Measurements at December 31, 2022</u>		
	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>
Equity securities	\$ 1,660	\$ 1,660	\$ -
Investment in the FWB Foundation	697,371	-	697,371
	<u>\$ 699,031</u>	<u>\$ 1,660</u>	<u>\$ 697,371</u>



**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**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. COMMITMENTS - LEASING ACTIVITIES**

The board adopted FASB Topic 842, Leases, effective January 1, 2022. The North American Ministries 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, 2023 and 2022 amounted to \$67,249 and \$71,911.

The Board acquired office equipment under the provisions of an operating lease on a 60 month term. The lease began February 21, 2023 and will end February 21, 2028.

The following summarizes the line items in the statement of financial position for these operating leases as of December 31:

	<b>2023</b>
Operating Lease:	
Right of use asset	\$ 27,676
Lease liability	\$ 27,998

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	<b>2023</b>
Operating Lease:	
Weighted average remaining lease term	4
Weighted average discount rate	4.8%

**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**13. COMMITMENTS - LEASING ACTIVITIES - CONTINUED**

The maturities of the lease liabilities at December 31, 2022 were as follows:

Year ended December 31,	Amount
2024	\$ 5,708
2025	5,990
2026	6,286
2027	6,595
2028	3,419
Total	\$ 27,998

The following summarizes the line items in the statement of activities which include the components of lease expense for the year ended December 31:

	2023	2022
Operating lease cost in rent expense	\$ 67,249	\$ 71,911
Operating lease included in lease payments	\$ 3,075	\$ -

The following summarizes the cash flow information related to leases for the year ended December 31:

Cash paid for amounts included in the measurement of measurement of lease liabilities:	<b>2023</b>
Operating cash flows from operating leases:	\$ 3,467

**14. SUBSEQUENT EVENTS**

Subsequent events have been evaluated by Management through April 26, 2024 which is the date the financial statements were available to be issued.

**15. ENDOWMENT**

The Organization has two endowments with the Free Will Baptist Foundation. One endowment was established by the Organization for the benefit of the Organization. The other endowment is part of a beneficial interest in a perpetual trust. The Organization has no control over the type of investments in the endowments. 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.

**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**15. ENDOWMENT - CONTINUED**

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 donor 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. There was a deficiency of \$-0- of as of December 31, 2023 (\$1,661 at December 31, 2022).

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, 2023		
Board designated endowment funds	\$ 3,590	\$ -	\$ 3,590
Donor-restricted endowment funds	-	692,005	692,005
	<u>\$ 3,590</u>	<u>\$ 692,005</u>	<u>\$ 695,595</u>

**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**15. ENDOWMENT - CONTINUED**

	December 31, 2022		
Board designated endowment funds	(\$ 1,661)	\$ -	(\$ 1,661)
Donor-restricted endowment funds	-	691,667	691,667
	(\$ 1,661)	\$ 691,667	\$ 690,006

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

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Net Assets
	December 31, 2023		
Beginning balance	(\$ 1,661)	\$ 691,667	\$ 690,006
Total gains or losses (realized and unrealized) included in the Statement of Activities	5,251	29,740	34,991
Purchases, issuances, settlements, and transfers from unallocated to allocated (net)	-	( 29,402)	( 29,402)
Ending balance	\$ 3,590	\$ 692,005	\$ 695,595
	December 31, 2022		
Beginning balance	\$ 21,963	\$ 858,465	\$ 880,428
Total gains or losses (realized and unrealized) included in the Statement of Activities	( 20,570)	( 127,045)	( 147,615)
Purchases, issuances, settlements, and transfers from unallocated to allocated (net)	( 3,054)	( 39,753)	( 42,807)
Ending balance	(\$ 1,661)	\$ 691,667	\$ 690,006

**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**16. 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.

	<u>2023</u>	<u>2022</u>
Total assets	<u>\$ 101,887,579</u>	<u>\$ 119,037,996</u>
Total liabilities	<u>\$ 97,807,561</u>	<u>\$ 115,884,090</u>
Net assets	<u>\$ 4,080,018</u>	<u>\$ 3,153,906</u>
Revenue	<u>\$ 6,746,248</u>	<u>\$ 5,836,188</u>
Expenses	<u>\$ 5,820,136</u>	<u>\$ 5,939,221</u>

**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.

	<u>2023</u>	<u>2022</u>
Financial assets at year-end	\$ 1,511,093	\$ 1,504,688
Less those unavailable for general expenditures within one year due to:		
Reserved for net assets with donor restrictions	( 1,462,507)	( 1,657,851)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 48,586</u>	<u>(\$ 153,163)</u>



	2023 Actual	2024 Approved	2025 Proposed
Chief Executive Officer: David Crowe			
Salary	\$ 103,400.22	\$ 103,400.22	\$ 103,400.22
Housing	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00
Utilities	\$ 3,078.68	\$ 5,000.00	\$ 5,000.00
Retirement	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Insurance*	\$ 20,000.00	\$ 20,000.00	\$ 21,000.00
TOTALS	\$ 149,478.90	\$ 151,400.22	\$ 152,400.22

Office car furnished

Chief Training Officer: Brad Ransom			
Salary	\$ 85,688.46	\$ 85,688.46	\$ 85,688.46
Housing	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00
Utilities	\$ 2,022.77	\$ 5,000.00	\$ 5,000.00
Retirement	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Insurance*	\$ 20,000.00	\$ 20,000.00	\$ 21,000.00
TOTALS	\$ 130,711.23	\$ 133,688.46	\$ 134,688.46

Office car furnished

Master's Men Director/Chief Financial Officer: Ken Akers			
Salary	\$ 78,593.88	\$ 78,593.88	\$ 78,593.88
Housing	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00
Utilities	\$ 2,843.14	\$ 5,000.00	\$ 5,000.00
Retirement	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Insurance*	\$ 20,000.00	\$ 20,000.00	\$ 21,000.00
TOTALS	\$ 130,437.02	\$ 132,593.88	\$ 133,593.88

Office car furnished

Cross Cultural Officer: Rick Bowling			
Salary	\$ 71,393.88	\$ 71,393.88	\$ 71,393.88
Housing	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00
Utilities	\$ -	\$ -	\$ -
Retirement	\$ -	\$ -	\$ -
Insurance*	\$ -	\$ -	\$ -
TOTALS	\$ 92,993.88	\$ 92,993.88	\$ 92,993.88

TOTALS

Office car furnished

## 2023 State Quotas

Alabama	\$525,000.00
Arizona	\$70,000.00
Arkansas	\$170,000.00
California	\$125,000.00
Canada	\$5,000.00
Colorado	\$50,000.00
Florida	\$125,000.00
FWB Foundation	\$50,000.00
Georgia	\$175,000.00
Hawaii	\$1,500.00
Idaho	\$1,000.00
Illinois	\$150,000.00
Indiana	\$60,000.00
Iowa	\$2,500.00
Kansas	\$10,000.00
Kentucky	\$130,000.00
Maine	\$2,500.00
Massachusetts	\$1,000.00
Michigan	\$85,000.00
Mid-Atlantic	\$20,000.00
Mississippi	\$190,000.00
Missouri	\$225,000.00
Montana	\$1,000.00
New Hampshire	\$2,000.00
New Mexico	\$2,000.00
New York	\$10,000.00
North Carolina	\$750,000.00
Ohio	\$200,000.00
Oklahoma	\$250,000.00
Oregon	\$1,000.00
Other Income	\$350,000.00
Other States	\$28,000.00
Pennsylvania	\$50,000.00
Rhode Island	\$5,000.00
South Carolina	\$150,000.00
Tennessee	\$500,000.00
Texas	\$110,000.00
Utah	\$3,000.00
Virgin Islands	\$60,000.00
Virginia	\$200,000.00
Washington	\$5,000.00
West Virginia	\$125,000.00
WNAC	\$20,000.00
Wyoming	\$2,500.00

Proposed 2024 Budget

	Administrative	Church Planter	Total
Salaries/Housing	\$700,000.00	\$2,600,000.00	\$3,300,000.00
Retirement	\$17,000.00	\$61,000.00	\$78,000.00
Insurance	\$155,000.00	\$63,000.00	\$218,000.00
Auto and Travel	\$260,000.00	\$176,000.00	\$436,000.00
Postage	\$15,000.00	\$1,000.00	\$16,000.00
Printing	\$50,000.00	\$6,000.00	\$56,000.00
Promotion/Adv.	\$120,000.00	\$25,000.00	\$145,000.00
Off. Supplies/Maint.	\$50,000.00		\$50,000.00
ONE Magazine	\$85,000.00		\$85,000.00
Utilities	\$32,000.00		\$32,000.00
Board Expense	\$15,000.00		\$15,000.00
Literature	\$3,000.00	\$15,000.00	\$18,000.00
Rent	\$80,000.00		\$80,000.00
Phone/Fax	\$2,000.00		\$2,000.00
Depreciation	\$55,000.00		\$55,000.00
Payroll Taxes	\$15,000.00		\$15,000.00
Medicare Taxes	\$4,000.00		\$4,000.00
Legal/Audit	\$15,000.00		\$15,000.00
Misc.	\$100,000.00	\$100,000.00	\$200,000.00
Scholarships	\$5,000.00		\$5,000.00
Flowers/Gifts	\$55,000.00		\$55,000.00
Misc. Receipts		\$2,000.00	\$2,000.00
Land/Building		\$100,000.00	\$100,000.00
FM Exchange		\$18,000.00	\$18,000.00
<b>TOTALS</b>	<b>\$1,833,000.00</b>	<b>\$3,167,000.00</b>	<b>\$5,000,000.00</b>



**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

#### **Opinion**

I have audited the accompanying financial statements of The Church Extension Loan Fund, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, 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.

#### **Basis for Opinion**

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of The Church Extension Loan Fund, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Church Extension Loan Fund, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if

there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Church Extension Loan Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Church Extension Loan Fund, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

A handwritten signature in black ink that reads "Joel D. Colburn, Jr., CPA". The signature is written in a cursive style with a large, prominent "J" and "C".

Nashville, Tennessee  
April 26, 2024



**CHURCH EXTENSION LOAN FUND, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 AND 2022**

**ASSETS**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash	\$ 976,692	\$ 10,436,321
Investment in the Free Will Baptist Foundation	-	24,409,972
Investment in the Free Will Baptist Board of Retirement	-	865,822
Investment in the Free Will Baptist Ministries Partnership	750,000	750,000
Notes receivable, net of allowance for doubtful accounts of \$34,729 ((\$802,418 in 2022))	98,383,303	81,547,048
Accrued interest receivable	563,973	428,833
Welch College line of credit	1,213,611	600,000
Property & equipment, at cost less accumulated depreciation of \$49,387 (\$49,387 in 2022)	-	-
<b>TOTAL ASSETS</b>	<b>\$ 101,887,579</b>	<b>\$ 119,037,996</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Irrevocable trusts	\$ 850,494	\$ 875,128
Notes payable	96,451,382	115,003,277
Line of credit payable	500,000	-
Other accrued liabilities	5,685	5,685
<b>Total liabilities</b>	<b>97,807,561</b>	<b>115,884,090</b>
<b>NET ASSETS</b>		
Without donor restrictions		
Operating	4,080,018	3,153,906
<b>Total Net Assets</b>	<b>4,080,018</b>	<b>3,153,906</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 101,887,579</b>	<b>\$ 119,037,996</b>

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, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
	<u>Without Donor Restrictions</u>	
<b>REVENUES</b>		
Investment income	\$ 448,002	\$ 881,781
Gain (loss) on value of investment	161,320	(164,493)
Interest income on notes receivable	<u>6,136,926</u>	<u>5,118,900</u>
Total revenue	<u>6,746,248</u>	<u>5,836,188</u>
<b>EXPENSES</b>		
Program expenses		
Interest expense	4,182,524	4,623,584
Build My Church Project expense	16,216	63,784
Bad debt expense	<u>134,729</u>	<u>(76,625)</u>
Total program expenses	<u>4,333,469</u>	<u>4,610,743</u>
Operating expenses		
Office expense	3,304	2,494
Management fee - Note 4	1,451,500	1,250,000
Promotion	10,892	-
Professional fees	28,299	54,942
Unrelated Business Income Tax	<u>(7,328)</u>	<u>21,042</u>
Total operating expenses	<u>1,486,667</u>	<u>1,328,478</u>
Total expenses	<u>5,820,136</u>	<u>5,939,221</u>
Increase (decrease) in operating net assets	<u>926,112</u>	<u>(103,033)</u>
Net assets - beginning of year	<u>3,153,906</u>	<u>3,256,939</u>
Net assets - end of year	<u>\$ 4,080,018</u>	<u>\$ 3,153,906</u>

**CHURCH EXTENSION LOAN FUND, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ 926,112	\$ (103,033)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Bad debt expense	134,729	(76,625)
(Gain) loss on value of investment	(161,320)	164,493
Changes in operating assets and liabilities:		
(Increase) decrease in accrued interest receivable	(135,140)	8,875
Increase (decrease) in accrued interest payable	-	(926)
	<u>764,381</u>	<u>(7,216)</u>
Net Cash Provided (Used) By Operating Activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Additions to notes and bonds receivable	2,570,124	(6,707,423)
Collection on notes receivable	(19,541,108)	9,239,499
Redemption of Free Will Baptist Board of Retirement investment	1,027,142	-
Purchase of Free Will Baptist Foundation investment	-	(15,000,000)
Redemption of Free Will Baptist Foundation investment	24,409,972	-
Additions to Welch line of credit	(613,611)	(600,000)
	<u>7,852,519</u>	<u>(13,067,924)</u>
Net Cash Provided (Used) By Investing Activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Additions to trust	35,791	84,107
Terminations of trust	(60,425)	(610,141)
Proceeds from line of credit	500,000	-
Additions to notes payable	22,429,982	26,708,184
Repayment of notes payable	(40,981,877)	(14,144,752)
	<u>(18,076,529)</u>	<u>12,037,398</u>
Net Cash Provided (Used) by Financing Activities		
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(9,459,629)</b>	<b>(1,037,742)</b>
Cash and cash equivalents at beginning of years	<u>10,436,321</u>	<u>11,474,063</u>
Cash and cash equivalents at end of years	<u>\$ 976,692</u>	<u>\$ 10,436,321</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest received	<u>\$ 6,611,108</u>	<u>\$ 6,009,556</u>
Interest paid	<u>\$ 4,182,524</u>	<u>\$ 4,624,510</u>

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

**CHURCH EXTENSION LOAN FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

**Organization and Purpose:**

The Church Extension Loan Fund, Inc., is a nonprofit organization under the direction of the Free Will Baptist North American Ministries, Inc. located in Antioch, Tennessee. The purpose of the Fund is to loan money to Free Will Baptist Churches, primarily North American Ministries 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 \$321,030 unrelated business income for 2023 (\$259,181 for 2022).

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 net 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.

**CHURCH EXTENSION LOAN FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**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:

	<b>2023</b>	<b>2022</b>
Office equipment	\$ 49,387	\$ 49,387
Less: Accumulated depreciation	(49,387)	(49,387)
	\$ -	\$ -

**3. NOTES PAYABLE**

Notes payable consist of 3.5 - 5.5% (2.5 - 4% in 2022) 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 Directors changes the interest rates on these notes payable as other interest rates change.

**4. RELATED PARTY TRANSACTIONS**

The Fund paid the Free Will Baptist North American Ministries, Inc. a management fee of \$1,451,500 (\$1,250,000 at December 31, 2022) to reimburse the North American Ministries for salary, rent and other expenses paid by the North American Ministries. The Fund had accounts payable to the North American Ministries in the amount of \$-0- (\$-0- at December 31, 2022).

Several directors and trustees were invested in the Church Extension Loan Fund's notes payable described in Note 3 at December 31, 2023. The interest rate paid on these notes was based on the balance of the account as prescribed by the program guidelines.



**CHURCH EXTENSION LOAN FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**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 \$16,216 (\$63,784 at December 31, 2022) were made during the year to the land funds of two North American Ministries' 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 North American Ministries 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, 2023 was \$187,750 (\$187,750 at December 31, 2022).

**6. CONCENTRATION OF CREDIT RISK**

The Fund maintains cash deposits in excess of the federally insured amount of \$250,000. At December 31, 2023, the excess amount over the federally insured limit was \$726,692 (\$10,186,321 in 2022). 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 \$0.00 (\$24,409,972 at December 31, 2022) invested with the Free Will Baptist Foundation, Inc. at December 31, 2023.

**7. CONCENTRATION**

Included in notes receivable at December 31, 2023 are nineteen loans which total \$66,434,430 (seventeen which total \$51,120,259 in 2022). This balance represents 67.09% (62.08% in 2022) of total notes receivable.

Notes payable include forty notes which total \$39,642,001 or 41.10% (forty-four notes which total \$52,361,683 or 45.53% in 2022) of total notes payable.

**8. 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, 2023, 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, 2021 through 2023 are subject to examination.

**CHURCH EXTENSION LOAN FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**9. IRREVOCABLE TRUSTS**

Three 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, 2023 amounted to \$69,680 (\$107,403 at December 31, 2022).

**10. 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:

	<b>2023</b>	<b>2022</b>
Investment in the Free Will Baptist Foundation	\$ -	\$ 24,409,972
Income earned on the trust	\$ 373,492	\$ 868,230

**11. 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 Free Will Baptist Ministries Partnership are as follows:

	<b>2023</b>	<b>2022</b>
Investment in the FWB Ministries Partnership	\$ 750,000	\$ 750,000
Income earned on the partnership	\$ -	\$ -

**12. INVESTMENT - THE FREE WILL BOARD OF RETIREMENT**

The Fund is invested in the institutional investment accounts of the Free Will Baptist Board of Retirement.

A summary of investments in the are as follows:

	<b>2023</b>	<b>2022</b>
Investment in the FWB Board of Retirement	\$ -	\$ 865,822
Income earned on the investment	\$ 161,320	(\$ 164,493)

**CHURCH EXTENSION LOAN FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**13. FAIR VALUE MEASUREMENTS**

The Fund's investments are reported at fair value in the accompanying statement of financial position.

	Fair Value Measurements at December 31, 2023		
	Fair Value	(Level 1)	(Level 2)
Investment in the FWB Foundation	\$ -	\$ -	\$ -
Invest. in the FWB Ministries Partnership	750,000	-	750,000
Investment in the FWB Bd of Retirement	-	-	-
	\$ 750,000	\$ -	\$ 750,000
	Fair Value Measurements at December 31, 2022		
	Fair Value	(Level 1)	(Level 2)
Investment in the FWB Foundation	\$ 24,409,972	\$ -	\$ 24,409,972
Invest. in the FWB Ministries Partnership	750,000	-	750,000
Investment in the FWB Bd of Retirement	865,822	865,822	-
	\$ 26,025,794	\$ 865,822	\$ 25,159,972

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 North American Ministries 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 7.0% (6.5% in 2022) over a fifteen to twenty year period except for churches still under construction which are required to pay interest only. The Board of Directors 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.

**CHURCH EXTENSION LOAN FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**14. NOTES RECEIVABLE - CONTINUED**

For secured collateral dependent loans, collateral values are updated at least annually and subsequent declines in collateral values are charged-off resulting in incremental provision for credit loss. Subsequent increases in collateral values may be reflected as an adjustment to the allowance for credit losses to reflect the expectation of recoveries in an amount greater than previously expected.

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 is one note that management feels it will have trouble collecting. Accordingly, an allowance for doubtful accounts of \$34,729 (\$802,418 in 2022) 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:

	<b>2023</b>	<b>2022</b>
Beginning balance	\$ 802,418	\$ 879,043
Loan written off	(802,418)	-
Current year provision	34,729	(76,625)
Ending balance	\$ 34,729	\$ 802,418

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:

	<b>2023</b>	<b>2022</b>
Loans evaluated individually	\$ 34,729	\$ 802,418

The ending balance of notes evaluated individually as follows:

Loans evaluated individually	\$ 36,845,217	\$ 25,532,243
------------------------------	---------------	---------------

**15. COLLATERAL DEPENDENT LOANS**

A loan is considered collateral-dependent when the borrower is experiencing financial difficulty and repayment of the loan is expected to be provided substantially through the operation or sale of the collateral. Loans considered collateral-dependent were as follows:

	<b>Collateral Type</b>	<b>Amortized Cost</b>	
		<b>2023</b>	<b>2022</b>
Church mortgage loans	Commercial real estate	\$ 36,845,217	\$ 25,532,243



**CHURCH EXTENSION LOAN FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**16. 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, 2023 was \$-0- (\$-0- for 2019).

The following tables provide informative data at December 31, 2023 and 2022 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, 2023		For the Year Ended December 31, 2023	
	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	\$36,845,217	\$ 34,729	\$ 1,315,901	\$ -

	December 31, 2022		For the Year Ended December 31, 2022	
	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	\$25,532,243	\$ 25,532,243	\$ 802,418	\$ 1,021,290
	\$25,532,243	\$ 25,532,243	\$ 802,418	\$ -



**CHURCH EXTENSION LOAN FUND, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**17. 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, 2023. 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	\$ 61,572,815	\$ 3,656,672	\$ 1,209,026	\$ 31,979,519	\$ 36,845,217	\$ 98,418,032	\$ 2,474,734	\$ 29,504,785

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.

**CHURCH EXTENSION LOAN FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**18. 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.

	<b>2023</b>	<b>2022</b>
Financial assets at year-end	\$ 101,323,606	\$ 118,609,163
Less those unavailable for general expenditures within one year due to:		
Reserved for holders of notes payable	( 96,451,382)	( 115,003,277)
Reserved for holders of irrevocable trusts	( 850,494)	( 875,128)
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	\$ 1,833,980	\$ 543,008

**19. SUBSEQUENT EVENTS**

Subsequent events have been evaluated by Management through April 26, 2024 which is the date the financial statements were available to be issued.

**20. WELCH COLLEGE LINE OF CREDIT**

The Fund entered into an agreement with Welch College to provide them a line of credit. The line of credit note is for \$1,500,000 and is dated September 25, 2020. The interest rate on the line of credit is 4.5% per year. As of the end of the 2023 the balance on the account was \$1,213,611 (\$600,000 at December 31, 2022).

**21. ACCOUNTING STANDARDS ADOPTED IN THE CURRENT FISCAL YEAR**

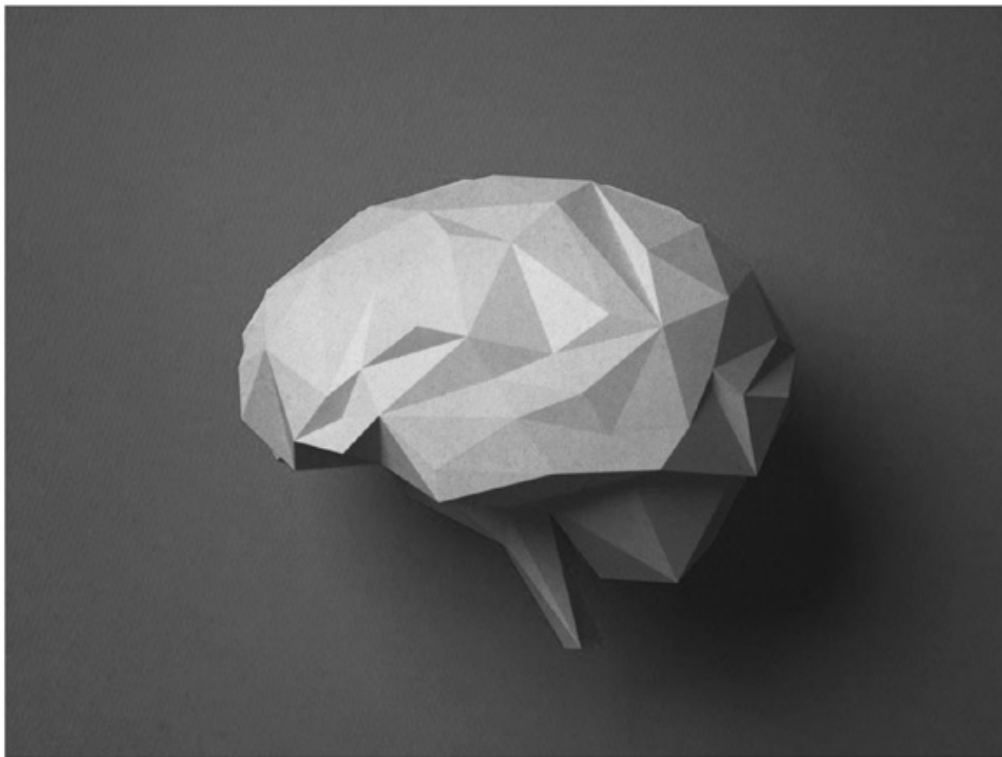
In February 2016, the Financial Accounting Standards Board ("FASB") issued new guidance on the measurement of current expected credit losses ("CECL") on financial instruments. The FASB has subsequently issued additional guidance amending certain aspects of the measurement of CECL. The new guidance has replaced the incurred loss methodology of recognizing credit losses on financial instruments with a methodology that estimates the expected credit loss on financial instruments and reflects the net amount expected to be collected on the financial instrument. The Fund computes its allowance based on its access to collateral. Accordingly, there has been no change in financial information for periods prior to the date of initial application.

# BOARD OF RETIREMENT 2024

John Brummitt, President and CEO

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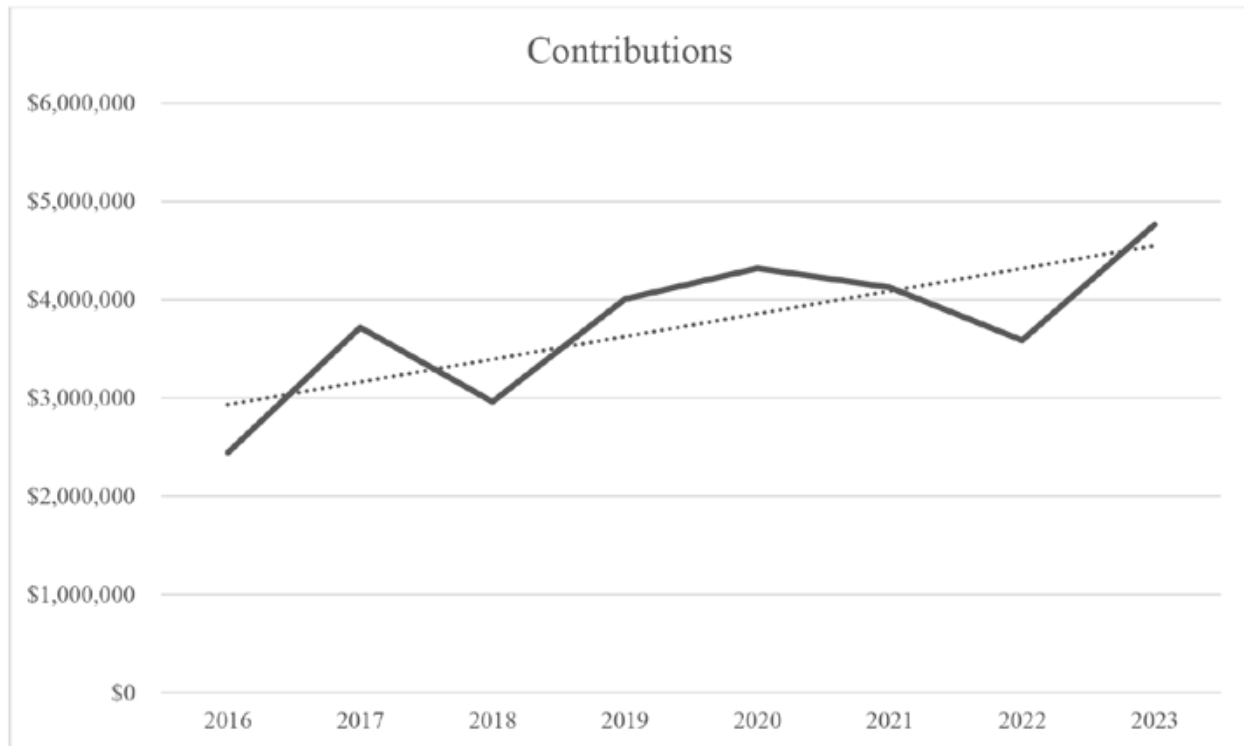
James 1:5 “if any of you lacks wisdom, let him ask God, who gives generously to all without reproach, and it will be given him.



## 2023 LOOK BACK

2023 was a positive year for the office again. We had a new record in retirement contributions added to the plan last year. Bumping our 8-year average up to \$3.7MM in retirement contributions. This was a big bounce back from 2022 when we saw retirement contributions drop. Part of this is tied to market fluctuation. If the markets are down, like in 2022, participants are more likely to hold contributions, but when markets are up, like in 2023, we see additional contributions come into the plan. While this is counterproductive for our participants, it is their choice of how they send in contributions. We continue to educate our participants on remaining consistent with their contribution through the ups and downs in the

markets so they will average out the best return on investments. Rather than buying high and not purchasing when investments go on sale. We have increased our year average for new contributions to retirement by 53% over the last 8 years.



2023 was our second-highest year in new enrollments, with 142, surpassing what we were able to do in 2022, which was our previous second-highest year. We have added focus to large employer groups like schools, daycares, and large churches to continue to grow our participant base, since many did not realize we were an option for them. We have added over 1,000 new participants in the last 8 years. Much of the increase has been due to changes in plan design. Adding outside recordkeepers and updating our investment offerings have made us more attractive to larger employers that have had other retirement funds in the past. We are continuing to transition groups who were using other providers to switch to us because our services and returns have outperformed what they had previously.

	2017	2018	2019	2020	2021	2022	2023
<i>Enrollments</i>	125	123	183	96	95	133	142
<i>Contributions</i>	\$3,716,839	\$2,961,546	\$4,008,889	\$4,321,421	\$4,123,929	3,588,293	\$4,764,976
<i>Institutional</i>	\$1,835,000	177,040	1,859,604	2,113,220	9,401,096	13,396,776	739,255
<i>Total</i>	\$5,551,839	3,138,587	6,060,209	6,434,642	13,525,025	16,985,059	5,504,231

While total contributions were down from previous years. Much of which had to do with our Institutional Investment Accounts. In 2021 and 2022, we had massive deposits from institutions. In 2023, we saw a few of those institutions need to make massive withdrawals from their investments. For us, while we would like to have more assets under management, big drawdowns like this don't limit what we are able to do for our

participants, which is our main focus. We are still seeing quite a bit of interest in our institutional investment accounts. We have had multiple conversations with different churches and ministries about starting accounts for their future ministries.

When they compare the possible returns we provide for our participants to what they can expect from their local bank or other investment options, we become very competitive. One of the only issues we have heard from any of them is getting the church people to understand the risk/reward trade-off for our accounts compared to the current way they are holding their funds. Inflation has eaten away a lot of the buying power our churches have had from funds sitting, earning low returns. Understanding the need to keep up with or beat inflations keeps the church from losing its buying power and savings and allows the savings to work for the kingdom work the church is doing. (like we see in Matt. 25)

We have also started traveling to do some church consulting. I have met on-site and over the phone with churches to discuss financial strategy for churches and to look for opportunities for future growth. Also, we have been asked to consult with other ministry groups to make recommendations and provide guidance on financial strategy. What we are doing here at our office is being noticed by others around the denomination and outside of the denomination. We can be thankful to God for the blessings He has brought.

## SETTLEMENTS

Settlements in 2022 and 23 we continued to see more funds cashouts and rollovers than participants moving into our annuity and self-directed pools. While 2022 was closer to being even, we saw a bigger flip to cashouts and very heavy rollovers. Rollovers have been the most concerning. Usually, it is initiated by a financial advisor who requests the rollover for the participant. While we try to advise the participant on what they will be giving up if they are to roll over the funds from a 403(b)(9) to an IRA, with the loss of housing allowance for ordained ministers as well as our annuity program that pays at 100% for surviving spouse with our joint option (an uncommon benefit in the annuity plan world).

The question is, why would they give this up?

Most of the conversations we have had fall back to two main reasons. One is that they start the process with the financial advisor and usually sit in their office when we find out about it for the first time. The financial advisors don't understand the benefits they are giving up and are motivated by the commission they will receive on the rollover. Second, recent rate increases have made other annuity programs or payout rates look more attractive. Since the Fed rate is over 5%, then, outside annuities can offer higher rates. The fine print on these usually is not discussed in detail. Several I have seen may say the rate is 7%, but they don't take into account management fees and other fees they charge that reduce the rate back down. Often, financial advisors don't understand housing allowances, or they neglect to take into account the tax savings on the total return of the investment dollars. Overall, though, it is hard to compete with an advisor who is a relative or church member. It isn't just our office that is affected by this. We have had multiple conversations with other denominational plans about how to protect participants from making the mistake of rolling out funds and losing the housing benefit.



## INVESTMENTS

**2023** December

Pre Set Allocation Models	QTD	YTD	3 Year	5 Year	10 Year	20 Year	LTD
<b>Default</b>	10.370%	32.050%	7.420%	12.418%	7.230%	6.494%	7.677%
<b>Set Rate</b>	0.499%	2.000%					2.000%
<b>Moderate</b>	7.120%	22.290%	4.709%	9.994%	5.325%		5.371%
<b>Maximum</b>	11.870%	37.620%	11.092%	16.747%	10.223%		10.945%
<b>Individual Asset</b>							
<b>Large Cap Value*</b>	10.310%	39.340%					13.585%
<b>Large Cap Growth*</b>	18.040%	60.650%					-0.449%
<b>All Cap Growth*</b>	12.680%	44.560%					15.273%
<b>REIT*</b>	14.580%	14.970%					0.608%
<b>Intermediate Fixed*</b>	4.670%	5.140%					-1.788%
<b>Short Term Fixed*</b>	2.660%	4.720%					1.995%

\* Beginning May 2022

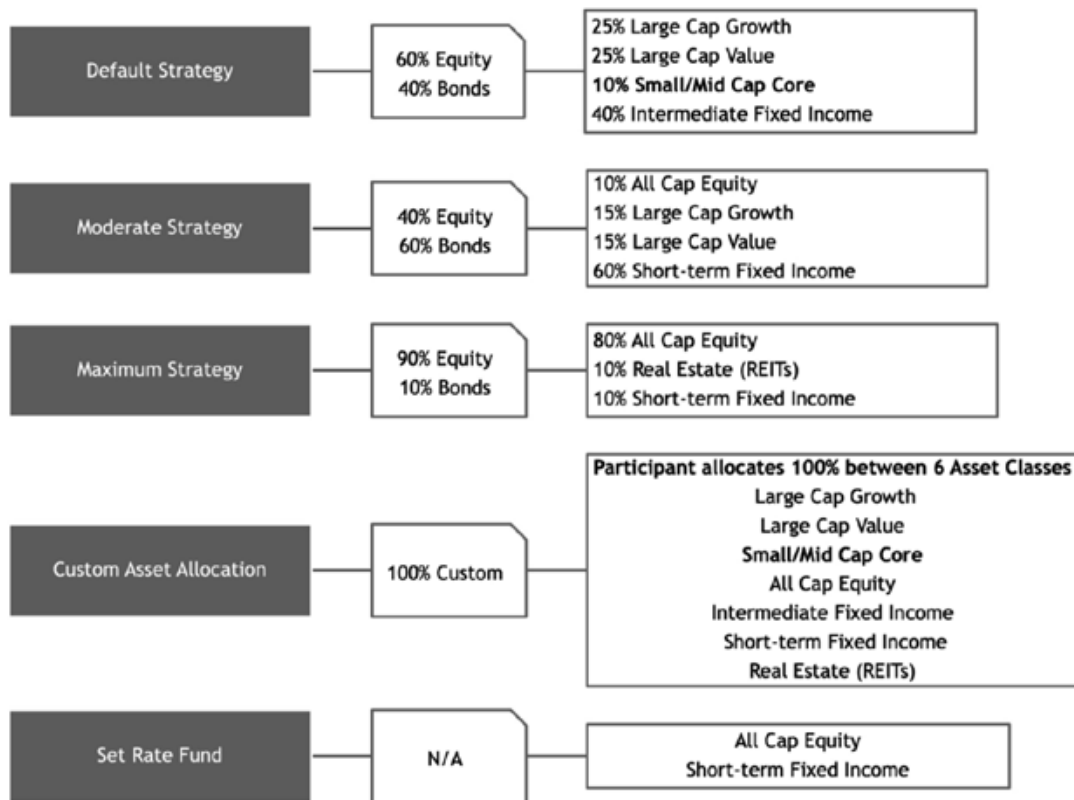
2023 was a tremendous year for our investments. We saw our investments grow at an aggressive rate last year. Markets reversed the trend from 2022.

This year, we started expanding our investment offerings by adding a new asset class to our lineup. We started the process of searching for a Small—and Mid-cap manager to add to our lineup of options. Our lineup already included large caps and All-Caps, so the next asset class we were looking to add was a Small or Mid-Cap fund. We decided to combine those and hire an SMID manager who operates in both Small and Mid-Cap companies.

Mid-cap companies have capitalizations between \$2 billion and \$10 billion, while small-cap corporations have capitalizations between \$250 million and \$2 billion. Although these amounts can vary from manager to manager in terms of how they define small, mid, and large, those are generally the accepted ranges.

Our board expanded our fund offering at our spring meeting to provide additional diversification and new investment options for our participants in preparing for their retirement.

The new option has been up and running since March 1st. With the addition of the new option, we slightly changed the structure of the Default strategy. While we did not reallocate existing accounts to the new breakdown, we did reallocate a small portion of the Default strategy into SMID.



Moving forward, all new money coming into Default will follow the 25/25/10/40 breakdown. The default remains 60/40 equity to bond breakdown but now adds diversification in the equity holdings to be outside of large-cap companies. This also allowed us to offer the SMID Core as a stand-alone option for participants who want to develop their own portfolio makeup. Adding more choices allows us to attract more participants who weren't satisfied with only one or two options. We have received very positive feedback from participants with the additional choices, but keeping our original options allows others who aren't interested in creating their own, a simple understandable options.

## SET RATE FUND UPDATE

In 2021, we established our Set Rate fund. The goal is to grow and extend this fund to the point that it could have an attractive rate set. 2022 held back a lot of our efforts with the Fed increasing rates so quickly, and 2023 rebounded greatly and created some opportunities for the fund. In the long run, the rising rates will play in our favor as our bonds will be able to pick up more returns and will provide us with a better baseline in our portfolios. Everyone is expecting the Fed to cut rates sometime in 2024 unless inflation remains sticky as it has been so far this year.

Because of the rebound in 2023, the board approved us to increase the Set Rate Fund. In July of 2024, we increased the rate from 2% to 3%. We are focusing more on protection than anything else with this fund. Increasing the rate of return will make the fund more attractive to our participants and institutions that are looking for a stable investment for their funds to grow but not be subject to the volatility of the market.

Participants are able to select a portion of their portfolio to be in the Set Rate Fund or up to 100% of their portfolio. For many participants, this is a very attractive fund, allowing them some growth while focusing mainly on protecting their assets accumulated for future ministry.

*But seek the welfare of the city where I have sent you into exile, and pray to the Lord on its behalf, for in its welfare you will find your welfare. Jeremiah 29:7*

## GROWTH, 3 FOR 30, AND OUTREACH

Since 2016, we have focused heavily on outreach and growing this department. When executive started their 3 for 30, we were able to lay the goals we had already been working into the overall plan; our 3 for 30 goals are listed below:

1. Increase the average account balance of our participants.
2. Increase the percentage of participating denominational employers.
3. Expand financial opportunities for FWB churches.

In 2016, we had just rolled over \$54MM in assets under management; now, we are over \$115MM. If you look at our overall growth of assets under management, we have averaged around 14% growth per year over the last 8 years. We have grown the number of participants in the plan to over 1,800, even though we are top-heavy with participants in the retirement zone (age 59+). Our average age is still hovering around 51. We have increased the average account balance to over \$46K, even with adding over 1,000 new participants over the last 8 years. While this is well below where our participants should be for their average account balance, it is up almost \$11K from where it was just a few years ago.

When I started at the office in 2006 we had around \$3.5MM dollars in our annuity pool. We now have over \$20MM in our annuity and self-directed pools. We are also paying out over \$200k per month in monthly payments to these retirees. (\$2.45MM per year)

We are continuing to work on our goals. While the Lord has truly blessed our office, I believe He is not finished with us or our participants yet. We are continuing to focus on schools and large employers using our plan, while also servicing our churches where the pastor is their only employee. The changes we have made to our plan over the last several years have made us more attractive to churches and organizations that didn't use us before. We have had a growing interest in our institutional investing program and continue to add more accounts. As churches and organizations are seeing the benefits of long-term ministry planning.

We are working on partnering with our National and State agencies in order to serve our denomination and our participants better. Working with our FWB colleges, teaching classes/seminars to our college students, working with NAM to partner in their boot camps, and working to gain access to participants who may attend one or two events but may not go to anything else the denomination puts on. We are also trying to get up with each state to see what we can do to partner with them and their ministers to provide resources at their events as well.

## COMMUNICATION

Since 2021, we have been using a contract employee to help coordinate and manage our social media, newsletters, blog posts, and overall communication plan. She has done an incredible job keeping us consistent on posts and having a presence on social media. Over the last few years, we have really worked to establish ourselves as a resource for our people, whom they can reach through several different avenues.

As culture shifts we need to make sure we are staying up with the latest communication trends and have resources and content in the place our people want to receive it. Just as mailings were replaced by eblast we need to make sure we are having content that is searchable for when participants decide they are ready to receive it. Our social media has been a useful resource for our participants and future participants in gaining the information they were looking for in the time they were looking for it.

# re:invest

Our Re:Invest Podcast and financial education platform has been a key in providing additional information for our participants and the denomination for the last few years. We are posting the podcast and adding additional resources for the denomination at [www.reinvestfwb.com](http://www.reinvestfwb.com). We have developed educational materials, downloadables, and calculators to help any FWB to better their financial outlook on this website.

Last year, we put a pause on our podcast. With scheduling and travel for the office, we needed more time to sit down and record. This year has started off much better, and we already have recorded and posted multiple podcasts. If you don't receive the podcast, you can download it through Apple Podcast, Stitcher, Google Play, or wherever you listen to your podcast. Just search for the Re:invest Podcast to catch up on our latest episodes. We have changed up the format a little this year, and I have asked Don Matchett, IM's Director of Development, and Eric Thomsen, Editor of ONE Magazine, to join me to talk through different financial topics that families and churches don't often talk about, but many will face. We try to talk about subjects that are relevant to all FWBs either in their personal financial walk, i.e., dealing with aging parents and while still raising a family to how much help for our kids is too much, as well as the church financial side, i.e., running a business meeting to why the church should double check their insurance policies. Feel free to check it out and share it with your church. Also, if there is a topic that you would like to hear covered, please send your suggestions to [info@reinvestfwb.com](mailto:info@reinvestfwb.com).

RICHLAND AVE FINANCIAL



# Richland Ave

## FINANCIAL

A FREE WILL BAPTIST MINISTRY



We presented to the National to rename our department and expand the language as to whom we can serve. The name was chosen because of the history of FWB for the location on Richland Ave. Our first National headquarters was located there as well as Welch College for many years. We wanted a name that reflects our FWB history and could also expand our current ministry. With the name change, we are also looking to expand our services to other groups that follow our beliefs as FWB. Groups we are already serving or partnering with through other National agencies, partners of IM Inc., Randall House, and others that may not have FWB in their name but still follow our core beliefs and often use our FWB students from our colleges. We also have FWB pastors who are not serving in FWB churches and still need retirement services. We receive more and more requests about bringing in others, but we need room in our charter to be able to serve.

The opening up of our services gives us more opportunities to branch out to other core belief groups. We are not changing who is allowed to vote or be elected to our board of directors; it only opens up who can enroll in our program. This will allow us more opportunities to enhance and expand our current plan for our participants.

The main goal in all of this is to drive new assets into the plan so that we can grow and offer more services to our participants. The more we grow, the more services we can offer, and the better we can make our plan for our FWB denomination.

## CONCLUSION

I am genuinely thankful for this department and the work that the Lord has entrusted us to do for our denomination. Retirement is not at the forefront of everyone's mind, especially when we are young, but it gets increasingly pushed forward as we age. Our office is here as a trusted resource for the workers of our denomination and its member churches.

If you have not started saving for your retirement or have not set something up for your pastor, please contact our office or swing by our booth and talk with us about getting started. Starting as soon as possible makes accumulating the amount of assets needed in retirement much easier, with you allowing time and compounding interest to work in your favor. Also, church and institutions you should be planning for your future ministry as well. Setting aside funds that can grow and compound for events we know are coming in the future. Expansion of our ministries or major repairs to our facilities.

We are here to help serve our denomination in the work the Lord has called us to do.

In Him.



## **Board of Retirement**

### *Synopsis of 2023 Board Meetings*

#### ♦ **March 20-21, 2023**

All board members present except James Beasley, Joel Franks, and Mike Gladson; John Brummitt and Chris Compton were also present. Reports presented, discussed, and approved included: Director's Report, Financial Report, and Auditor's Report.

A motion was made and carried to elect the following slate of officers as a whole:

#### Board Officers

Lance Boyer, Chair

Randy Wilson, Assistant Chair

Don Myers, Secretary

Clayton Hampton, Assistant Secretary

Appointments to standing committees were as follows:

#### Investment and Audit Committee

Randy Wilson, Chair

Joel Franks

Josh Chapman

William Smith

#### Budget Committee

Don Myers, Chair

Clayton Hampton

Brent Nix

Travis Moots

Motions made and carried included:

1. CEO John Brummitt to move forward with a name change proposal to be presented at the 2023 convention.
2. To approve draft audit as presented by Forvis.
3. To hire Joel Collum, CPA for the 2023 audit.
4. To approve the 2024 budget.

#### ♦ **December 6, 2023**

All board members were present; John Brummitt and Chris Compton were also present. Reports presented, discussed, and approved included: Director's Report and Financial Report.

Motions made and carried included:

1. To approve the revised handbook with NAFWB policy incorporated.
2. To allow CEO John Brummitt to continue research regarding annuity pool diversification.
3. To approve Summary Plan document presented updates.
4. To schedule the 2024 Spring board meeting for March 25-26 in Nashville.

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

**COMBINED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**DECEMBER 31, 2023**

**TABLE OF CONTENTS**

	Page
<b><i>COMBINED FINANCIAL STATEMENTS</i></b>	
Independent Auditor's Report	1
Combined Statement of Financial Position	3
Combined Statement of Activities and Changes in Net Assets	4
Combined Statement of Functional Expenses	5
Combined Statement of Cash Flows	6
Notes to the Financial Statements	7



**Joel D. Collum, Jr.**  
Certified Public Accountant

### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the  
Board of Retirement and Insurance of the  
National Association of Free Will Baptists, Inc.  
Antioch, Tennessee

#### **Opinion**

I have audited the accompanying combined financial statements of The Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc. (a nonprofit organization), which comprise the combined statement of financial position as of December 31, 2023, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In my opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of The Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of my report. I am required to be independent of The Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Responsibilities of Management for the Combined Financial Statements**

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc.'s ability to continue as a going concern within one year after the date that these combined financial statements are available to be issued.

#### **Auditor's Responsibilities for the Audit of the Combined Financial Statements**

My objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance

and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

A handwritten signature in black ink that reads "Joel D. Colburn, Jr., CPA". The signature is written in a cursive, flowing style.

Nashville, Tennessee  
March 16, 2024



**BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
COMBINED STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2023**

**ASSETS**

	<b>2023</b>
<b>OPERATING ASSETS</b>	
Cash and cash equivalents	\$ 172,824
Investments	1,683,581
Receivable and other assets	248,104
Property and equipment, net of accumulated depreciation	63,497
Total operating assets	2,168,006
<b>RETIREMENT ASSETS</b>	
Cash and cash equivalents	232,611
Investments	112,267,937
Participant loans and other receivables	567,386
Total retirement assets	113,067,934
<b>TOTAL ASSETS</b>	<b>\$115,235,940</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>	
Accounts payable and accrued expenses - operating	\$ 20,820
Accounts payable and accrued expenses - retirement	256,470
Institutional investing program	14,687,343
Held for benefit of annuitants	16,209,118
Self-directed investments	4,600,962
Total liabilities	35,774,713
<b>NET ASSETS</b>	
Net assets without donor restrictions	2,090,182
Net assets with donor restrictions	57,004
Net assets available for benefits	77,314,041
Total net assets	79,461,227
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$115,235,940</b>

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

**BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Operations</u>	<u>Retirement</u>	<u>Total</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>			
Contributions from participants			
Contributions to participant accounts	\$ -	\$ 4,765,596	\$ 4,765,596
Net unrealized and unrealized gains (losses)	422,990	19,590,795	20,013,785
Interest and dividends	-	1,350,082	1,350,082
Other income	65,805	3,260	69,065
Net assets released from restrictions	-	-	-
Total revenue, gains and other support	<u>488,795</u>	<u>25,709,733</u>	<u>26,198,528</u>
Expenses			
Participant benefits	-	4,946,830	4,946,830
Administrative expenses	758,708	-	758,708
Total expenses	<u>758,708</u>	<u>4,946,830</u>	<u>5,705,538</u>
Other changes - gain (loss)			
Actuarial change in the value of annuitant liability	-	777,651	777,651
Intercompany service fee	953,463	(953,463)	-
Total investment income	<u>953,463</u>	<u>(175,812)</u>	<u>777,651</u>
Change in Net Assets Without Donor Restrictions	<u>683,550</u>	<u>20,587,091</u>	<u>21,270,641</u>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>			
Grant income	-	-	-
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets With Donor Restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total Changes in Net Assets	683,550	20,587,091	21,270,641
Net Assets, Beginning of Year	<u>1,463,636</u>	<u>56,726,950</u>	<u>58,190,586</u>
Net Assets, End of Year	<u>\$ 2,147,186</u>	<u>\$77,314,041</u>	<u>\$79,461,227</u>

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

**BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Program Services</u>		<u>Supporting Services</u>	<u>Total</u>
	<u>Retirement</u>	<u>Operations</u>	<u>Operations</u>	
<b>EXPENSES AND OTHER DEDUCTIONS</b>				
Withdrawals from participants	\$ 2,481,576	\$ -	\$ -	\$ 2,481,576
Defaulted participant loans	30,483	-	-	30,483
Transfers to annuities by participants	722,117	-	-	722,117
Transfers to self-directed by participants	717,273	-	-	717,273
Income allocated to annuitant obligations	763,069	-	-	763,069
Income allocated to self-directed accounts	229,915	-	-	229,915
Service fees	2,397	-	-	2,397
Salaries	-	228,085	12,004	240,089
Housing	-	35,150	1,850	37,000
Fringe Benefits	-	107,638	5,665	113,303
Travel and promotional	-	29,590	29,590	59,180
Auto maintenance and expense	-	4,909	4,909	9,818
Office supplies and expense	-	136,410	7,179	143,589
Occupancy	-	40,427	2,128	42,555
Board members expense	-	10,030	10,029	20,059
Legal and accounting	-	17,865	53,595	71,460
Grant expense	-	-	-	-
Depreciation	-	-	20,064	20,064
Annuitant benefit payments	-	591	-	591
Other	-	950	50	1,000
Total deductions	<u>\$ 4,946,830</u>	<u>\$ 611,645</u>	<u>\$ 147,063</u>	<u>\$ 5,705,538</u>

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

**BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
COMBINED STATEMENT OF CASH FLOWS  
DECEMBER 31, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Increase (decrease) in net assets	\$ 21,270,641
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	20,064
Realized and unrealized (Gain) loss on investments	(23,169,214)
Actuarial change in value of annuitant liability	(777,651)
Transfers to annuities by participants	735,063
Transfers to self-directed by participants	717,273
Income allocated to annuitant obligations	763,966
Income allocated to self-directed accounts	229,915
Income allocated to institutional investments	3,159,099
Changes in operating assets and liabilities:	
(Increase) decrease in receivables and other assets	(46,216)
Increase (decrease) in accounts payable and accrued expenses	<u>21,187</u>
Net Cash Provided (Used) By Operating Activities	<u>2,924,127</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchases of property and equipment	-
Purchase of investments	(53,614,148)
Sales and maturities of investments	67,132,606
Increase in sweep investments	(948,994)
Increase in Matrix investment	<u>(76,761)</u>
Net Cash Provided (Used) By Investing Activities	<u>12,492,703</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Distributions to self-directed investment beneficiaries	(939,839)
Distributions to annuitants	(1,447,165)
Contributions to institutional investing program	739,255
Distributions from institutional investing program	<u>(13,791,432)</u>
Net Cash Provided (Used) by Financing Activities	<u>(15,439,181)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(22,351)
Cash and cash equivalents at beginning of years	<u>427,786</u>
Cash and cash equivalents at end of years	<u>\$ 405,435</u>

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

**BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc. (Corporation) is a nonprofit corporation organized under the laws of the state of Tennessee operated under the auspices of the National Association of Free Will Baptists, Inc. The combined financial statements also include the accounts of the Retirement Pension Plan of the National Association of Free Will Baptist (Plan), which is a non-ERISA church plan within the meaning of Section 414(e) of the Internal Revenue Code (collectively referred to as “the Board”).

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, 2019.

**Principles of Combination**

The Board has determined that presenting combined financial statements are more meaningful than separately presented financial statements. The combined financial statements include the accounts of the Corporation and the Plan.

**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.

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



**BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES - CONTINUED**

**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 and 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.

**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. Transfer to annuities and participant directed accounts are reflected as benefit payments when the transfer occurs.

**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 Corporation, to terminate the Plan.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

**BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES - CONTINUED**

**Cash**

At December 31, 2023, the Board's cash accounts exceeded federally insured limits by approximately \$155,435.

**Investments and Investment Return**

The Board measures investments at fair value.

Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

The Board invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying combined statements of financial position.

**Property and Equipment**

Property and equipment acquisitions over \$1,000 are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Office furniture and fixtures	5 - 10 years
Computer hardware and software	5 years
Automobiles	5 years

**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, but can be withdrawn by the churches and church organizations.

**BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES - CONTINUED**

**Net Assets**

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

When a donor 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 combined statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Net assets available for benefits represent the net assets of the retirement fund which are designated for payment of participant benefits.

**Service Fee**

The operating fund receives compensation for certain provided services through a service fee. Service fees are collected and recognized quarterly based upon services provided during the quarter.

**Income Taxes**

By virtue of its inclusion in the group exemption ruling of the National Association of Free Will Baptists, Inc., the Board is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. Since the Board is not required to file tax returns in the U.S. federal jurisdiction, the Board could be subject to U.S. federal examinations by tax authorities for all years since incorporation.

**Functional Allocation of Expenses**

The costs of supporting the various programs and other activities have been summarized on a functional basis in the combined statements of activities. Certain costs have been allocated among the program services and operations based on the actual direct expenditures and cost allocations based upon estimates of time spent by personnel.

**BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Subsequent Events**

Subsequent events have been evaluated through March 16, 2024, which is the date the combined financial statements were available to be issued.

**2. INTERCOMPANY TRANSACTIONS**

The combined financial statements of the Board include the activities of the Board's operating fund and retirement fund. The operating fund's purpose is to provide administrative support to the retirement fund and to capture financial activity unrelated to the retirement fund. The retirement fund's purpose is to capture financial activity of the Board's 403(b)(9) program.

The retirement fund is charged a quarterly service fee from the operating fund, this fee totaled \$953,463 for 2023. The operating fund has recorded service fee revenue of this amount and the retirement fund has reflected this expense within administrative expenses on the combined statements of activities. Additionally, the fourth quarter fees totaling \$248,592 was unpaid as of December 31, 2023 and is reflected as a receivable of the operating fund and a payable of the retirement fund.

**3. INVESTMENTS**

The Board's investment are as follows:

	<b>2023</b>	
	<u>Operating</u>	<u>Retirement</u>
Cash sweep accounts	\$ 1,683,581	\$ 4,228,801
Common stocks	-	72,913,912
Equities - structured products	-	2,213,538
U.S. Government issues	-	19,884,650
Corporate bonds and notes	-	8,422,927
Fixed income funds	-	1,081,235
Asset backed securities	-	3,306,739
Accrued interest	-	216,135
	<u>\$ 1,683,581</u>	<u>\$112,267,937</u>

**BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**4. PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2023 consists of:

	<b>2023</b>
Office furniture and fixtures	\$ 37,500
Computer hardware and software	163,810
Automobiles	97,602
	298,912
Less: Accumulated depreciation	(235,415)
	<u>\$ 63,497</u>

**5. 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, 2023, the recorded liability amounted to \$16,209,118. The Board uses the Mortality Table 2012 IAM and a discount rate of 5%.

The comparison of the annuity reserve account (included in investments) to the liability is as follows:

	<b>2023</b>
Annuity reserve account	\$ 14,451,528
Held for benefit of annuitants	(16,209,118)
Excess (deficit) of annuity reserve account over (under) liability	<u>\$ (1,757,590)</u>

**6. 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, investments for this plan are segregated. At December 31, 2023, the recorded liability amounted to \$4,600,962.

The comparison of the self-direct reserve account (included in investments) to the liability is as follows:

	<b>2023</b>
Self-direct reserve account	\$ 4,734,036
Self-direct liability	(4,600,962)
Excess (deficit) of self-direct reserve account over (under) liability	<u>\$ 133,074</u>



**BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**7. LEASES**

The Board leases 2,324 square feet of office and storage space from an affiliate on a year to year lease. Total lease payments totaled \$42,555 for the year ended December 31, 2023.

**8. ENDOWMENT**

**Interpretation of State Law**

The Board has an endowment fund with the Free Will Baptist Foundation (Foundation). The endowment was established by the Board for the benefit of the Board to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the State of Tennessee Prudent Management of Institutional Funds Act (SPMIFA) as requiring 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, when reviewing its donor-restricted endowment funds, the Board considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Board has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the Board considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Board and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Board
7. Investment policies of the Board

**BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**8. ENDOWMENT - CONTINUED**

**Investment and Spending Policies**

The Board has invested these funds at the Foundation and the investments are invested in accordance with the Foundation's investment policies. The Foundation pools its assets for investment purposes. Investment activity is allocated based on the fund's percentage share of the total portfolio.

The spending of the Board permits spending on the interest and dividend earnings of the endowment received for the benefit of annuitants. With this policy, the Board intends to protect the corpus of the endowment and allow the corpus to grow with realized and unrealized investment return.

The composition and changes in the endowment as of and for the years ended December 31, 2023 was:

	<b>2023</b>
	Without Donor Restrictions
Balance, beginning of year	\$ 46,498
Contributions	1,250
Investment return	2,504
Balance, end of year	\$ 50,252

**9. DISCLOSURES ABOUT FAIR VALUE OF ASSETS**

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1**      Quoted prices in active markets for identical assets or liabilities
- Level 2**      Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3**      Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

**BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**9. DISCLOSURES ABOUT FAIR VALUE OF ASSETS - CONTINUED**

**Recurring Measurements**

The following table presents the fair value measurements of assets recognized in the accompanying combined statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2023:

	Fair Value	2023 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stocks	\$ 72,913,912	\$ 72,913,912	\$ -	\$ -
Equities - structured products	2,213,538	-	2,213,538	-
U.S. Government issues	19,884,650	19,884,650	-	-
Corporate bonds and notes	8,422,927	8,422,927	-	-
Fixed income funds	1,081,235	1,081,235	-	-
Asset backed securities	3,306,739	-	3,306,739	-
	<u>\$107,823,001</u>	<u>\$102,302,724</u>	<u>\$ 5,520,277</u>	<u>\$ -</u>

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying combined statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2023.

**Investments**

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

**BOARD OF RETIREMENT AND INSURANCE OF  
THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**10. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of December 31, 2023, comprise the following:

	<b>2023</b>
Operating cash	\$ 172,824
Operating investments	1,683,581
Total liquid financial assets	1,856,405
 Board designated endowment	 (57,004)
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 1,799,401

The Board manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these principles, the Board forecasts its future cash flows and monitors its liquidity quarterly and monitors its reserves annually

## Board of Retirement & Insurance

Proposed Budget for 2025

	2023 Actual	2023 Budget	2024 Budget	2025 Proposed Budget
<b>Revenue</b>				
Service Fees From Retirement	953,462.83	792,000.00	792,000.00	830,000.00
Insurance Administrative Fees	205.00	250.00	250.00	250.00
The Together Way	56,465.68	58,500.00	58,500.00	56,000.00
Other State Gifts	415.00	300.00	300.00	300.00
Rest Of The Family Offering	5,417.34	1,700.00	1,700.00	1,700.00
Reimbursement From Foundation	0.00			
Interest Income - Checking Savings	2,544.76	100.00	100.00	500.00
Interest Income - Future Purchases	3,422.13	-	-	-
Investment Income - Annuitants	2,462.59	-	-	-
Investment Income - Endowment	3,753.91	-	-	-
Investment Income - Net Assets BOR	249,709.32	-	-	-
Investment Income - Net Assets UBS	161,097.92			
Gain Loss On Sale Of Assets	-	-	-	-
Grant Income - Building Future	-	-	-	-
Miscellaneous Income	3,301.84	3,000.00	3,000.00	3,000.00
<b>Total Revenue</b>	<b>1,442,258.32</b>	<b>855,850.00</b>	<b>855,850.00</b>	<b>891,750.00</b>
<b>Expenses</b>				
Salaries and Wages	240,088.56	269,517.82	269,517.82	277,683.78
Fringe Benefits	113,303.38	130,000.00	130,000.00	140,000.00
Housing	36,999.56	37,000.00	37,000.00	37,000.00
Travel and Promotion	59,179.55	65,000.00	65,000.00	70,000.00
Auto Maintenance and Expense	9,818.15	8,000.00	8,000.00	9,000.00
Payments to Annuitants	591.00	-	-	-
Plant Fund	42,555.39	40,000.00	48,000.00	48,000.00
Office Expense	36,720.22	40,000.00	40,000.00	40,000.00
Equipment	13,460.04	10,000.00	10,000.00	15,000.00
Equipment Lease	5,374.07	2,000.00	6,000.00	6,000.00
Education/Training	17,440.57	20,000.00	20,000.00	22,000.00
Publications	25,090.92	30,000.00	30,000.00	30,000.00
Communications	40,446.70	52,000.00	52,000.00	45,000.00
Board Member Expense	20,059.37	20,000.00	20,000.00	25,000.00
Website Development/Maintenance	1,086.83	7,500.00	7,500.00	7,500.00
Legal Expense	24,601.00	20,000.00	30,000.00	30,000.00
Auditing Expense	46,859.00	35,000.00	30,000.00	30,000.00
Offsite Backup Storage	0.00	1,200.00	1,200.00	1,200.00
Software Support	13,675.55	50,000.00	35,000.00	20,000.00
Depreciation Expense	0.00	16,632.18	14,632.18	27,375.26
Miscellaneous Expense	999.91	2,000.00	2,000.00	10,990.96
To/From Retirement	2,500.00	-	-	-
<b>Total Expenses</b>	<b>750,849.77</b>	<b>855,850.00</b>	<b>855,850.00</b>	<b>891,750.00</b>
<b>Current Year Change</b>	<b>691,408.55</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Board of Retirement and Insurance

### Compensation Detail 2025 Proposed

<b>President and CEO: John Brummitt</b>	<b>2024 Approved</b>	<b>2025 Proposed</b>
Salary	\$118,732.61	\$124,669.24
Christmas	\$2,283.32	\$2,397.49
Retirement	\$11,873.26	\$12,466.92
<b>Total</b>	<b>\$132,889.19</b>	<b>\$139,533.65</b>

Medical, Dental, Vision and Life Insurance is provided.

<b>Accounting Administrator: Chris Compton</b>	<b>2024 Approved</b>	<b>2025 Proposed</b>
Salary/Housing	\$84,588.00	\$88,817.40
Christmas	\$1,626.69	\$1,708.03
Retirement	\$8,458.80	\$8,881.74
<b>Total</b>	<b>\$94,673.49</b>	<b>\$99,407.17</b>

Medical, Dental, Vision and Life Insurance is provided.

<b>Staff</b>	<b>2024 Approved</b>	<b>2025 Proposed</b>
Salary/Housing	\$88,447.69	\$95,259.70
Christmas	\$1,700.92	\$1,831.92
Retirement	\$8,844.77	\$9,525.97
<b>Total</b>	<b>\$98,993.38</b>	<b>\$106,617.59</b>

Medical, Dental, Vision and Life Insurance is provided.

# FREE WILL BAPTIST FOUNDATION

## Director's Report

Record Year (But not in a good way)

- Record year in asset decline.
- Most declines have been due to a down market, but not this year.
- A little more than \$32 million went out the door.
- How did it happen?
- \$24.5 million of the \$32 million was from one ministry, CELF.
- The Foundation has always looked for ways to help ministries through money management.
- We helped CELF by managing their unused loan funds.
- This allowed them to always keep their program open rather than constantly opening and closing according to loan demand.
- CELF could keep their program open, and the Foundation could still earn a service fee.
- It turned out to be a big hit and was a big driver in our growth over the last five years.
- It eventually reached \$24.5 million.
- Now, why did the money go out the door?
- Simple answer, many individuals and a few ministries asked for their money back.
- The same thing was happening to CELF; they also experienced loan demand because their loan rate was cheaper than bank loan rates.
- But the answer is also complex.
- Part of the reason was that three large banks were taken over by FDIC.
- This caused individuals and ministries to be nervous about their non-FDIC investments with CELF and the Foundation
- Another factor was that both ministries sent out documents to convert their accounts to a new agreement.
- At the same time Bank CD rates and Money Market rates skyrocketed to rates higher than the Foundation or CELF were offering
- The board is considering a limit on how much any one entity can invest with the Foundation.
- From an income statement perspective, we did well with income of almost \$443,000
- This is mostly because the board made a change to allow realized capital gains to be used for operations.
- We didn't do grants last year, but we did capture \$545,000 in realized gains.
- However, if we hadn't captured those gains, we would have had negative income of around \$102,000.
- You should also note our loss in estate planning was also lower due to the departure of one field man.
- This positive income did increase our depleted fund balance.

How about 2024?

- So far, we are up almost 1.5 million in assets.
- The individual and ministry funds are basically flat so far in 2024.

[fwbGIFTS.org](http://fwbGIFTS.org)

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P. O. Box 5002 • Antioch • Tennessee • 37011

- At this point, withdrawals are stable with incoming fund adequate to meet withdrawals
- Total increase of \$105,000 in planned gifts, \$80,000 in a unitrust and \$25,000 in a gift annuity

#### Registration Process

- Concentrating on Tennessee
- The attorney says we need to get 100% of our individuals converted to IDN documents.
- We have committed to maintaining ministry funds at 105% of liabilities and are currently at 113%.
- We will have to keep this reserve in mind when we capture realized capital gains.
- When Tennessee is complete, other states that require registration will follow
- We may choose to not register in some states.

#### Loans

- All loans are up to date, and all but one loan is at 6% or better.

#### Budget

- 2025 budget will be \$24,000 higher in income and \$1,600 more in expenses.
- Proposed 3% raises to employees.
- Barry Simpson is now part time.
- Project \$153,000 loss for estate planning budget down from 2023
- A Conservative budget when you consider we will likely be advertising our investment programs and hopefully will have growth.

#### Estate Planning

- 201 delivered estate plans in 2023, more than our goal of two hundred.
- Due to Barry Simpson going part time we are projecting 175 in 2024 and 2025.
- However so far in 2024 we are on pace for two hundred.
- We are hoping two new videos will boost our call-in rate substantially.

#### Projecting Interest Rates

- Hard to predict where rates will be in coming months.
- It will be a delicate balancing act to keep our rate among the highest.
- However, bank rates may come down regardless of what the Federal Reserve does.
- Many banks are offering rates that are unsustainable.

**Free Will Baptist Foundation**

**Synopsis of Minutes**

April 18, 2023

All members were present except David Crowe. Hubert Stafford resigned effectively this meeting due to his wife's health.

The Director's report was presented and approved.

The previous minutes were approved.

The social media, first quarter financial report and field director's reports were presented and approved.

Dr. Jeff Crabtree, chairman of the Welch trustees, reported on the capital campaign.

The auditor's report by our auditor, Joel Collum, was presented and approved.

The Budget report was presented and approved.

A representative from investment manager Manning and Napier made a presentation concerning our investment with their firm.

A representative from the investment manager Board of Retirement made a presentation concerning our investment with their firm.

The Investment Committee report was presented and approved.

The Director Evaluation Committee was presented and approved.

The chairman appointed a committee to bring suggestions for improving the rubric used for determining grants.

New officers were elected:

Scott Coghill, Chairman

Bob Thompson, Vice Chairman

Melissa Haralson, Secretary

Corey Mintor, Assistant Secretary

The chairman appointed committee for the next meeting.

Full board adjourned.

July 17, 2023

A motion was passed allowing the director to also capture capital gains for operation purposes.

August 14, 2023

A board resolution was passed concerning the registration process to be submitted to our attorney.

December 4, 2023

All members were present except Gene Williams

Minutes were presented and approved.

The director's report was presented and approved.

The 10-month financial, social media, and field operations reports were presented and approved.

Investment advisors from Manning and Napier and LPL presented 2023 investment performance reviews.

Investment Committee report was presented and approved.

Dr. Jeff Crabtree, chairman of Welch College Trustees, gave an update on the Welch loan, capital campaign and financials.





**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

#### **Opinion**

I have audited the accompanying financial statements of The Free Will Baptist Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, 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.

#### **Basis for Opinion**

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of The Free Will Baptist Foundation, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Free Will Baptist Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if

there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Free Will Baptist Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Free Will Baptist Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

Handwritten signature of Joel D. Colburn, Jr., CPA in black ink.

Nashville, Tennessee  
April 25, 2024

**FREE WILL BAPTIST FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>ASSETS</u></b>		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,414,005	\$ 4,528,368
Other receivables	344,536	278,002
Office equipment and automobiles, net of accumulated depreciation accumulated depreciation	35,628	47,185
	<u>2,794,169</u>	<u>4,853,555</u>
Investments, at fair market value		
U.S. Government instruments	1,561,058	2,348,790
Common stocks	16,462,548	26,997,818
FWB Ministries Partnership	1,088,689	1,041,808
Real estate investments	3,274,460	4,169,693
Mutual funds	25,914,923	34,136,846
Corporate bonds	1,092,601	1,040,857
Municipal bonds	2,057,688	1,905,079
Free Will Baptist Board of Retirement investment	10,745,846	21,080,005
Total investments	<u>62,197,813</u>	<u>92,720,896</u>
Notes receivable		
Notes receivable Welch College	14,417,773	14,789,968
Notes receivable Welch College - line of credit	1,286,455	1,299,450
Notes receivable other	2,015,962	1,256,675
Total notes receivable	<u>17,720,190</u>	<u>17,346,093</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 82,712,172</b></u>	<u><b>\$114,920,544</b></u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES</b>		
Operating liabilities:		
Demand notes	\$ 21,758,308	\$ -
Collective investment fund	19,146,900	-
Gift Annuity Pool	1,490,049	1,681,250
Liabilities to beneficial owners		
Individual revocable trusts	7,367,051	37,392,787
Organizational revocable trusts	13,986,484	61,346,821
Future gifts payable - Unitrust pool	2,365,382	2,204,166
Funds held in trust - Quasi endowments	7,177,053	7,034,432
Unrealized gains and losses - unallocated	(1,706,566)	(4,859,068)
Total liabilities	<u>71,584,661</u>	<u>104,800,388</u>
<b>NET ASSETS</b>		
Without donor restrictions		
Operating	2,674,092	2,230,866
Board designated	214,830	214,830
Total net assets without donor restrictions	<u>2,888,922</u>	<u>2,445,696</u>
With donor restrictions		
Endowments	8,238,589	7,674,460
Total net assets	<u>11,127,511</u>	<u>10,120,156</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 82,712,172</b></u>	<u><b>\$114,920,544</b></u>

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, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><i>WITHOUT DONOR RESTRICTIONS</i></b>		
<b>REVENUE AND SUPPORT</b>		
Investment income:		
Interest and dividends, net of investment fees	\$ 2,962,278	\$ 3,093,012
Realized gains (losses) on sale of investments	410,422	1,103,382
Unrealized gains (losses) from investments	4,445,657	(13,958,600)
Total investment income	<u>7,818,357</u>	<u>(9,762,206)</u>
Support through "The Together Way"		
Plan and other contributions	11,097	35,449
Gain (loss) on sale of property and equipment	20,000	15,000
Estate planning fees	493,175	460,550
Interest income - note receivable	864,633	871,638
Net assets released from restrictions:		
Restrictions satisfied by payments	306,370	558,560
Total Support and Revenue	<u>9,513,632</u>	<u>(7,821,009)</u>
Allocation of earnings to revocable trusts, beneficiaries and annuitants	(3,698,986)	287,537
Allocation to unrealized gains and losses - unallocated	<u>(3,152,501)</u>	<u>11,015,892</u>
Revenue and support after allocations	<u>2,662,145</u>	<u>3,482,420</u>
<b>EXPENSES</b>		
Operating	1,200,835	1,099,898
Grants	-	1,850,000
Estate Planning	712,014	773,487
Withdrawals (restrictions satisfied by payments)	306,370	558,560
	<u>2,219,219</u>	<u>4,281,945</u>
Increase (decrease) in net assets without donor restrictions	<u>442,926</u>	<u>(799,525)</u>
<b><i>WITH DONOR RESTRICTIONS</i></b>		
<b>REVENUE AND SUPPORT</b>		
Contributions	130,248	1,320,452
Earnings on investments	740,551	(1,838,354)
Net assets released from restrictions:		
Restrictions satisfied by payments - withdrawals	(306,370)	(558,560)
Increase (decrease) in net assets with donor restrictions	<u>564,429</u>	<u>(1,076,462)</u>
Total increase (decrease) in net assets	1,007,355	(1,875,987)
Net assets - beginning of year	<u>10,120,156</u>	<u>11,996,143</u>
Net assets - end of year	<u><u>11,127,511</u></u>	<u><u>10,120,156</u></u>

**FREE WILL BAPTIST FOUNDATION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023				
	With Donor Restrictions	Without Donor Restrictions			
	Withdrawals	Operating	Grants	Estate Planning	Total
<b>EXPENSES</b>					
Salaries and benefits	\$ -	\$ 534,025	\$ -	\$ 243,848	\$ 777,873
Equipment expense	-	23,030	-	-	23,030
Travel	-	131,530	-	106,648	238,178
Promotion	-	68,707	-	5,832	74,539
Board expense	-	17,352	-	-	17,352
Office expense	-	54,256	-	-	54,256
Rent expense	-	55,890	-	-	55,890
Printing and publications	-	-	-	-	-
One magazine	-	51,861	-	-	51,861
Interest	-	32,283	-	-	32,283
Training and education	-	7,946	-	-	7,946
Legal and accounting	-	157,217	-	-	157,217
Depreciation	-	63,609	-	-	63,609
Ministry gifts	-	-	-	-	-
Grants	-	-	-	-	-
Fees	-	-	-	345,436	345,436
Cancellations	-	-	-	10,250	10,250
Miscellaneous	-	3,129	-	-	3,129
Payments to beneficiaries and annuitants	306,370	-	-	-	306,370
Total expenses	<u>\$ 306,370</u>	<u>\$ 1,200,835</u>	<u>\$ -</u>	<u>\$ 712,014</u>	<u>\$ 2,219,219</u>

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



**FREE WILL BAPTIST FOUNDATION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES - CONTINUED**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2022				
	With Donor Restrictions	Without Donor Restrictions			
	Withdrawals	Operating	Grants	Estate Planning	Total
<b>EXPENSES</b>					
Salaries and benefits	\$ -	\$ 473,680	\$ -	\$ 261,837	\$ 735,517
Equipment expense	-	17,502	-	-	17,502
Travel	-	133,120	-	115,353	248,473
Promotion	-	65,465	-	6,237	71,702
Board expense	-	17,457	-	-	17,457
Office expense	-	78,460	-	-	78,460
Rent expense	-	52,723	-	-	52,723
Printing and publications	-	4,754	-	-	4,754
One magazine	-	51,960	-	-	51,960
Interest	-	-	-	-	-
Training and education	-	24,145	-	-	24,145
Legal and accounting	-	167,323	-	-	167,323
Depreciation	-	11,558	-	-	11,558
Ministry gifts	-	-	1,100,000	-	1,100,000
Grants	-	-	750,000	-	750,000
Fees	-	-	-	390,060	390,060
Cancellations	-	-	-	-	-
Miscellaneous	-	1,751	-	-	1,751
Payments to beneficiaries and annuitants	558,560	-	-	-	558,560
Total expenses	\$ 558,560	\$1,099,898	\$1,850,000	\$ 773,487	\$4,281,945

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, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received for:		
Contributions	\$ 130,248	\$ 1,320,452
Donations and other support	11,097	35,449
Interest and dividends	2,962,278	3,093,012
Other income	1,291,274	1,286,998
Payments to beneficiaries and annuitants	(306,370)	(558,560)
Cash paid to suppliers and employees	(1,849,240)	(3,711,827)
Allocation of earnings to revocable trusts, beneficiaries and annuitants	740,551	(1,550,817)
Allocation to unrealized gains and losses - unallocated	(6,851,487)	11,015,892
Net Cash Provided (Used) By Operating Activities	<u>(3,871,649)</u>	<u>10,930,599</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of office equipment and automobiles	(52,052)	(33,699)
Proceeds from the sale of office equipment and automobiles	20,000	15,000
New loans made	(1,098,606)	(332,096)
Principal payments received on notes receivable	724,509	777,685
Proceeds from sale or call of investment securities	42,396,123	20,535,876
Purchase of investment securities	(7,016,961)	(33,850,458)
Net Cash Provided (Used) By Investing Activities	<u>34,973,013</u>	<u>(12,887,692)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from additions, net of withdrawals, to future gift interest and revocable trusts	37,999,115	39,359,499
Contributions to funds held in trust	(77,425,793)	(26,478,361)
Earnings allocated to funds held in trust	(740,551)	1,331,091
Change in unrealized gains and losses	6,951,502	(11,015,892)
Proceeds from line of credit	12,500,000	-
Repayment of line of credit	(12,500,000)	-
Net Cash Provided (Used) by Financing Activities	<u>(33,215,727)</u>	<u>3,196,337</u>
<b>INCREASE (DECREASE) IN</b>		
<b>CASH AND CASH EQUIVALENTS</b>	(2,114,363)	1,239,244
Cash and cash equivalents at beginning of years	<u>4,528,368</u>	<u>3,289,124</u>
Cash and cash equivalents at end of years	<u><u>\$ 2,414,005</u></u>	<u><u>\$ 4,528,368</u></u>

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

**FREE WILL BAPTIST FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**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 2023 and 2022.

**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, 2023 AND 2022**

**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. 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 ranges from 3.75% to 6.5%. 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, 2023 no amounts were past due on any of the loans.

**3. INVESTMENTS**

A summary of investments at market value is as follows:

	2023
	Market Value
Investments:	
Marketable Securities:	
U.S. Government instruments	\$ 1,561,058
Common stocks	16,462,548
FWB Ministries Partnership	1,088,689
Mutual Funds	25,914,923
Corporate bonds	1,092,601
Municipal bonds	2,057,688
Real estate investment trust	3,274,460
FWB Board of Retirement Investment	10,745,846
Total Investments	\$ 62,197,813

**FREE WILL BAPTIST FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**3. INVESTMENTS - CONTINUED**

	2022
	Market Value
Investments:	
Marketable Securities:	
U.S. Government instruments	\$ 2,348,790
Common stocks	26,997,818
FWB Ministries Partnership	1,041,808
Mutual Funds	34,136,846
Corporate bonds	1,040,857
Municipal bonds	1,905,079
Real estate investment trust	4,169,693
FWB Board of Retirement Investment	21,080,005
Total Investments	\$ 92,720,896

Total investment income (loss) amounted to \$7,818,357 for 2023, consisting of investment gains (losses) of \$4,856,079 and interest and dividends of \$2,962,278 (net of investment fees of \$333,966).

Total investment income (loss) amounted to (\$9,762,206) for 2022, consisting of investment gains (losses) of (\$12,855,218) and interest and dividends of \$3,093,012 (net of investment fees of \$448,287).

**4. DEMAND NOTES**

The Foundation sold Notes which totaled \$21,758,308 and \$0.00 at December 31, 2023 and 2022, respectively. The Notes are payable on demand and payment is generally made within 30 days following a request for repayment. The Notes earn interest at a variable rate that corresponds to the amount invested.

**5. COLLECTIVE INVESTMENT FUND**

The Foundation Collective Investment Fund, which totaled \$19,146,900 and \$0.00 at December 31, 2023 and 2022 respectively, is organized and operated at all times exclusively for the collective investment and reinvestment by the Foundation, as trustee, on behalf of Free Will Baptist churches, missions, agencies and institutions affiliated with or connected to the National Association of Free Will Baptists and other charitable organizations the Foundation may deem appropriate at its discretion.

**6. INDIVIDUAL REVOCABLE TRUSTS**

The Foundation maintains trusts which totaled \$7,367,051 and \$37,392,787 at December 31, 2023 and 2022, respectively. The trusts pay interest to the 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.



**FREE WILL BAPTIST FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**7. ORGANIZATIONAL REVOCABLE TRUST**

The Foundation maintains a organization revocable trust which totaled \$13,986,484 and \$61,346,821 at December 31, 2023 and 2022, respectively. The trust is held in trust for Free Will Baptist ministries and pays interest to the 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.

**8. FUTURE GIFTS PAYABLE**

The Foundation maintains future gifts payable amounting to \$2,365,382 and \$2,204,166 and gift annuities amounting to \$1,490,049 and \$1,681,250 as of December 31, 2023 and 2022, respectively. These future gift interests pay interest at specified rates ranging from 5.0% to 9.5%.

**9. FUNDS HELD IN TRUST**

The Foundation manages endowments for other Free Will Baptist ministries. Earnings are distributed from the endowments as requested by the beneficiary. As of December 31, 2023 and 2022, the endowment funds totaled \$7,177,053 and \$7,034,432 respectively.

**10. INFORMATION REGARDING FINANCIAL STATEMENTS**

The Foundation has an accounting risk of loss in the areas of cash, cash equivalents and short term liquid investments to the extent they are not insured or guaranteed by a governmental agency. At December 31, 2023 and 2022 the Foundation's accounts exceeded the federally insured limits by approximately \$863,303 and \$640,289 respectively.

**11. OFFICE EQUIPMENT AND AUTOMOBILES**

A summary of office equipment and automobiles is as follows:

	2023	2022
Automobiles - five	\$ 180,139	\$ 174,787
Office equipment	47,825	57,087
Furnishings	19,463	19,463
Software	29,581	29,581
	277,008	280,918
Accumulated Depreciation	(241,380)	(233,733)
	\$ 35,628	\$ 47,185

**12. 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 under a month to month rental agreement. The Foundation shares a portion of the space with the Free Will Baptist Board of Retirement. Total lease payments were \$55,890 and \$52,723 for the years ended December 31, 2023 and 2022, respectively.

**FREE WILL BAPTIST FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**13. COMMITMENTS**

The Foundation has a \$15,000,000 line of credit with a local financial institution. The line is secured by the investments of the Foundation and carries an interest rate of 1.00% above the prime rate. This line of credit is open ended and the advances payable were \$-0- and \$-0- at December 31, 2023 and 2022 respectively. During 2023 the Foundation paid \$32,283 in interest payments related to borrowings on the line of credit (\$-0- in 2022).

**14. 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 \$57,042 (\$52,910 in 2022). 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.

**15. DESIGNATION OF UNRESTRICTED NET ASSETS**

The Foundation Board established a program where gains on the sale of stocks are designated and used to provide grants to other Free Will Baptist departments and agencies. Any excess gains are reserved as board designated net assets as part of the net assets without donor restrictions. The board designated net assets were \$214,830 and \$214,830 at December 31, 2023 and 2022 respectively.

**16. RESTRICTIONS ON NET ASSETS**

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

	<u>2023</u>	<u>2022</u>
Endowments	<u>\$ 8,238,589</u>	<u>\$ 7,674,460</u>

The Foundation holds funds in endowments 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.

**17. 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, 2023 (\$-0- at December 31, 2022).

**18. CONCENTRATION**

The notes receivable from Welch College represent 18.99% of the assets of the Foundation.

**FREE WILL BAPTIST FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**19. 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, 2023 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	\$ 1,561,058	\$ 1,561,058	\$ -	\$ -
Common stocks	16,462,548	16,462,548	-	-
FWB Ministries Partnership	1,088,689	-	1,088,689	-
Real estate investments	3,274,460	3,185,710	-	88,750
Mutual funds	25,914,923	25,914,923	-	-
Corporate bonds	1,092,601	-	1,092,601	-
Municipal bonds	2,057,688	-	2,057,688	-
FWB Bd of Retirement Invest	10,745,846	10,745,846	-	-
	<u>\$62,197,813</u>	<u>\$57,870,085</u>	<u>\$ 4,238,978</u>	<u>\$ 88,750</u>

Fair Value Measurements at December 31, 2022 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	\$ 2,348,790	\$ 2,348,790	\$ -	\$ -
Common stocks	26,997,818	26,997,818	-	-
FWB Ministries Partnership	1,041,808	-	1,041,808	-
Real estate investments	4,169,693	4,080,943	-	88,750
Mutual funds	34,136,846	34,136,846	-	-
Corporate bonds	1,040,857	-	1,040,857	-
Municipal bonds	1,905,079	-	1,905,079	-
FWB Bd of Retirement Invest	21,080,005	21,080,005	-	-
	<u>\$92,720,896</u>	<u>\$88,644,402</u>	<u>\$ 3,987,744</u>	<u>\$ 88,750</u>

**FREE WILL BAPTIST FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**19. 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 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.

Level 3 Reconciliation:

	<b>2023</b>	<b>2022</b>
Real estate investments:		
Beginning balance	\$ 88,750	\$ 88,750
Purchases	-	-
Transfer to Level 1	-	-
Gains (losses) on value	-	-
Sales	-	-
Ending balance	\$ 88,750	\$ 88,750
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.	\$ -	\$ -

**20. 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, 2023, 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.

**FREE WILL BAPTIST FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**21. 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 \$15,259,787 from Welch College dated September 22, 2016. This line of credit was amended and increased on September 25, 2018. It was amended again and decreased effective August 13, 2021. 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 October 1, 2027. These payments include both principal and interest. All remaining principal and interest will become due on October 1, 2027. This note is secured by property owned by Welch College. The balance receivable on this note, including accrued interest, at December 31, 2023 and 2022 was \$14,417,773 and \$14,789,968.

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, 2023 and 2022 was \$1,286,455 and \$1,299,450.

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 2023 amounted to \$694,492 (\$711,730 for 2022) net of interest paid on its line of credit of \$60,764 (\$54,154 for 2022).

**22. RANDALL HOUSE PUBLICATION LINE OF CREDIT**

The Foundation entered into an agreement with Randall House Publications to provide them a line of credit. The line of credit note is for \$1,500,000 and is dated May 26, 2020. The note was renewed December 31, 2021 and expires December 31, 2026. Interest accrued at a rate of 3.5% per year through December 31, 2021 and increases each year thereafter with the rate for 2023 being 3.75%. The balance on the note at December 31, 2023 and 2022 was \$900,744 and \$489,903.

**23. SUBSEQUENT EVENTS**

Subsequent events have been evaluated by Management through April 25, 2024 which is the date the financial statements were available to be issued.



**FREE WILL BAPTIST FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**24. 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.

	<b>2023</b>	<b>2022</b>
Financial assets at year-end	\$ 82,676,544	\$ 114,873,359
Less those unavailable for general expenditures within one year due to:		
Line of credit	-	-
Reserved for beneficial owners	( 71,584,661)	( 104,800,388)
Board designated net assets	( 214,830)	( 214,830)
Net assets with donor restrictions	( 8,238,589)	( 7,674,460)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,638,464	\$ 2,183,681

**25. ACCOUNTING STANDARDS ADOPTED IN THE CURRENT FISCAL YEAR**

In February 2016, the Financial Accounting Standards Board ("FASB") issued new guidance on the measurement of current expected credit losses ("CECL") on financial instruments. The FASB has subsequently issued additional guidance amending certain aspects of the measurement of CECL. The new guidance has replaced the incurred loss methodology of recognizing credit losses on financial instruments with a methodology that estimates the expected credit loss on financial instruments and reflects the net amount expected to be collected on the financial instrument. The Organization believes that all of its receivables are fully collectible. Accordingly, there has been no change in financial information for periods prior to the date of initial application.

**FREE WILL BAPTIST FOUNDATION**  
**Proposed 2025 Department Budget**

	<u>Operations</u>	<u>Estate Planning</u>	<u>Grants</u>
<b>INCOME</b>			
Together Way	\$ 2,600	\$ -	\$ -
Gifts & other income	5,000	-	-
Capital gains realized	100,000		500,000
Gain on vehicle sales	25,000	-	-
Interest on loans	830,000	-	-
Net earnings less distributions	195,000		
Management fees	228,012		
Completed Estate Plans		473,000	-
<b>Total Income</b>	<b>1,385,612</b>	<b>473,000</b>	<b>500,000</b>
<b>EXPENSES</b>			
Salaries & Benefits	541,690	206,448	-
Travel	120,000	120,000	-
Promotion	65,000	-	-
ONE Magazine	52,000	-	-
Office expense	45,000	-	-
Rent	56,000	-	-
Subscriptions & publications	10,000	-	-
Training & education	13,000	-	-
Legal & accounting	165,000	-	-
Cornerstone Estate Planning	-	157,500	
Attorney fees & contractors	-	115,000	-
Estate Planning other		6,000	
Uncollectible fees	-	10,000	
Grants and gifts to ministries	95,000	-	500,000
Board expense	18,000	-	
Equipment & maintenance	24,000	-	-
Depreciation	16,000	-	-
<b>Total Expense</b>	<b>1,220,690</b>	<b>614,948</b>	<b>500,000</b>
<b>Surplus / (Deficit)</b>	<b>\$ 164,922</b>	<b>\$ (141,948)</b>	<b>\$ -</b>

**FREE WILL BAPTIST FOUNDATION**  
**Consolidated Proposed Budget and Actual**

	<u>Proposed 2025 Budget</u>	<u>Approved 2024 Budget</u>	<u>Approved 2023 Budget</u>	<u>2023 Actual</u>
<b>INCOME</b>				
Together Way	\$ 2,600	\$ 2,500	\$ 5,000	\$ 2,569
Gifts & other income	5,000	3,500	5,000	8,529
Capital gains realized	600,000	550,000	750,000	545,224
Gain on vehicle sales	25,000	25,000	-	20,000
Interest on loans	830,000	830,000	830,000	832,650
Net earnings less distributions	195,000	170,000	220,000	214,483
Management fees	228,012	213,012	200,000	206,862
Completed Estate Plans	473,000	540,000	480,000	493,175
<b>Total Income</b>	<b><u>2,358,612</u></b>	<b><u>2,334,012</u></b>	<b><u>2,490,000</u></b>	<b><u>2,323,492</u></b>
<b>EXPENSES</b>				
Salaries & Benefits	748,138	789,762	764,772	777,873
Travel	240,000	250,000	175,000	238,178
Promotion	65,000	15,000	75,000	68,707
ONE Magazine	52,000	53,000	52,000	51,861
Office expense	45,000	63,000	70,000	54,177
Rent	56,000	53,000	47,000	55,890
Subscriptions & publications	10,000	24,000	5,000	9,039
Training & education	13,000	26,000	17,000	7,946
Legal & accounting	165,000	175,000	85,000	157,217
Cornerstone Estate Planning	157,500	157,500	247,500	210,000
Attorney fees & contractors	115,000	157,750	106,000	129,604
Estate Planning other	6,000	6,000	6,000	5,832
Uncollectible fees	10,000	10,000	10,000	10,250
Grants and gifts	595,000	500,000	750,000	-
Board expense	18,000	18,000	25,000	17,352
Equipment & maintenance	24,000	20,000	15,000	23,030
Depreciation	16,000	16,000	40,000	63,609
<b>Total Expense</b>	<b><u>2,335,638</u></b>	<b><u>2,334,012</u></b>	<b><u>2,490,272</u></b>	<b><u>1,880,565</u></b>
<b>Surplus / (Deficit)</b>	<b><u>\$ 22,974</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (272)</u></b>	<b><u>\$ 442,927</u></b>

**FREE WILL BAPTIST FOUNDATION**  
**Compensation Package Detail - 2025 Proposed**

	<u>2025</u>		<u>2024</u>		<u>2023</u>	
<b>Director/CEO</b>						
Salary	\$ 124,915	3%	\$ 121,001	3%	\$ 117,202	5%
Insurance replacement	9,438		9,438		9,438	
FICA/Medicare	10,278		9,979		9,688	
Retirement	13,435		13,044		12,664	
<b>Total</b>	<b>158,066</b>		<b>153,462</b>		<b>148,992</b>	
Note: Office car furnished						
<b>Chief Financial Officer</b>						
Salary	\$ 102,574	3%	\$ 99,586	3%	\$ 95,495	5%
Insurance replacement	-		-		1,190	
FICA/Medicare	7,847		7,618		7,396	
Retirement	10,257		9,959		9,669	
Health Insurance	12,500		12,140		10,284	
<b>Total</b>	<b>133,178</b>		<b>129,303</b>		<b>124,034</b>	
Note: Office car furnished						
<b>Field Coordinator</b>						
Salary	\$ 51,330	3%	\$ 49,835	3%	\$ 48,383	5%
Housing	\$ 43,370		42,107		40,881	
Retirement	9,470		9,194		8,926	
Medicare reimbursement	4,800		4,800		4,800	
<b>Total</b>	<b>\$ 108,970</b>		<b>\$ 105,936</b>		<b>\$ 102,991</b>	
Note: Office car furnished						
<b>Field Reps &amp; Support Staff</b>						
Salary	\$ 225,388	3%	\$ 270,445	3%	\$ 260,238	5%
Housing	52,474		58,597		56,890	
Insurance Replacement	10,983		10,983		5,954	
FICA/Medicare	12,703		12,358		11,459	
Retirement	15,875		24,359		23,214	
Health Insurance	12,500		12,140		6,000	
<b>Total</b>	<b>\$ 329,924</b>		<b>\$ 388,881</b>		<b>\$ 363,754</b>	
Note: Office car furnished for field reps						
<b>Total Salaries &amp; Benefits</b>	<b>\$ 730,138</b>		<b>\$ 777,582</b>		<b>\$ 739,772</b>	



## FWB Women's Ministries

FWB Women's Ministries had a busy year during 2023 with our mission to "help Free Will Baptist women find and fulfill their role in the Great Commission, both at home and abroad."

In keeping with our long history, WNAC has continued to be a major supporter of missions and other vital ministries around the world, contributing \$431,396.00 during 2023. Our women gave sacrificially to underwrite the expenses of a retreat for **Bulgarian women** in early 2024, attended by 77 women from ten different nations. We also contributed to a THP trip to **Tajikistan** and gave many needed items to missionaries worldwide through the **Steward Provision Closet**.

As for our work "at home," we have focused much of our attention on developing resources and improving communication with FWB women across the denomination. We have built a database of 1,700 women who receive regular updates and notifications of available programs and resources. Our goal is to have contact with at least one woman in every FWB church. Please follow this link to subscribe to all things WNAC: <https://mailchi.mp/wnac.org/wnac-email-subscribe>

One of our newer resources is our "**As You Go**" **podcast**, launched at last year's National Convention. The podcast releases new episodes twice monthly with interviews of women who are disciples and disciple-makers. We are thrilled that we have exceeded 6,000 plays and are receiving lots of positive feedback from listeners. Many listen to it while commuting to work or watch the YouTube version while working at home. Some have used podcast episodes for small gatherings and discipleship groups in their local churches. To God be the glory!

<https://www.wnac.org/180054-2/> (video version)

<https://www.podcasts.com/manager/podcast/6113/edit/> (audio version)

We have increased our reach by hiring a part-time **Social Media** Coordinator in 2023. We are thankful for this way of making FWB women aware of the many helpful resources and encouraging ministries available to them through WNAC.

**Shine!** is moving forward and being blessed by God. This branch of Women's Ministries focuses on discipling our youngest ladies: girls ages 12-18. In a culture filled with skewed messages, we seek to provide solid biblical teaching to help girls know their worth according to their Maker. In 2023, we sponsored two live events, one at Randall University with 530 in attendance and one in Michigan with 100. Our next event will be in Mexico in October of this year.

To respond to our many requests for Shine events, we are moving to a **simulcast format** in 2025. Our first live-streamed event will be held at The Donelson Fellowship in Nashville, Tennessee, on February 1, 2025. We are signing up churches across the nation to be satellite locations for this event and are hoping to engage as many as 2,000 girls on that day. Stop by our booth for more information about how you can become a satellite location or visit [shinefwb.com](http://shinefwb.com).

We plan for Shine to be much more than a one-day event, and we are praying it will launch a discipleship movement for teen girls. We are working on an all-new website, a Vlog for teen subscribers, and ongoing online and e-format Bible studies for small groups. We long to see teen girls meeting in discipleship groups nationwide. God is moving among our youngest ladies, and we are grateful to be a part of this movement.

**Growing Together** is a monthly online small group through Zoom co-sponsored by WNAC and the



Executive Office. These meetings center around affinity groups and have been a meaningful way to meet the needs of our ladies. It has birthed one ongoing ministry to caregivers that is meeting on an ongoing basis. See details at [wnac.org](http://wnac.org).

**Flourish** is a ministry of WNAC that sponsors ladies' retreats around the country. We are shifting its focus in the future to helping underserved and struggling areas in our denomination. We want to facilitate conversations with women in those areas and learn how we can help them fulfill their calling to the Great Commission.

**Treasure** Bible study guide is an online, fully downloadable resource available at no cost. It includes timely articles and monthly studies appropriate for women's groups and individuals. Visit [wnac.org](http://wnac.org) for more details. Our monthly Bible studies are available in English and Spanish and are downloadable in large print.

**Scholarships** continue to be one way in which WNAC blesses deserving students around the world. Our 2023 recipients were:

Miley Scholarship – Kory Escola (Equador), Welch College  
Alex Autrey (Bulgaria), Welch College

Pursell Scholarship – Bible Institute students in Cote d'Ivoire, West Africa

Wisehart Scholarship – Hannah Boyd, Southeastern  
Bailey Guzman, Randall  
Sarah Lovett, Welch

It is my pleasure to serve the women of the FWB denomination in this role. I have been energized by meeting so many who are passionate about reaching our world for Christ and serving as His hands and feet. I look forward to seeing all God has in store for us as we move forward.

Respectfully submitted,  
Ruth McDonald  
Executive Director

#### WNAC 2023 SYNOPSIS OF MOTIONS

APRIL 26, 2023: M/S/C 2024 Budget approved.

OCTOBER 7, 2023: M/S/C When employee Phyllis York begins receiving Medicare/Medigap, the additional funds originally allotted to her health insurance be reallocated to her salary.

M/S/C Purchase additional half-page in *ONE Magazine* at approximately \$487/month for one year.



**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.**

***Opinion***

We have audited the statements of financial position of the Women Nationally Active for Christ of the National Association of Free Will Baptists, Inc. (hereafter WNAC) (a nonprofit organization) as of December 31, 2023 and 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WNAC, as of December 31, 2023 and 2022, and results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WNAC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WNAC's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

Terry A. Hill  
615 417 - 7414  
terryhill37027@comcast.net

410 Bobby Drive  
Franklin, Tennessee 37069

Ernest R. Harper  
615 417 - 6358  
e.harper@comcast.net

In performing an audit in accordance with GAAS, we:

- > Exercise professional judgement and maintain professional skepticism throughout the audit.
- > Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- > Obtain an understating of internal control relevant to the audit 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 WNAC's internal control. Accordingly, no such opinion is expressed.
- > Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- > Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about WNAC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Hee Harper & Associates*

A Professional Limited Liability Company  
Franklin, Tennessee  
April 30, 2024

**WOMEN NATIONALLY ACTIVE FOR CHRIST  
OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

**Statements of Financial Position**

**December 31, 2023 and 2022**

<u>Assets</u>	<u>2023</u>	<u>2022</u>
<b>Current assets:</b>		
Cash and cash equivalents:		
Cash in bank	\$ 106,449	141,091
Funds held by Free Will Baptist Foundation (including \$30,264 in 2023 and \$30,018 in 2022 of funds with donor restrictions)	56,802	56,444
	<u>163,251</u>	<u>197,535</u>
Investments for operations with Board of Retirement and Insurance of NAFWB, Inc.	138,262	111,041
Accounts receivable	420	-
Inventory and prepaid expenses	7,126	5,406
<b>Total current assets</b>	<u>309,059</u>	<u>313,982</u>
<b>Long lived assets:</b>		
Depreciable assets:		
Vehicle	23,740	23,740
Office equipment and furniture	33,260	30,690
	<u>57,000</u>	<u>54,430</u>
Less accumulated depreciation	54,435	49,040
	<u>2,565</u>	<u>5,390</u>
Right of use assets, net of amortization of \$2,320	7,464	9,784
Funds held by Free Will Baptist entities for endowments	68,700	55,573
<b>Total long lived assets</b>	<u>78,729</u>	<u>70,747</u>
	<u>\$ 387,788</u>	<u>384,729</u>
<b><u>Liabilities and Net Assets</u></b>		
<b>Current liabilities:</b>		
Accounts payable and accrued payroll withholdings	\$ 10,525	4,909
Funds held for other organizations and agencies	-	3,683
Current portion of right of use liability	2,438	2,320
<b>Total current liabilities</b>	<u>12,963</u>	<u>10,912</u>
<b>Long term right of use liability, less current maturities</b>	<u>5,026</u>	<u>7,464</u>
<b>Total liabilities</b>	<u>17,989</u>	<u>18,376</u>
<b>Net assets:</b>		
Net assets without donor restrictions	139,123	167,893
Net assets with donor restrictions	230,676	198,460
<b>Total net assets</b>	<u>369,799</u>	<u>366,353</u>
	<u>\$ 387,788</u>	<u>384,729</u>

See accompanying notes to financial statements.

**WOMEN NATIONALLY ACTIVE FOR CHRIST  
OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

**Statements of Activities and Changes in Net Assets**

**For the years ended December 31, 2023 and 2022**

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>2023 Total</b>	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>2022 Total</b>
<b>Revenue and Support:</b>						
<b>Funds for other agencies and departments:</b>						
Amount received	\$ 14,782	-	14,782	19,692	-	19,692
Amount incurred	(14,782)	-	(14,782)	(19,692)	-	(19,692)
<b>Operations:</b>						
Gifts, grants and offerings	106,092	22,836	128,928	101,819	18,969	120,788
Together Way Plan distribution	96,860	-	96,860	97,200	-	97,200
Interest income	1,575	143	1,718	1,132	218	1,350
Other revenue	27	-	27	1,337	-	1,337
Distributions - endowment income	-	-	-	-	-	-
<b>Convention and retreats:</b>						
Convention revenues	24,871	-	24,871	25,302	-	25,302
Retreat revenues	299	-	299	3,724	-	3,724
<b>Total revenue and support</b>	<b>229,724</b>	<b>22,979</b>	<b>252,703</b>	<b>230,514</b>	<b>19,187</b>	<b>249,701</b>
<b>Net assets released from restrictions</b>	<b>21,416</b>	<b>(21,416)</b>	<b>-</b>	<b>12,055</b>	<b>(12,055)</b>	<b>-</b>
<b>Net revenue and support</b>	<b>251,140</b>	<b>1,563</b>	<b>252,703</b>	<b>242,569</b>	<b>7,132</b>	<b>249,701</b>
<b>Operating expenses:</b>						
Program services	251,334	-	251,334	177,956	-	177,956
Supporting service	38,156	-	38,156	24,423	-	24,423
	289,490	-	289,490	202,379	-	202,379
<b>Net change from operating activities</b>	<b>(38,350)</b>	<b>1,563</b>	<b>(36,787)</b>	<b>40,190</b>	<b>7,132</b>	<b>47,322</b>
<b>Non-operating activities:</b>						
Grant from FWB Foundation	-	-	-	50,000	-	50,000
Gain (loss) from investment assets	9,580	30,653	40,233	(4,872)	(15,960)	(20,832)
<b>Net change from non-operating activities</b>	<b>9,580</b>	<b>30,653</b>	<b>40,233</b>	<b>45,128</b>	<b>(15,960)</b>	<b>29,168</b>
<b>Change in net assets</b>	<b>(28,770)</b>	<b>32,216</b>	<b>3,446</b>	<b>85,318</b>	<b>(8,828)</b>	<b>76,490</b>
<b>Net assets:</b>						
<b>Beginning of year</b>	<b>167,893</b>	<b>198,460</b>	<b>366,353</b>	<b>82,575</b>	<b>207,288</b>	<b>289,863</b>
<b>End of year</b>	<b>\$ 139,123</b>	<b>230,676</b>	<b>369,799</b>	<b>167,893</b>	<b>198,460</b>	<b>366,353</b>

See accompanying notes to financial statements.



**WOMEN NATIONALLY ACTIVE FOR CHRIST  
OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

**Statements of Functional Expenses**

**For the years ended December 31, 2023 and 2022**

	2023			2022		
	Program Services	Supporting Services	Totals	Program Services	Supporting Services	Totals
<b>Operations:</b>						
Salaries	\$ 100,183	13,116	113,299	53,592	4,432	58,024
Employee benefits, payroll taxes, and health insurance	29,017	5,211	34,228	23,849	1,068	24,917
Rent	32,850	-	32,850	28,689	-	28,689
Travel	12,433	-	12,433	5,961	-	5,961
Office expense and other	16,311	-	16,311	9,443	-	9,443
Vehicle expense	3,588	-	3,588	5,224	-	5,224
Legal and audit	-	6,358	6,358	-	5,500	5,500
Postage and shipping	769	-	769	965	-	965
WNAC Board of Trustees	-	6,558	6,558	-	8,627	8,627
Promotion	1,359	-	1,359	5,862	-	5,862
Dues, subscriptions and continuing ed	-	6,913	6,913	-	4,796	4,796
Depreciation	5,394	-	5,394	9,207	-	9,207
Support for One Magazine	9,408	-	9,408	8,942	-	8,942
Restricted expenditures:						
C. Pursell Foreign Scholarship Fur	1,000	-	1,000	1,000	-	1,000
Mary Wischart Student Scholarship Func	8,000	-	8,000	3,000	-	3,000
Steward Provision Closet	11,239	-	11,239	6,908	-	6,908
Update of office furnishings	1,177	-	1,177	-	-	-
<b>Total expenses of operations</b>	<b>232,728</b>	<b>38,156</b>	<b>270,884</b>	<b>162,642</b>	<b>24,423</b>	<b>187,065</b>
<b>Convention:</b>						
Annual convention	17,415	-	17,415	12,833	-	12,833
<b>Retreats</b>	<b>1,191</b>	<b>-</b>	<b>1,191</b>	<b>2,481</b>	<b>-</b>	<b>2,481</b>
<b>Total expenses</b>	<b>\$ 251,334</b>	<b>38,156</b>	<b>289,490</b>	<b>177,956</b>	<b>24,423</b>	<b>202,379</b>

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 years ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b><u>Cash Flows from Operating Activities</u></b>		
Change in net assets	\$ 3,446	76,490
Adjustments to reconcile change in net assets to net operating activities:		
Depreciation	5,394	9,207
Gain (loss) on endowment funds held by Free Will Baptist Foundation	(13,127)	7,060
Gain (loss) on investment with FWB Board of Retirement	(27,222)	13,772
(Increase) decrease in:		
Receivables	(420)	665
Inventory and prepaid expenses	(1,720)	1,124
Increase (decrease) in:		
Deferred revenues	-	(2,199)
Funds held for other denominational agencies and organizations	(3,683)	(1,285)
Accounts payable and accrued expenses	5,618	745
Net operating activities	(31,714)	105,579
<b><u>Cash Flows from Investing Activities</u></b>		
Purchase of office furnishings	(2,570)	(1,147)
Net investing activities	(2,570)	(1,147)
<b>Increase (decrease) in cash and cash equivalents</b>	(34,284)	104,432
<b>Cash and cash equivalents:</b>		
<b>Beginning of year</b>	197,535	93,103
<b>End of year</b>	\$ 163,251	197,535
<b>Cash and cash equivalents consist of:</b>		
Cash in bank	\$ 106,449	141,091
Funds held by Free Will Baptist Foundation	56,802	56,444
	\$ 163,251	197,535
<b>Non cash transactions:</b>		
Lease assets obtained in exchange for lease obligations	\$ -	9,784
Amortization of right-of-use assets	\$ 2,320	-

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, 2023 and 2022**

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.

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.

**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.

**WOMEN NATIONALLY ACTIVE FOR CHRIST  
OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

**Notes to Financial Statements, continued**

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

**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.

**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.

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.

**Revenue Recognition**

We have reviewed the provisions of the FASB ASC Topic 606, Revenue from Contracts with Customers, and have concluded that no changes are necessary to conform with the new standard.

**Accounts Receivable and Printing of Magazine (Treasure)**

Printing of Treasure Magazine was terminated during 2019. The 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.



**WOMEN NATIONALLY ACTIVE FOR CHRIST  
OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

**Notes to Financial Statements, continued**

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

**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 2023 and 2022. Further, management believes that WNAC has no activities which will lead to income taxes being levied.

**Leases**

Effective year ending 2022, WNAC adopted FASB ASC 842 which requires the present value of leases be capitalized as right-of-use assets with a corresponding lease obligation recorded between current and long term liabilities. This implementation had no effect on prior net asset carrying values.

**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.

**Concentration of Credit Risk**

WNAC has an accounting risk of loss to the extent of funds held by Free Will Baptist Foundation and investments held by Free Will Baptist Board of Retirement. 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 respect to such accounts.

**Subsequent Events**

Subsequent events have been evaluated for potential recognition and disclosure through April 30, 2024, the date these financial statements were available to be issued.

**(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:

	<b><u>2023</u></b>	<b><u>2022</u></b>
Financial assets:		
Cash and cash equivalents	\$ 163,251	197,535
Gift cards included in inventory and prepaid assets	3,625	1,905
Investments with Board of Retirement and Insurance of NAFWB, Inc. (net of endowment investment of \$66,527 in 2023 and \$53,483 in 2022)	138,262	111,041
Accounts receivable	420	-
	305,558	310,481
Donor restricted net assets included in financial assets above		
Mary Wisheart Student Scholarship Fund	90,699	79,206
C. Pursell Foreign Scholarship Fund	1,372	974
Steward Provision Closet (providing supplies and other benefit to missionaries)	69,905	61,530
Gift from FWB Foundation for update in office furnishings	-	1,177
	161,976	142,887
Financial assets available to meet general expenditures over the next twelve months	\$ 143,582	167,594

WNAC continually monitors cash flow and cash balances, with an end goal to maintain positive cash flows and cash balances. Excess cash balances are invested with Free Will Baptist entities.



**WOMEN NATIONALLY ACTIVE FOR CHRIST  
OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

**Notes to Financial Statements, continued**

**(3) Investments**

The following is summary of investments:

	<b>2023</b>			<b>2022</b>		
	<b>Cost or Basis</b>	<b>Market Value</b>	<b>Change Gain (loss)</b>	<b>Cost or Basis</b>	<b>Market Value</b>	<b>Change Gain (loss)</b>
<b>Endowment</b>	\$ 52,163	68,700	16,537	52,163	55,573	3,410
<b>Operations</b>	\$ 112,795	138,262	25,467	112,795	111,041	(1,754)
<b>Totals</b>	\$ 164,958	206,962	42,004	164,958	166,614	1,656

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

	<b>2023</b>	<b>2022</b>
Endowment:		
Free Will Baptist Foundation	\$ 2,174	2,090
Board of Retirement and Insurance of the NAFWB	66,526	53,483
	<u>\$ 68,700</u>	<u>55,573</u>
Operations - Board of Retirement and Insurance of the NAFWB	\$ 138,262	111,041
	<u>2023</u>	<u>2022</u>
Change in market value to cost	\$ 40,233	(20,832)
Gifts to funds	115	-
Change in investments	<u>40,348</u>	<u>(20,832)</u>

**(4) 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%.

**WOMEN NATIONALLY ACTIVE FOR CHRIST  
OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

**Notes to Financial Statements, continued**

**(4) Endowment Funds, continued**

The balances relating to endowment funds are as follows:

	<u>2023</u>	<u>2022</u>
<b>Amounts required to be invested in perpetuity:</b>		
Balance at beginning of year	\$ 52,138	52,138
Donor gifts	-	-
	<u>\$ 52,138</u>	<u>52,138</u>
<b>Funds accumulated for appropriations:</b>		
Balance at beginning of year	\$ 3,435	10,495
Investment earnings, including investment gains and losses	13,127	(7,060)
Distributions of earnings	-	-
	<u>\$ 16,562</u>	<u>3,435</u>
<b>Total invested funds with Free Will Baptist entities as endowment</b>	<u>\$ 68,700</u>	<u>55,573</u>

**(5) Net Assets With Donor Restrictions**

Net assets with donor restrictions are as follows as of December 31:

	<u>2023</u>	<u>2022</u>
<b>Specific purposes:</b>		
Mary Wisheart Student Scholarship Fund	\$ 90,699	79,206
C. Pursell Foreign Scholarship Fund	1,372	974
Steward Provision Closet	69,905	61,530
Gift from FWB Foundation for update in office furnishings	-	1,177
	<u>161,976</u>	<u>142,887</u>
<b>Endowment fund components:</b>		
Undesignated funds invested in perpetuity	52,138	52,138
Funds available for distributions	16,562	3,435
	<u>68,700</u>	<u>55,573</u>
<b>Total net assets with donor restrictions</b>	<u>\$ 230,676</u>	<u>198,460</u>

**(6) Net Assets Released From Donor Restrictions**

Net assets were released from donor restrictions during the year ended December 31, 2023 by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors:

Cleo Pursell Foreign Student Scholarship Fund	\$ 1,000
Mary Wisheart Student Scholarship Fund	8,000
Steward Provision Closet	11,239
Furnishings through gift from Free Will Baptist Foundation	1,177
<b>Net assets released</b>	<u>\$ 21,416</u>

**(7) Leases**

**Right-of-Use Assets and Relating Obligations**

Effective the year ended December 31, 2022, WNAC adopted FASB ASC 842, this adoption had no impact on prior year net asset carrying values. These office equipment leases are operating leases and the adoption of this standard and have no effect on current year reported results of operations. Further, election was made to exempt leases with remaining terms of one year or less from these calculations.

The liabilities are presented at present value calculated using WNAC's incremental borrowing rate of 5% in year of calculation.

**WOMEN NATIONALLY ACTIVE FOR CHRIST  
OF THE NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

**Notes to Financial Statements, continued**

**(8) Leases, continued**

**Right-of-Use Assets and Relating Obligation, continued**

These assets and liabilities are reported on the Statements of Financial Position as follows:

	<u>2023</u>	<u>2022</u>
Right of use assets as long lived assets	\$ 7,464	9,784
Amortization of right to use assets	\$ 2,320	-
Current portion of right of use liability	\$ 2,438	2,320
Long term right of use liability, less current maturities	\$ 5,026	7,464

Maturities of operating lease liabilities are as follows:

	<u>Required Payments</u>	<u>Interest Amount</u>	<u>Lease Maturities</u>
2024	\$ 2,756	318	2,438
2025	2,756	194	2,562
2026	2,525	61	2,464
	\$ 8,037	573	7,464

**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 \$32,850 in 2023 and \$28,689 in 2022. Further, rental expense for the office equipment capitalized above amounted to \$2,756 in 2023 and \$2,838 in 2022.

**(9) 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 15% of compensation. Employees may participate at date of employment. Pension expense amounted to \$14,230 in 2023 and \$9,473 in 2022. 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.

**(10) Related Party Transactions**

**Operating Leases**

WNAC rents office space from the National Office Building located in Antioch, Tennessee. See note 8 above.

**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 \$9,408 in 2023 and \$8,942 in 2022.

**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:

	<u>2023</u>	<u>2022</u>
Cooperative giving through the Together Way Plan (including \$5,191 in 2023 and \$4,901 in 2022 from the Executive Office of NAFWB)	\$ 96,860	97,200
Free Will Baptist Foundation		

**WOMEN NATIONALLY ACTIVE FOR CHRIST  
2025 Proposed Budget**

<b>Projected Revenue</b>	<b>2023 Proposed</b>	<b>2023 Actuals</b>	<b>2024 Proposed</b>	<b>2025 Proposed</b>
Gifts, dues, and offerings	122,549	106,171.02	126,000	126,000
Together Way Funds	95,970	96,859.85	100,000	100,000
Foundation Gift				10,000
Shine Restricted Grant Released				25,000
Other Revenue	150	92.51	2,000	2,000
Convention and Retreats	25,000	25,169.54	29,000	50,000
Interest Income	1,500	1,575.00	1,500	1,500
Endowment Income	1,500	109.00	1,500	200
Gain from investment assets		9,580.00		2,000
<b>Total</b>	<b>246,669</b>	<b>239,556.92</b>	<b>260,000</b>	<b>316,700</b>
<b>Projected Operating Expenses</b>				
Salaries and Wages	97,865	111,055.04	108,762	134,369
Payroll Taxes and Employee Benefits	35,868	36,444.61	37,858	32,387
Rent	29,786	32,850.00	33,945	34,931
Travel	5,000	12,830.82	7,000	8,000
Special Projects	650	2,456.73		1,000
Auto Expense	9,000	1,818.96	8,000	8,000
Promotion	1,000	1,358.51	2,000	2,000
Office Expense	17,000	7,633.27	12,000	13,000
Professional Service	6,500	3,220.00	6,500	6,500
Postage and shipping	1,100	769.41	1,100	1,000
WNAC Board	5,000	6,558.15	6,000	7,000
Service Contracts/Fees/ Cont. Education	2,800	13,454.13	2,000	7,000
Conventions & Retreats	20,000	13,494.43	19,433	20,000
Support for One Magazine	9,000		9,302	9,600
Shine	1,500	3,920.18	1,500	26,150
Flourish	1,500	1,191.40	1,500	2,663
PushPay	3,100	3,000.00	3,100	3,100
<b>Total</b>	<b>246,669</b>	<b>252,055.64</b>	<b>260,000</b>	<b>316,700</b>

**WNAC SALARIES AND BENEFITS BREAKDOWN**

	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Executive Director</b>			
Salary	56,000	57,120.00	58,833.60
Social Security/Medicare	4,284	4,370.00	4,500.77
Retirement	8,400	8,568.00	8,825.04
Insurance (Travel/Key Man,Health/Life)	1,000	1,000.00	1,000.00
Christmas Bonus	1,000	1,000.00	1,000.00
<b>Total Salary and Benefits</b>	<b>70,684</b>	<b>72,058.00</b>	<b>74,159.41</b>
<b>Administrative Assistant</b>			
Salary	38,865	39,642.00	47,969.88
Social Security/Medicare	2,975	3,035.00	3,669.69
Retirement	5,829	5,946.00	7,195.48
Insurance (Health & Life)	11,000	11,300.00	3,556.68
Christmas Bonus	1,000	1,000.00	1,000.00
<b>Total Salary and Benefits</b>	<b>59,669</b>	<b>60,923.00</b>	<b>63,391.73</b>
<b>Office Staff (part time)</b>			
Salary	3,000	12,000.00	27,566.00
Social Security/Medicare	230	1,339.00	1,339.00
Christmas Bonus	150	300.00	300.00
<b>Total Salary and Benefits</b>	<b>3,380</b>	<b>13,639.00</b>	<b>29,205.00</b>
<b>Grand Total of Salaries and Benefits</b>	<b>133,733</b>	<b>146,620.00</b>	<b>166,756.14</b>

WNAC Receipts 2023

		FWB Foundation Accts.												
State	Gen Fund	Emphasis	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	3,943.94	50.00	1,402.43	1,140.00	1,550.00									8,086.37
AR	9,090.53	25.00	17,138.70	725.00	995.00									27,974.23
AZ			7.01											7.01
CA	449.15		679.99											1,129.14
CN														-
CO														-
DE			93.50											93.50
FL	2,018.15		1,825.17											3,843.32
GA	6,714.94	350.00	3,886.25	880.00	812.00		148.00	701.00	10,099.00	9,022.90		685.00	1,550.00	34,849.09
HI														-
IL	1,940.00		2,439.16						720.00					5,099.16
IN					200.00									200.00
KS			19.87											19.87
KY	3,529.66		600.98		1,150.00									5,710.64
MD				430.00										-
MI	795.00		433.65		1,725.00									5,348.65
MO	4,697.92		26,547.86	200.00	250.00				225.00	25.00				31,945.78
MS	186.84		1,424.04											1,610.88
NC	26,821.10	1,404.00	2,488.97	500.00	265.00		30.00	30.00						31,569.07
NH														-
NM	59.00		409.64											468.64
NJ	100.00													100.00
OH	10,560.19		2,485.65	300.00			100.00	200.00						13,645.84
OK	6,312.95	10.00	23,091.71		887.80		25.00	25.00						30,352.46
OR			238.44											238.44
PA/NY														-
SC	6,137.63		25.74		230.00				12,500.00					18,893.37
TN	24,984.32	25.00	5,492.31	1,050.00	2,053.50		1,383.50	389.00						35,377.63
TX	5,910.56		186.10		176.19									6,272.85
UT														-
VA	720.00		229.04											949.04
VI			69.82											69.82
WA														-
WV	1,214.15		452.79		1,650.00			50.00	120.00	40.00				3,526.94
Gift														-
1% Exe. Off			5,191.03											5,191.03
Other	116,186.03	1,964.00	96,859.85	9,270.00	10,294.49	-	1,686.50	1,395.00	23,664.00	9,087.90	-	685.00	1,580.00	272,572.77
Together Way Other: 1% Coop from Executive Office		General Fund Other: anonymous donations												



**REPORTED DIRECT GIVING FROM WNAC January - December 2023**

STATE	State Missions	International Missions	Home Missions	Colleges	Children's Homes	Youth Camps	Other Mission Objectives	Total
AL								
AR	11,995.30	14,657.00	2,401.00	45.00	3,101.80	60.00	70.00	32,330.10
AZ								
CA								
CANADA								
DE								
FL	1,200.00	3,230.00	60.00		240.00		70.00	4,800.00
GA	7,355.56							7,355.56
IL		4,180.00	440.00	40.00			270.00	4,930.00
IN	400.00				400.00			800.00
KS								
KY	150.00	7,047.50	4,645.00		5,755.00	3,145.00	21,242.00	41,984.50
MD								
MI								
MS								
MO		225.00						225.00
NM		41.00	98.00		90.00			229.00
NJ								
NC		16,659.00	9,161.00	4,454.00	4,084.50		1,870.00	36,228.50
OH		3,300.00	1,910.00		1,400.00			6,610.00
OK	1,996.80	6,844.26	897.00	100.00	85.00			9,923.06
OR								
PANZY								
SC		500.00						500.00
TN		1,397.00						1,397.00
TX								
UT								
VA								
VI								
WA								
WV		3,980.00	600.00				6,930.43	11,510.43
Foundation Gift								
1% Exe. Office								
Anonymous								
<b>Total</b>	<b>23,097.66</b>	<b>62,060.76</b>	<b>20,212.00</b>	<b>4,639.00</b>	<b>15,156.30</b>	<b>3,205.00</b>	<b>30,452.43</b>	<b>158,823.15</b>

**TOTAL 2023 GIVING**

Pass Through Money	WNAC RECEIPTS	Together Way Receipts	Provision Closet Gift Cards	Provision Closet Non-cash gifts	DIRECT GIVING	Grand Total
	3,993.94	1,402.43	1,140.00	1,550.00		8,086.37
	9,115.53	17,138.70	725.00	995.00	32,330.00	60,304.23
		7.01				7.01
	449.15	679.99				1,129.14
						0.00
		93.50				93.50
	2,018.15	1,825.17			4,800.00	8,643.32
21,356.90	7,913.94	3,886.25	880.00	812.00	7,356.00	42,205.09
720.00	1,940.00	2,439.16			4,930.00	10,029.16
			200.00		800.00	1,000.00
		19.87				19.87
	3,529.66	600.98	430.00	1,150.00	41,985.00	47,695.64
						0.00
	795.00	433.65	2,395.00	1,725.00		5,348.65
	186.84	1,424.04				1,610.88
250.00	4,697.92	26,547.86	200.00	250.00	225.00	32,170.78
	59.00	409.64			229.00	697.64
	100.00					100.00
30.00	28,285.10	2,488.97	500.00	265.00	36,228.50	67,797.57
	10,860.19	2,485.65	300.00		6,610.00	20,255.84
	6,372.95	23,091.71		887.80	9,923.06	40,275.52
		238.44				238.44
						0.00
12,500.00	6,137.63	25.74		230.00	500.00	19,393.37
	26,781.92	5,492.31	1,050.00	2,053.50	1,397.00	36,774.73
	5,910.56	186.10		176.19		6,272.85
						0.00
	720.00	229.04				949.04
		69.82				69.82
						0.00
160.00	1,264.15	452.79	1,650.00		11,510.00	15,036.94
						0.00
		5,191.03				5,191.03
						0.00
35,016.90	121,131.63	96,859.85	9,270.00	10,294.49	158,823.56	431,396.43

**2023 WNAC Statistics**

<b>Total Giving Through WNAC</b>	<b>Provision Closet Gifts</b>
1 North Carolina	Gift Cards 9,270.00
2 Arkansas	Cash Gifts 10,294.44
3 Kentucky	Non-cash gifts 7,779.28
4 Georgia	Total Gifts 27,343.72
5 Oklahoma	
6 Tennessee	
7 Missouri	
8 Ohio	
9 South Carolina	
10 West Virginia	

# D6<sup>®</sup> FAMILY MINISTRY

## Executive Director and CEO's Report 2024 National Association of Free Will Baptists

### Executive Summary

One reason I love the book of Nehemiah is observing the slinky dog effect we see as the people build the wall around Jerusalem. Progress did not occur at an even pace. Although Nehemiah would not come down off the wall for an enemy, he did need to address internal factors. We see him observe lagging trends in certain spots. As he adjusted, the progress continued. The year 2023 felt like we spent less time building the wall and more time logistically preparing for the next phase of building.

Looking back at the hospitality industry in 2021, hotels invested heavily in remodeling during the pandemic downtime to renovate and upgrade for the future. Similarly, our organization has made proportional investments as we prepare for the next decade. We have recently invested in a major software upgrade to replace eight other systems, acquired two additional ministries, and launched a new curriculum. We have also reinvented how curriculum can be delivered.

We are coming out of a difficult year regarding finances, software, personnel, and the small foxes that can spoil the vines. In March, a Singaporean cargo ship lost power and could do nothing but drift into a major pylon which collapsed the Francis Scott Key Bridge over the Baltimore Harbor. While the cause of the cargo ship catastrophe is unknown, the leading speculation is that the engines stalled because of bad gas. No combustible engine can turn and propel a vehicle forward without good fuel. Income is the gas that drives any non-profit; nothing can be steered in the correct direction without fuel. The current climate in which churches and non-profits sit shows limited propulsion. Ministries like D6 Family Ministry cannot survive without consistent funding.

While 2023 was not an overall financially positive year, we came down off the wall to prepare to climb back up and build again. We need all states, districts, and churches to follow the lead of the many who have included D6 in their monthly budgets, even at an entry-level. Including D6 Family Ministry in your budget signals to others the worthiness of the ministry and the need to partner in the discipleship, leadership, and youth ministries of D6. Churches tend to follow the lead of associational giving patterns, so we do not need large sums in these district and state budgets; we just need them to acknowledge that D6 is a ministry like our colleges and mission organizations.

My report will acknowledge and deal with the 2023 financial year and then move into other progressing areas and strategies. Remember that 64% of income is derived from curriculum; two-thirds of our income rises and falls on the health of small groups in our churches. We can no longer survive long-term on this income model.

### Financial Outlook

We can explain the bad number in one concise paragraph. Curriculum units are down and costs of goods are more expensive than ever. Health care, paper, shipping, travel, and literally every item is up double-

digit percentages. The year 2023 marked the first since coming out of the pandemic that we had no outside assistance, grants, or additional monies. We launched a new curriculum with added expenses and paid large implementation fees for our new CRM software. We can say that the year 2023 was a moment in time bordering on a slow, concerning trend. In other words, we will not be facing this size loss in the near future. However, real threats to future financial health exist, and if not addressed, we will face a significant change in how we operate—a change that will negatively affect our denomination’s doctrinal identity in the future.

We borrowed almost exactly the amount of loss for 2023, meaning the number is not a “paper number.” Our current trends have stabilized, and we project a near-break-even trend moving forward. But the concerning fact is that our changes should have placed us in a net positive of nearly \$300,000-400,000. While we are glad that all indicators suggest we will not repeat 2023, we want to know why the trends have not held.

You have seen us navigate troubled waters in the past. The difference now is how much the world has changed in the last five years, requiring us to rely on donations *and* product sales. The negative trends affecting all denominations truly concern us at this point.



### **Growth & Acquisitions**

We are pleased to report that our top-line revenue items are experiencing growth, with each detailed item contributing to our total income showing an upward trend. These items include curriculum, books, elements, conferences, Vertical Three, and competition entries. While growth is our financial goal, we must acknowledge that our current growth still falls short of our 2019 levels due to the lingering effects of the pandemic. However, we are proud to say that our books continue to reach historic new highs, which is a positive sign for our future growth.

### **New North American D6 Conference**

Over the years, California leaders have requested we bring the D6 Conference to the West Coast. However, we explored other options since California is already an over-conferenced area. In the fall of 2022, we began conversations with a pre-existing conference in the Seattle area that had been struggling to recover from the pandemic. After several discussions, we decided to acquire it, and in March 2023, we signed the legal paperwork. This acquisition took effect in April 2023 with the first conference beginning in 2024. The Northwest Ministry Conference is now known as D6 Northwest. Consequently, we have renamed D6 Orlando to D6 Southeast.

### **D6 HomePoint**

D6 Family Ministry acquired HomePointe and is now known as D6 HomePoint. HomePointe was established to help churches strengthen families within their congregation but complements the existing products for D6 Family Ministry. With D6's audience and marketing, D6 HomePoint will be able to grow its reach. It will keep its name but will drop the awkward “e,” carry the D6 brand prefix, and have its own booth presence within our booth or beside our booth at six major events: the National Association of Free Will Baptists, KidzMatter, Children’s Pastor’s Conference, Conclave, and our own two D6 Conferences. We inherited limited assets, but the real benefit is capturing a network of churches who subscribe to D6 HomePoint, and we can cross-pollinate curriculum and books. D6 HomePoint offers a new layer that D6 Family Ministry previously did not have by providing a triage for hurting people and



families and showing helpful resources to get them back on track. Think of D6 HomePoint as your family physician for preventative care and to diagnose spiritual pains and sicknesses.

### **D6 EveryDay Foundations Curriculum**

The *D6 EveryDay Foundations* curriculum has seen a shift in its launch strategy post-pandemic. The two-month block publishing cycle of the curriculum has received positive feedback from churches, with teachers expressing satisfaction with their books and the return of the CLEAR Learning System. This essential teaching delivery has been well-received by both end users and the production team internally.

### **D6 Brand**

Part of the strategy of changing our legal name was to continue building our brand, representing our philosophy and mission. This year has seen that move of D6 branding and name change pay early dividends. The acquisition of the Northwest Ministry Conference and HomePointe came to us because of D6 and how our mission creates the most complementary alignment. One unexpected benefit came when Derek Altom and I traveled to initiate network connections with key denominational leaders in the Pacific Northwest. As we met with the Washington, Oregon, and Northern Idaho regional Southern Baptist leaders, one leader said that he accepted the invitation to meet with us because he knew about our reputation at D6 as a trusted discipleship resource for church and families. As a result, he is helping us promote D6 Northwest and network with other key leaders.

D6 Family Ministry's marketing, promotions, and messaging will become more focused. Our customers will not be siloed. We anticipate the consistent promotion of the D6 brand in all areas, rather than in the previous compartmentalization, will continue to pay dividends.

### **Summary**

To say that publishing has become incrementally more difficult through the years is an understatement. My concern is the entrenched attitudes that rapidly speed up our difficulties. Contributing items include churches that continue not to purchase any curriculum, churches that do not plan for at-home discipleship, churches that write their own lessons, AI's ability to assist churches who write their own curriculum, and the sentiment that we are not a ministry worthy of funding (only purchasing). Thankfully, those with that sentiment do not make up the majority. We count it an honor to serve the denomination and are very appreciative for everyone's support as a customer and donor.

Leading is serving,

A handwritten signature in black ink, appearing to read "Ron Hulst". The signature is fluid and cursive, with a large initial "R" and "H".

D6 Family Ministry  
Executive Director & CEO



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

**Independent Auditors' Report**

**The Board of Directors**  
**D6 Family Ministry**

***Opinion***

We have audited the financial statements of D6 Family Ministry - a not for profit organization - which comprise the statement of financial position as of December 31, 2023 and the related statements of activities, functional expenses and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of D6 Family Ministry, as of December 31, 2023, and results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of D6 Family Ministry and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about D6 Family Ministry's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

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Terry A. Hill  
615 417 - 7414  
terryhill37027@comcast.net

410 Bobby Drive  
Franklin, Tennessee 37069

Ernest R. Harper  
615 417 - 6358  
e.harper@comcast.net



In performing an audit in accordance with GAAS, we:

- > Exercise professional judgement and maintain professional skepticism throughout the audit.
- > Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- > Obtain an understating of internal control relevant to the audit 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 D6 Family Ministry's internal control. Accordingly, no such opinion is expressed.
- > Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- > Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about D6 Family Ministry's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Hill Harper & Associates*

**A Professional Limited Liability Company**  
**Franklin, Tennessee**  
**May 15, 2024**

**D6 FAMILY MINISTRY**  
Formerly  
**RANDALL HOUSE PUBLICATIONS OF THE**  
**NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

**Statement of Financial Position**

December 31, 2023

Assets

**Current assets:**

Cash and cash equivalents:	
Cash and interest bearing deposits	\$ 430,921
Cash invested with the Free Will Baptist Foundation	8,063
<b>Total cash and cash equivalents</b>	438,984
Accounts receivable - trade, net of allowance for doubtful accounts and returns	501,728
Inventory	546,639
Prepaid expenses	136,348
<b>Total current assets</b>	1,623,699

**Property, plant and equipment, at cost:**

Land	72,983
Building	847,460
Printing service equipment	726,918
Office and administrative equipment	460,601
Automobiles and trucks	66,820
	2,174,782
Less accumulated depreciation and amortization	1,515,964
<b>Net property, plant and equipment</b>	658,818

<b>Right-of-use assets net of amortization of \$78,101</b>	142,308
	\$ 2,424,825

Liabilities and Net Assets

**Current liabilities:**

Accounts payable	\$ 363,564
Deferred revenues	125,433
Current portion of right-of-use lease obligations	43,622
Accrued expenses	75,384
<b>Total current liabilities</b>	608,003

**Long term liabilities:**

Line of credit advances	1,286,345
Long term portion of right-of-use lease obligations	98,686
<b>Total long term liabilities</b>	1,385,031

**Net assets:**

Without donor restrictions	431,791
With donor restrictions	-
<b>Total net assets</b>	431,791

\$ 2,424,825

**Commitments**

**See auditors report and notes to financial statements.**

**D6 FAMILY MINISTRY**  
Formerly  
**RANDALL HOUSE PUBLICATIONS OF THE**  
**NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

**Statement of Activities and Changes in Net Assets**

For the year ended December 31, 2023

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Totals</b>
<b>Revenues:</b>			
<b>Sales:</b>			
RHP product lines (including curriculum)	\$ 2,851,020	-	2,851,020
RHP books	292,691	-	292,691
National Convention and other events	19,834	-	19,834
Printing sales	543,232	-	543,232
Third party sales	18,784	-	18,784
Freight and handling	221,733	-	221,733
<b>Total sales</b>	<b>3,947,294</b>	<b>-</b>	<b>3,947,294</b>
<b>Events:</b>			
D6 Conference	234,009	-	234,009
Vertical 3	375,902	-	375,902
<b>Total events</b>	<b>609,911</b>	<b>-</b>	<b>609,911</b>
<b>Other operating revenues:</b>			
Commissions	44,857	-	44,857
Development / Donor gifts	95,413	-	95,413
Grants	-	-	-
Interest income	15,118	-	15,118
Miscellaneous revenues	19,546	-	19,546
<b>Total other operating revenues</b>	<b>174,934</b>	<b>-</b>	<b>174,934</b>
<b>Total revenues</b>	<b>4,732,139</b>	<b>-</b>	<b>4,732,139</b>
Net assets released	18,000	(18,000)	-
	<b>4,750,139</b>	<b>(18,000)</b>	<b>4,732,139</b>
<b>Expenses:</b>			
<b>Program services:</b>			
Cost of production	2,189,452	-	2,189,452
Distribution center	474,939	-	474,939
Events and Development	488,997	-	488,997
Vertical 3 (Youth)	519,873	-	519,873
Customer service	321,509	-	321,509
	<b>3,994,770</b>	<b>-</b>	<b>3,994,770</b>
<b>Supporting services</b>			
Administrative	1,379,066	-	1,379,066
<b>Total expenses</b>	<b>5,373,836</b>	<b>-</b>	<b>5,373,836</b>
<b>Decrease in net assets from operations</b>	<b>(623,697)</b>	<b>(18,000)</b>	<b>(641,697)</b>
<b>Net assets:</b>			
<b>Beginning of year</b>	<b>1,055,488</b>	<b>18,000</b>	<b>1,073,488</b>
<b>End of year</b>	<b>\$ 431,791</b>	<b>-</b>	<b>431,791</b>

See auditors report and notes to financial statements.

**D6 FAMILY MINISTRY**  
Formerly  
**RANDALL HOUSE PUBLICATIONS OF THE**  
**NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

**Statement of Functional Expenses**

For the year ended December 31, 2023

	Costs of Production	Program Services					Program Service Totals	Administrative	Totals
		Distribution Center	Events and Development	Vertical 3	Customer Services	Service Totals			
<b>Employee costs:</b>	\$ 739,594	133,054	40,415	45,893	144,966	1,103,922	466,202	1,570,124	
Salaries and wages	13,800	-	22,140	-	24,168	60,108	60,000	120,108	
Ministers housing allowance	44,927	8,105	2,449	1,933	8,806	66,220	23,991	90,211	
Payroll taxes	28,985	3,083	1,403	1,403	3,758	38,632	16,680	55,312	
Retirement	160,194	27,482	8,461	21,834	27,506	245,477	72,900	318,377	
Health insurance	987,500	171,724	74,868	71,063	209,204	1,514,359	639,773	2,154,132	
<b>Operating expenses:</b>									
Finished products purchased, net of change in inventory	178,283	-	-	-	-	178,283	-	178,283	
Raw materials	198,625	-	-	-	-	198,625	-	198,625	
Expenses of D6 conferences	-	-	356,386	-	-	356,386	-	356,386	
Outside services	567,725	-	-	-	-	567,725	6,696	574,421	
Writers fees	25,885	-	-	-	-	25,885	-	25,885	
Travel, entertainment, conventions and conferences	11,787	227	45,590	441,010	7,000	505,614	72,037	577,651	
Travel for Board of Directors	-	-	-	-	-	-	31,440	31,440	
Royalties	23,323	-	-	-	-	23,323	-	23,323	
Supplies	26,051	22,872	3,568	3,953	4,215	60,659	14,205	74,864	
Equipment maintenance	110,523	89	-	33	-	110,645	-	110,645	
Software	-	-	-	-	75,615	75,615	8,150	83,765	
Postage	69	36,851	145	34	234	37,333	1,025	38,358	
Equipment rental	1,095	7,573	-	-	1,013	9,681	28,336	38,017	
Freight	9	230,275	-	-	-	230,284	1,861	232,145	
Telephone	1,393	-	348	348	12,784	14,873	2,904	17,777	
Legal and professional	-	-	-	-	-	-	18,064	18,064	
Advertising	-	-	-	-	-	-	52,258	52,258	
Promotion	-	-	146	-	-	146	113,134	113,280	
Occupancy	-	-	-	-	-	-	104,853	104,853	
Interest expense	-	-	-	-	-	-	43,418	43,418	
Service charges	-	-	-	-	-	-	38,788	38,788	
One Magazine funding	-	-	-	-	-	-	50,182	50,182	
Depreciation	43,022	-	-	-	-	43,022	78,643	121,665	
Other	14,162	5,328	7,946	3,432	11,444	42,312	73,299	115,611	
	\$ 2,189,452	474,939	488,997	519,873	321,509	3,994,770	1,379,066	5,373,836	

See auditors report and notes to financial statements.

**D6 FAMILY MINISTRY**  
Formerly  
**RANDALL HOUSE PUBLICATIONS OF THE**  
**NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

**Statement of Cash Flows**

**For the year ended December 31, 2023**

<u><b>Cash Flows from Operating Activities</b></u>	
Decrease in net assets	\$ (641,697)
Adjustments to reconcile decrease in net assets to net operating activities:	
Depreciation	121,665
(Increase) decrease in:	
Accounts receivables	(399,561)
Inventories	25,310
Prepaid expenses	(29,997)
Increase (decrease) in:	
Accounts payable	82,326
Deferred revenues	(33,085)
Accrued expenses	(7,869)
<b>Net operating activities</b>	<u>(882,908)</u>
<u><b>Cash Flows from Investing Activities</b></u>	
Purchase of property, plant and equipment	<u>(133,644)</u>
<b>Net investing activities</b>	<u>(133,644)</u>
<u><b>Cash Flows from Financing Activities</b></u>	
Advances from long term line of credit	958,474
Repayments of long term debt	<u>(162,032)</u>
<b>Net financing activities</b>	<u>796,442</u>
<b>Decrease in cash and cash equivalents</b>	(220,110)
<b>Cash and cash equivalents:</b>	
<b>Beginning of year</b>	<u>659,094</u>
<b>End of year</b>	<u>\$ 438,984</u>
<b>Cash and cash equivalents, as reported on statement of financial position, as follows:</b>	
Cash and interest bearing deposits	\$ 430,921
Cash invested with the Free Will Baptist Foundation	<u>8,063</u>
	<u>\$ 438,984</u>
<b>Supplemental disclosures:</b>	
Interest paid	<u>\$ 43,418</u>
<b>Non cash transactions:</b>	
Amortization of right-of-use assets	<u>\$ 49,195</u>

**See auditors report and notes to financial statements.**



**D6 FAMILY MINISTRY**  
Formerly  
**RANDALL HOUSE PUBLICATIONS OF THE**  
**NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

**Notes to Financial Statements**

**December 31, 2023**

D6 Family Ministry operates under the auspices of the National Association of Free Will Baptists and is governed by a Board of Directors. The mission of D6 Family Ministry is HELPING YOU BUILD BELIEVERS THROUGH CHURCH AND HOME; accomplished in both evangelism and discipleship through curriculum, books and events.

Randall House Publications changed its name during 2023 to D6 Family Ministry. This name change was approved by the body of the National Association of Free Will Baptists at its national convention in July 2023.

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

**Basis of Presentation**

The financial statements of D6 Family Ministry have been prepared on the accrual basis of accounting.

As required by generally accepted accounting principles, D6 Family Ministry 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 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, IT, marketing, building maintenance, shared occupancy costs and other general expenses.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, D6 Family Ministry 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 D6 Family Ministry 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.

**D6 FAMILY MINISTRY**  
Formerly  
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**Notes to Financial Statements, continued**

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

**Revenue Recognition**

We have reviewed the provisions of the FASB's ASC Topic 606, Revenue from Contracts with Customers, and have concluded that no changes are necessary to conform with the new standard.

**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 efforts 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, 2023 amounted to \$20,000. Changes in the valuation account have not been material to the financial statements. Accounts receivable, net of this allowance account amount to \$501,728.

**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 valuation to compute a two year shelf life.

**Income Taxes**

D6 Family Ministry 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 2023. 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 \$52,258.

**Concentration of Credit Risk**

D6 Family Ministry is a distributor of Bible-based Sunday School and church training curriculum, and other denominational publications. D6 Family Ministry 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 \$8,063 are subject to risk of accounting loss. Cash held in local banks are insured to FDIC limits. Management does not anticipate nonperformance by the financial institutions.

**D6 FAMILY MINISTRY**  
**Formerly**  
**RANDALL HOUSE PUBLICATIONS OF THE**  
**NATIONAL ASSOCIATION OF FREE WILL BAPTISTS, INC.**

**Notes to Financial Statements, continued**

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

**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:

D6 Conference	\$	106,796
Vertical 3 (Youth)		18,637
	\$	125,433

**Leases**

D6 Family Ministry has adopted FASB ASC 842 which requires the present value of leases be capitalized as right-of-use assets with a corresponding lease obligation recorded between current and long term liabilities.

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

The following reflects D6 Family Ministry's financial assets as of balance sheet dates available for expenditure within one year from the balance sheet date.

**Financial assets at end of year:**

Cash and interest bearing deposits	\$	430,921
Cash invested with the Free Will Baptist Foundation		8,063
Accounts receivable		501,728
Total financial assets available		940,712
Less cash account securing line of credit (note 4)		(385,601)
Financial assets available to meet general expenditures the next twelve months	\$	555,111

D6 Family Ministry 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 \$1,900,000 to meet cash flow needs. See note 4 for further information.

(3) **Inventory**

Inventory consists of the following:

Finished curriculum	\$	168,117
Work in progress		75,864
Printing raw materials		82,712
Hymnals		14,095
Warehoused other books and merchandise	\$	283,851
Less allowance for loss		78,000
	\$	546,639

**D6 FAMILY MINISTRY**  
Formerly  
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**Notes to Financial Statements, continued**

**(4) Lines of Credit**

D6 Family Ministry has lines of credit as follows:

Free Will Baptist Foundation:

Line of credit with a maximum amount of \$1,500,000 with variable rate of interest at 6% as of end of 2023, which matures December 31, 2026 and is secured by deed of trust on real property and other assets. Outstanding balance amounted to \$900,744 at December 31, 2023.

Banking institution:

Line of credit with a maximum amount of \$400,000 at 6% interest, which matures August 2025 and is secured by cash account held by the banking institution with a balance of \$407,517 at December 31, 2023.

Outstanding balance amounted to \$385,601 at December 31, 2023.

**(5) Leases - Right-of-Use Assets and Relating Obligations**

D6 Family Ministry adopted FASB ASC 842 which requires capitalization of lease values. These leases are operating leases and the adoption of this standard has no effect on current year reported results of operations.

The right-of-use asset has a balance of \$142,308, reported as an other asset, with corresponding current liability of \$43,622 and long term liability of \$98,686, which are presented on the statement of financial position. The lease liabilities, at present value, were calculated using D6 Family Ministry's incremental borrowing rate at date calculated of 3.75%.

Maturities of operating lease liabilities are as follows:

		<b>Required Payments</b>	<b>Interest Amount</b>	<b>Lease Maturities</b>
2024	\$	48,197	4,575	43,622
2025		36,767	3,126	33,641
2026		36,767	1,842	34,925
2027		30,640	520	30,120
		<u>\$ 152,371</u>	<u>10,063</u>	<u>142,308</u>

Rental expense relating to operating leases amounted to \$38,017.

**(6) Net Assets**

Net assets are as follows:

Net assets without donor restrictions		\$ <u>431,791</u>
Net asset released from restriction - expended for intended purpose		
Funds received through Free Will Baptist Foundation		
Pass through from FWB North American Ministries for translation of The Quest for Truth into Spanish		\$ <u>18,000</u>

**(7) Related Party Transactions**

**Pension**

D6 Family Ministry 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 D6 Family Ministry. Employees with one year of service may participate at anniversary date of employment. Pension expense amounted to \$55,312. 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.



**D6 FAMILY MINISTRY**  
**Formerly**  
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**Notes to Financial Statements, continued**

**(7) Related Party Transactions, continued**

**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 D6 Family Ministry provided \$50,182. Further, D6 Family Ministry designs, prints and provides mailing services for One Magazine, and reported revenues of \$242,018 for these services during 2023.

**Free Will Baptist Foundation**

D6 Family Ministry maintains accounts with Free Will Baptist Foundation as follows:

Interest bearing accounts	\$ <u>8,063</u>
Line of credit Indebtedness	\$ <u>900,744</u>

**(9) Commitments and Contingencies**

**Litigation**

D6 Family Ministry, in the normal course of operations, may be a defendant in lawsuits. Management is not aware of any pending asserted or unasserted claims against D6 Family Ministry.

**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:

Revenue from conferences and related services	\$ <u>375,902</u>
Expenditures:	
Conferences and related costs	441,010
Operating expenses	<u>78,863</u>
	<u>519,873</u>
Loss from activities	\$ <u>(143,971)</u>

**(10) Subsequent Events**

Subsequent events were evaluated through May 15, 2024, which is the date these financial statements were available to be issued.



D6 Family Ministry Comparative Budget

	Budget 2025	Budget 2024	Jan - Dec 23 ACTUAL
<b>Income</b>			
D6 Family Ministry Product Lines	\$3,316,250	\$3,201,050	\$2,851,021
D6 Books	\$300,000	\$262,950	\$292,691
Event/ Off Site Sales	\$390,000	\$450,000	\$270,408
Third Party Sales	\$18,750	\$34,100	\$18,790
Other Revenue	\$1,042,250	\$1,009,250	\$878,470
Commission Income	\$47,000	\$42,500	\$44,857
Vertical Three Revenue	<u>\$416,000</u>	<u>\$404,500</u>	<u>\$375,902</u>
<b>TOTAL INCOME</b>	<b>\$5,530,250</b>	<b>\$5,404,350</b>	<b>\$4,732,139</b>
<b>Cost of Goods Sold</b>			
<b>TOTAL COGS</b>	<b><u>\$741,850</u></b>	<b><u>\$665,085</u></b>	<b><u>\$534,668</u></b>
<b>Departmental Operating Expense</b>			
<b>TOTAL OPERATING EXPENSE</b>	<b><u>\$4,788,400</u></b>	<b><u>\$4,666,465</u></b>	<b><u>\$4,839,169</u></b>
<b>TOTAL EXPENSE</b>	<b>\$5,530,250</b>	<b>\$5,331,550</b>	<b>\$5,373,836</b>
<b>Annual Profit/Loss</b>	<b>\$0</b>	<b>\$73,500</b>	<b>-\$641,697</b>
<b>Income</b>			
<b>D6 Product Lines</b>			
3003 · Dated SS Curriculum	\$3,000,000	\$3,100,000	\$2,740,611
3009 · D6 HomePoint	\$200,000	\$0	\$0
3015 · Children's Church Curriculum	\$70,000	\$65,000	\$68,375
3021 · D6 Media	\$10,000	\$12,500	\$8,275
3024 · Church Supplies	\$1,000	\$800	\$1,025
3027 · RHP/D6 T-Shirts/Merchandise	\$17,500	\$7,500	\$15,665
3030 · Vertical 3 Resources	\$10,000	\$10,000	\$9,261
3033 · Miscellaneous Sales	\$250	\$250	\$134
3036 · D6 International	\$7,500	\$5,000	\$7,675
Total · D6 Product Lines	\$3,316,250	\$3,201,050	\$2,851,021
<b>D6 Books</b>			
Total · D6 Books	\$300,000	\$262,950	\$292,691
<b>Conferences</b>			
3503 · D6 Conference Registration	\$155,000	\$200,000	\$108,171
3506 · D6 Conference Sponsorship	\$165,000	\$180,000	\$101,250
3509 · D6 Conference Sales	\$35,000	\$40,000	\$24,588
3515 · National Sales	\$20,000	\$15,000	\$19,834
3521 · Misc. Event Sales	\$15,000	\$15,000	\$16,572
Total · Conferences	\$390,000	\$450,000	\$270,408
<b>Third Party Sales</b>			
3703 · Curriculum (Dated)	\$10,000	\$20,000	\$10,920
3712 · Church Supplies	\$1,500	\$2,500	\$1,765
3715 · Bibles (Non D6 Imprint)	\$250	\$600	\$273
3718 · Books (Non D6 Imprint)	\$6,500	\$10,000	\$5,389
3724 · Miscellaneous	\$500	\$1,000	\$442
Total · Third Party Sales	\$18,750	\$34,100	\$18,790
<b>Other Income</b>			
3803 · Printing/Design Services	\$575,000	\$580,000	\$543,232
3806 · Freight and Handling Income	\$235,000	\$215,000	\$221,733
3809 · Interest Income	\$15,000	\$7,500	\$15,118
3812 · Service Charges	\$500	\$1,500	\$534

D6 Family Ministry Comparative Budget

	Budget 2025	Budget 2024	Jan - Dec 23
3815 · Sale/Disposal of Assets	\$1,500	\$3,500	\$0
3818 · In House Vending	\$250	\$250	\$0
3821 · Gifts	\$135,000	\$200,000	\$95,413
3824 · Grants	\$75,000	\$0	\$0
3827 · Warehouse Storage Income	\$5,000	\$1,500	\$2,440
<b>Total · Other Income</b>	<b>\$1,042,250</b>	<b>\$1,009,250</b>	<b>\$878,470</b>
<b>Commission Income</b>			
3903 · Bulletins	\$18,000	\$15,000	\$18,139
3909 · Misc. Commission Income	\$4,500	\$0	\$4,718
3912 · Advertising/Other	\$24,500	\$27,500	\$22,000
<b>Total · Commission Income</b>	<b>\$47,000</b>	<b>\$42,500</b>	<b>\$44,857</b>
<b>Verticle Three Income</b>			
3662 · V3 Conference Income	\$130,000	\$125,000	\$116,370
3664 · Truth & Peace Fees	\$250,000	\$245,000	\$225,018
3666 · NYET Fees	\$35,000	\$33,000	\$34,206
3670 · Youth Collections	\$500	\$500	\$0
3673 · Buck-A-Week Revenues	\$500	\$1,000	\$309
<b>Total · Verticle Three Income</b>	<b>\$416,000</b>	<b>\$404,500</b>	<b>\$375,902</b>
<b>Total Income</b>	<b>\$5,530,250</b>	<b>\$5,404,350</b>	<b>\$4,732,139</b>
<b>Cost of Goods Sold</b>			
4003 · Dated SS Curriculum	\$90,000	\$105,000	\$77,156
4009 · D6 HomePoint	\$140,000	\$0	\$0
4015 · Children's Church Curriculum	\$6,000	\$25,000	\$3,956
4021 · D6 Media	\$5,000	\$0	\$5,670
4024 · Church Supplies	\$500	\$2,000	\$401
4027 · D6 T-Shirts/Merchandise	\$8,500	\$400	\$11,926
4030 · Vertical 3 Resources	\$4,000	\$4,000	\$3,578
4033 · Miscellaneous Sales	\$0	\$5,000	\$0
4039 · D6 Books	\$35,000	\$43,585	\$27,572
4503 · D6 Conf Expensees	\$410,000	\$425,000	\$344,252
4509 · D6 Conf Sales	\$17,500	\$20,000	\$12,134
4515 · National Sales	\$2,000	\$3,000	\$1,204
4521 · Misc. Event Sales	\$8,000	\$6,500	\$7,713
4703 · Third Party Curriculum	\$7,000	\$12,000	\$5,222
4712 · Third Party Church Supplies	\$1,000	\$1,500	\$1,222
4715 · Third Party Bibles	\$250	\$500	\$349
4718 · Third Party Books	\$3,500	\$7,500	\$3,153
4724 · Third Party Miscellaneous	\$100	\$100	\$4
4803 · Freight COGS	\$3,500	\$4,000	\$3,846
4815 · Change In Inventory	\$0	\$0	\$25,310
<b>Total Cost of Goods Sold</b>	<b>741,850.00</b>	<b>665,085.00</b>	<b>\$534,668</b>
<b>Departmental Operating Expenses</b>			
6002 · Salaries	\$1,610,000	\$1,600,500	\$1,570,124
6003 · Housing Allowance	\$122,500	\$120,940	\$120,108
6004 · Travel Expense	\$80,000	\$91,650	\$79,319
6006 · Department Supplies	\$57,500	\$53,250	\$57,402
6007 · Equipment Maintenance	\$2,500	\$1,150	\$3,240
6008 · Equipment Rental	\$37,500	\$19,850	\$38,018
6010 · Conventions and Seminars	\$7,000	\$6,750	\$7,116
6011 · Royalty Payments	\$25,000	\$32,500	\$23,323

D6 Family Ministry Comparative Budget

	Budget 2025	Budget 2024	Jan - Dec 23
6012 · Dues and Subscriptions	\$65,000	\$62,750	\$65,202
6015 · CRM Software	\$35,000	\$20,000	\$75,116
6016 · Entertainment	\$17,500	\$16,000	\$17,696
6018 · Outside Printing	\$425,000	\$460,000	\$448,246
6019 · Outside Bindery	\$17,500	\$15,000	\$16,951
6020 · Postage	\$38,000	\$28,750	\$38,373
6023 · Telephone	\$18,000	\$16,975	\$17,779
60226 · FICA	\$97,500	\$97,050	\$90,211
6029 · Retirement	\$57,500	\$63,750	\$55,312
6032 · Medical Insurance	\$345,000	\$321,500	\$318,377
6034 · Advertising	\$57,500	\$60,000	\$50,902
6035 · D6 Podcast	\$7,500	\$3,500	\$7,761
6036 · Promotion	\$97,500	\$100,000	\$106,729
6038 · Pressroom Parts	\$6,500	\$5,000	\$6,381
6040 · Pressroom Stock	\$115,000	\$170,000	\$117,228
6042 · Pressroom Ink	\$6,500	\$7,500	\$5,534
6044 · Bindery Supplies	\$4,500	\$5,000	\$4,221
6046 · Bindery Maintenance	\$750	\$500	\$661
6048 · Bindery Parts	\$1,500	\$500	\$2,566
6050 · Pre-Press Supplies	\$1,500	\$500	\$1,595
6052 · Proofing Supplies	\$2,500	\$3,000	\$2,224
6056 · Digital Press Supplies	\$150	\$150	\$125
6062 · Plates	\$20,000	\$17,500	\$24,465
6088 · Outside Purchases - Essential Pkts.	\$15,000	\$15,000	\$51,399
6089 · Digital Press Operation/Maintenance	\$107,500	\$80,000	\$104,922
6090 · Miscellaneous Expense	\$2,500	\$1,700	\$14,491
6134 · Product Development	\$4,250	\$4,250	\$4,154
6136 · Writer's Fees	\$57,500	\$60,000	\$25,885
6138 · Outside Editing/Proofing	\$45,000	\$29,000	\$43,894
6170 · Auto Expense	\$7,500	\$10,500	\$5,818
6214 · Art Services	\$60,000	\$60,000	\$58,740
6230 · Software Fees and Services	\$750	\$500	\$9,604
6240 · Freight Expense	\$225,000	\$205,000	\$232,025
6243 · Building Maintenance	\$20,000	\$12,500	\$20,142
6244 · Utilities	\$52,500	\$52,500	\$51,411
6245 · Building Insurance	\$37,500	\$37,500	\$33,299
6446 · ONE Magazine Expense	\$51,000	\$50,000	\$50,182
6534 · V3 Conf. Expense	\$170,000	\$140,000	\$171,977
6536 · Truth & Peace Expense	\$225,000	\$195,000	\$220,692
6538 · NYET Expense	\$30,000	\$32,500	\$45,941
6545 · V3 - Scholarships	\$1,500	\$0	\$1,700
6588 · Buck-A-Week Expenses	\$500	\$500	\$0
6914 · Depreciation	\$110,000	\$107,500	\$121,665
6915 · Interest Expense	\$45,000	\$22,500	\$43,418
6918 · Service Charges	\$40,000	\$45,000	\$38,788
6925 · Board Expense	\$20,000	\$20,000	\$31,440
6930 · Legal & Audit	\$20,000	\$16,000	\$18,064
6940 · Bad Debt	\$1,000	\$500	\$15,657
6945 · In House Functions	\$12,500	\$12,500	\$11,142
6950 · Taxes	\$7,500	\$10,000	-\$1,338
6951 · National Expense	\$20,000	\$20,000	\$21,485
6955 · Payroll Services	\$4,000	\$3,500	\$6,696
6970 · Development Promotional Expenses	\$1,000	\$1,000	\$146
6088 · D6 International Travel/Expense	\$15,000	\$20,000	\$13,423
<b>Total Departmental Operating Expenses</b>	<b>\$4,788,400</b>	<b>\$4,666,465</b>	<b>\$4,839,169</b>

Executive Director & CEO Ronald Hunter Jr.	2024 Package	2025 Projected Package*
Salary	\$54,681	\$59,822
Housing Allowance	\$60,000	\$60,000
Retirement	<u>\$13,840</u>	<u>\$13,840</u>
<b>COMPENSATION TOTAL</b>	\$128,521	\$133,662
Christmas Bonus	<u>\$2,135</u>	<u>\$2,220</u>
<b>TOTAL PAY PACKAGE</b>	\$130,656	\$135,882

Medical, Dental, Vision and Life insurance in 2024 is \$18,451. An increase is projected for 2024.

\* Salary is subject to change dependent on the performance of the organization.

Curriculum Director Katie Greenwood	2024 Package	2025 Projected Package*
Salary	<u>\$61,287</u>	<u>\$63,739</u>
<b>COMPENSATION TOTAL</b>	\$61,287	\$63,739
Retirement	\$3,064	\$3,187
Christmas Bonus	<u>\$919</u>	<u>\$956</u>
	\$3,984	\$4,143
<b>TOTAL PAY PACKAGE</b>	\$65,271	\$67,882

Medical, Dental, Vision and Life insurance in 2024 is \$23,027. An increase is projected for 2025.

\* Salary is subject to change dependent on the performance of the organization.

Director of Events & Development Derek Altom	2024 Package	2025 Projected Package*
Salary	\$34,026	\$35,387
Housing Allowance	<u>\$22,140</u>	<u>\$23,026</u>
<b>COMPENSATION TOTAL</b>	\$56,166	\$58,413
Retirement	\$2,808	\$2,921
Christmas Bonus	<u>\$842</u>	<u>\$876</u>
	\$3,651	\$3,797
<b>TOTAL PAY PACKAGE</b>	\$59,817	\$62,209

Medical, Dental, Vision and Life insurance in 2024 is \$22,699. An increase is projected for 2025.

\* Salary is subject to change dependent on the performance of the organization.



**Summary of the Minutes  
2023-2024 D6 Family Ministry Board**

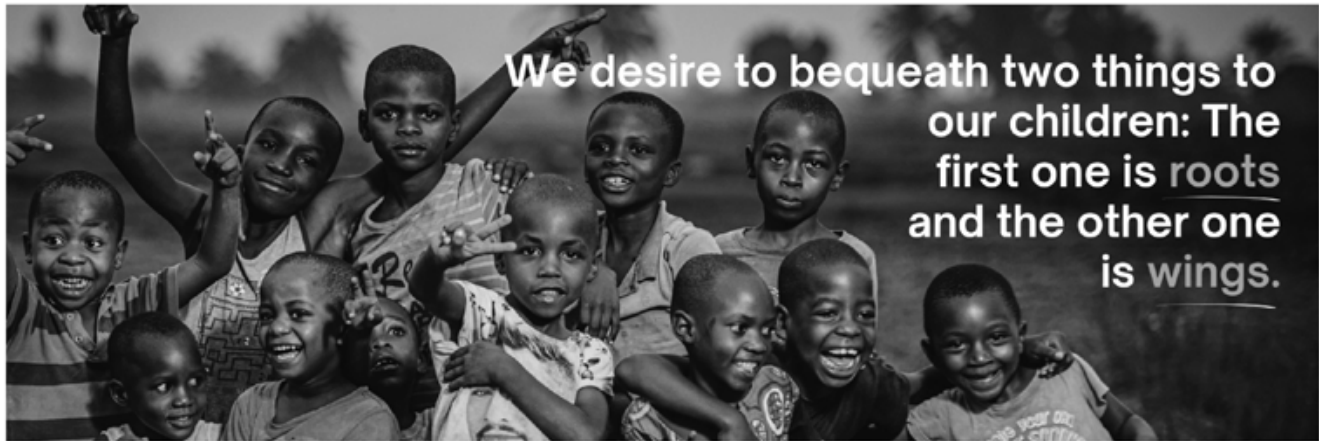
The meeting convened at the National Association of Free Will Baptists on July 19, 2023, in Raleigh, NC. Mike Mounts opened in prayer. Dr. Ron Hunter and Michael Lytle presented updates covering organizational matters and financial insights. Committee assignments for the upcoming term were confirmed, and it was resolved that the executive committee roles would remain unchanged until the December session. Following discussions and decisions, the board adjourned, closing the session with a prayer led by Mike Trimble.

Chaired by Paul Bryant, the board convened via Zoom on September 19, 2023, to discuss acquiring the HomePointe organization. After thorough deliberation, a motion to acquire HomePointe as a subsidiary was made and unanimously approved. The meeting also included a prayer for Mike Trimble's strength and encouragement and Jay Baines' health. The session concluded with prayer by Rick Taylor.

Paul Bryant called the meeting to order on December 6, 2023, in Nashville, TN, commencing with reflections on Galatians 6:9 and prayer. Dr. Ron Hunter provided a detailed Executive Director & CEO's report, highlighting organizational investments, acquisitions, and financial challenges encountered during the year. Danny Conn reported on the Book division, outlining business partnerships, licensing agreements, and upcoming projects. Kendall Ross presented the Financial Committee's report with an in-depth financial overview, discussing revenue, expenses, and debt. Committee reports on Curriculum and Vertical Three were presented and unanimously approved after discussions. The board elected the following officers: Paul Bryant (Chairman), Jay Baines (Vice-chairman), and Kendall Ross (Clerk). The meeting concluded with a motion to adjourn and prayer by Jay Baines.

The Board met on April 14, 2024, at Kirby FWB Church. The meeting featured remarks from departing members Mike Mounts and Mike Trimble, expressing gratitude for their service. Dr. Ron Hunter delivered an extensive Executive Director & CEO's report, detailing financial challenges, strategic initiatives, and organizational developments. The financial report was scrutinized, revealing a challenging year with decreased income and increased expenses. Committee reports on Curriculum and Vertical Three were presented, providing insights into ongoing projects and initiatives. The meeting concluded with a motion to adjourn by Mike Trimble and Mike Mounts, followed by prayer.





IM is very quickly approaching 90 years of leading Free Will Baptists in laboring with the Body of Christ to fulfill the Great Commission. We have a very rich history, and we want to honor those who served willingly and joyfully. However, we refuse to rest on our laurels of the past, for that would make us stall out in our pursuit of fulfilling the Great Commission. Therefore, it is imperative that we stay on task.

IM's theme for 2024 is **Embracing the Legacy, Continuing the Mission**. You will be seeing this expression many times over the next year, and perhaps even beyond.

IM's pioneer missionaries established their legacy by bequeathing two things to those who followed the trail they blazed. They established **roots** that were grounded in the Word, watered by the tears of compassion for lost souls, and undergirded by the prayers and support of the Free Will Baptist people. They also bequeathed to the next generations **wings** to fly and explore a world in need, find their place in fulfilling the Great Commission, and discover new ways to reach those without Christ.

A major personality in our legacy is Miss Laura Belle Barnard. She was sent out in 1935 as the first missionary under the auspices of the newly-formed National Association of Free Will Baptists. That is the beginning of IM's legacy.

From that humble beginning of a single lady following in obedience to His command, we have seen a missionary force grow that includes literally hundreds of North American missionaries as well as thousands of national believers.

Those early years would see other great pioneer heroes of the faith join the ranks. Names like Pop and Mom Willey, Carlisle and Marie Hanna, Ken and Marvis Eagleton, and Dr. and Mrs. LaVerne Miley come to mind...along with many more that time and space will not allow us to name here.

We undeniably have a legacy that is worthy of being embraced. Obedience to His command will inevitably prod us to lock our focus on the Great Commission. Therefore, it behooves us as the IM family to be consumed with **Embracing the Legacy and Continuing the Mission** until His return.

**RECORD INCOME IN 2023:** We all know that we must have financial resources if we are going to continue the mission. The year 2023 was a very good year for IM, and we are sincerely grateful to all those who gave to support the missionaries.

I'm not sure that Miss Barnard and our first wave of missionaries could have ever imagined IM receiving the income we saw in 2023. It was an astounding new record year of over \$9 million in contributions! This is truly a praiseworthy event.

The IM missionaries and staff have worked very hard to get all missionaries fully funded and keep them out of the red and on the field. Very few missionaries are in the red, and for this we are thankful. Your faithful support can ensure that no missionary is ever in the red.

We stand amazed and in great admiration and appreciation for the faithful financial support of our Free Will Baptist stakeholders. A sincere thanks to each one who has practiced obedience in giving and helped in sending out IM missionaries.



**WORLD MISSIONS OFFERING (WMO):** Each year on the last Sunday in August, we have our annual World Missions Offering. This means that on Sunday, August 25, 2024, just a few weeks following the National Association meeting, your church, your company, or you personally can participate in the WMO.

It is important that you know that although August 25 is the designated date for this special offering, you can give anytime throughout the year by sending your gift to the IM office designated for the WMO.

If you are not giving to the WMO, I would like to encourage you to consider the following thoughts. I am confident in saying **the WMO is one of the most comprehensive means for giving to IM.** By giving to the WMO, you are helping:

- (1) Fund the IM partnership budget:** The partnerships receiving WMO funds are all national church organizations with a shared passion to fulfill the Great Commission. We want to assist them in outreach, church planting, and leadership training.
- (2) Provide new missionaries with start-up money:** One of the greatest challenges for new missionaries is getting started in fundraising. By providing start-up funds to newly-appointed missionary accounts, you will be helping them cover their budgetary needs without starting in the red.
- (3) Allot funds to the IM General Fund:** The most challenging budgetary line item we have is the General Fund. This is the main source to cover not only administrative costs, but essentially supports all areas of ministry at IM.



As noted earlier, our theme for the WMO and all of IM this year is **Embracing the Legacy, Continuing the Mission**. So, when you return home after the National, may I ask you to consider challenging your congregation, family, and friends to seize this golden opportunity to come alongside IM in **Embracing the Legacy and Continuing the Mission** by giving to the WMO?

**GOD AT WORK ON OUR FIELDS:** In the past few months, several people have asked how IM is doing. I literally have to stop, take a breath, and remind myself to not get carried away because I could talk for hours about how God is blessing IM.

He, and He alone, should receive glory for the great response to the Gospel around the world through the ministering and witnessing of our missionaries in conjunction with national believers and our partner organizations.

Prior to deploying a new missionary to the field, we have them come to the office for orientation. One of the major elements of this training is to give clear instructions about our expectations as it relates to field ministry.

Every IM missionary is aware of the IM mission statement, which is **IM labors with the Body of Christ to fulfill the Great Commission**. They are presented with six tasks that are directly focused on accomplishing our mission statement. It is vital to our existence and purpose that each one commits to carrying out these six tasks.

Our statistics from 2023 clearly demonstrate how the faithful labor of our missionaries, national believers and leaders, and our partners has *planted and watered* and God has *given the increase*.

**FIELD STATS FOR 2023 AND THE SIX TASKS:** Please allow me to present the six tasks and the results revealed in the field stats. All the information below reveals God's work on our fields in 2023. It was a great year!



**Task #1: Minister to people's needs**

By addressing real and felt needs, helping to alleviate suffering, and genuinely caring for people, we demonstrate God's love in a real and comprehensible manner. (Matthew 25:35-40)

- **155 ministry centers** (This is not referring to churches, but rather locations where people are ministered to in ways like learning English, food distribution, addiction treatments, vocational schools, music classes, etc.)
- **54,737 people ministered to**



**Task #2: Share the Gospel**

The message of compassion and hope we preach should be presented in a way that draws people to Christ and shows them how to live for Him. (Matthew 28:19-20)

- **6,319 conversions**
- **2,732 baptisms**





### Task #3: Disciple every new believer

As followers of Christ, we are ordered first and foremost to make disciples. (I Timothy 2:2)

- **758 following formal discipleship programs**



### Task #4: Plant churches

If the other tasks are carried out in a God-honoring manner, we believe churches that are Christ-centered, biblically-sound, and culturally-relevant will emerge. (Acts 2:42-47)

- **49 new places of worship**
- **79 new churches organized**
- **376 mission locations**



### Task #5: Train leaders

It is imperative that churches have biblically-qualified leaders if they are to preach the truths of God's Word, stand in the time of adversity, and lead in a manner that pleases God. (I Timothy 3:1-7)

- **15 Bible institutes and training centers**
- **499 students**



### Task #6: Partner with national churches

Our mission statement clearly implies this is an essential element of who we are and what we do. We desire to see Free Will Baptist churches planted that are ultimately a part of the greater Body of Christ. (John 17:11-23)

- **28 partnerships**
- **38 countries being ministered in**

Some of you may recall our 2020-2025 goal of seeing the number of Free Will Baptist believers outside of North America **grow from 35,537 to 50,000 by the end of 2025.**


In 2022, the average Sunday attendance in Free Will Baptist churches outside of North America was **49,388**. We felt we were well on our way to meeting the 50,000 goal. But God in His infinite grace and omnipotence has allowed us to see a harvest beyond what we could have dreamed. This should bring joy to our hearts and a *hallelujah* to our lips. **The average attendance in 2023 was:**



**57,417**

**CONTINUING THE MISSION:** Over the past ten years, the IM board has commissioned over 50 new missionaries, and there are others in the process. We will always honor those who laid the foundation and are now a part of the legacy of IM. But we absolutely must press on and continue the mission by sending laborers into the fields until God calls an end to the world as we know it.

**Thank you** for all that you have done throughout the years and will do in the future. We know that this is not the work of IM only, but the work of God as we **labor with the Body of Christ to fulfill the Great Commission.**



Clint Morgan  
IM General Director





# REMEMBERING THE

# *Legacy*

We would like to extend our deepest sympathies to the families that experienced the passing of loved ones since the time we reported last year.

- **Ruby Boone**, mother of Linda Snow, missionary to Japan, passed away on July 10, 2023.
- **Joyce Hubbard**, sister of Jayne Cash, former missionary to Bulgaria, died on July 12, 2023.
- **Don Simmons**, father of Eddy Simmons, missionary to the Samburu people, passed away on July 18, 2023.
- **Nauvard Lloyd Baker**, grandfather of Mandi Morgan, missionary to Spain, died on August 19, 2023.
- **Danny Bailey**, brother of Ken Bailey, missionary to Japan, passed away on August 20, 2023.
- **Johnny Mac Brown**, grandfather of Bryson Foulks, missionary to France, died on September 5, 2023.
- **Michael Robertson**, grandfather of Emily Sakamoto, missionary to Japan, passed away on October 23, 2023.
- **Fred Franklin**, grandfather of Bryson Foulks, missionary to France, passed away on November 27, 2023.
- **Nora Louise Hubbard**, grandmother of Heath Hubbard, missionary to Japan, passed away on November 30, 2023.
- **Yolanda Caetano**, mother of Rejane Eagleton, former missionary to Brazil, died on December 6, 2023.
- **Sue Yerby**, mother of board member Rodney Yerby and grandmother of Andy Yerby, died on December 21, 2023.
- **Phyllis Petty**, grandmother of Emily Sakamoto, missionary to Japan, passed away on December 22, 2023.
- **Sandy Goodfellow**, former missionary to Japan, went to be with the Lord on January 4, 2024.
- **Clay Brown**, grandfather of Bryson Foulks, missionary to France, died on January 19, 2024.
- **Bobby Poole**, former missionary to Brazil, entered heaven on January 25, 2024.
- **Collin Lane**, son of board member Cameron Lane, passed away on January 28, 2024.
- **Marie Cousineau**, former missionary to Ivory Coast, went to be with the Lord on January 29, 2024.
- **Bill Van Winkle**, former board member and father of Charity Van Winkle Gordon, former missionary to a creative access area, passed away on February 3, 2024.
- **Amy Robinson**, former missionary to Uruguay, entered heaven on March 1, 2024.
- **Faye Hanna**, mother of Kristi Johnson and grandmother to Alejandro Johnson, missionary to France, passed away on March 1, 2024.
- **Juanita Nicholson**, grandmother of Jack Kettelman, missionary to Japan, passed away on March 23, 2024.

## Board Meeting Summary

The Board of IM, Inc. met three times in person and two e-votes from May 1, 2023, to April 30, 2024. Board members for the period included: Jeff Nichols (TN, Chairman), Rodney Yerby (AL, Vice-Chairman), Mark Price (OH, Secretary), Dr. Janice Banks (TX, resigned March 9, 2024), Casey Cariker (OK), Rick Cason (GA), Will Harmon (AR), Cameron Lane (AR), and Darren Walker (NC).

Board actions throughout the year included:

- Accepted the resignation of Casey Jones
- Accepted the resignation of Ken and Jayne Cash
- Approved housing allowances for directors
- Approved administrative allocation on IMPact and THP project incomes
- Approved administrative fees on THP and student trips
- Approved 2024 budget of \$16,446,087.37
- Approved addition to Handbook regarding Missionary Discipline Process
- Approved addition to Handbook for Maternity/Family Leave for IM Field Personnel
- Approved Darren and Dana Portell from partners to IM missionaries
- Approved Dennis and Mary Heath for a two-year internship
- Approved Madison Carnes Mercer for a two-year internship
- Approved Osam Sakamoto for a one-year internship
- Approved Alejandro and Breanna Johnson for a two-year internship
- Approved Sam and Lauren Riggs for career status
- Approved IMPact Project for Shuman for church building
- Adopted handbook modifications for the vetting and commissioning process
- Adopted Four Models of Partnership Relationships for the handbook
- Adopted IM's Org Chart
- Approved Sarah Malone as IM missionary seconded to our partner ELIC, retroactive to April 1993
- Accepted resignation of Kenneth and Rejane Eagleton, Jr. as IM Field Missionaries
- Accepted retirement of Donnie McDonald
- Accepted the change in status of Jerry and Barbara Gibbs
- Accepted the 2023 audit
- Adopted the 2025 framework budget of \$10.6 million
- Approved the creation of IMPact Pakistan Vocational Training Institute
- Approved Billy and Sunni Champion for a two-year internship
- Approved Tim and Loren Hutchinson to be seconded to our IM partner, Here to There
- Approved Faith for a two-year internship
- Approved Abby Walker for career status
- Approved IMPact project for International Students, University of Illinois
- Approved IMPact project for Japan, Kanto/Tokyo area – Kanto Kei Truck
- Approved IMPact project for Bulgaria, New Life Church Svishtov
- Elected Rodney Yerby as Chairman
- Elected Will Harmon as Vice-Chairman
- Elected Darren Walker as Secretary
- Acknowledged the resignation of Dr. Janice Banks from the board

# 2023 GIFTS TO IM

## TOP TEN STATES



## TOP 25 GIVING CHURCHES 2023

2023 Consolidated Unaudited Income: **\$9,119,527.32**

Below are the top 25 churches that gave to IM in 2023. We are thankful for every congregation and individual that gives to share the Gospel around the world.

<b>Church Name</b>	<b>City, State</b>	<b>Total Amount Given</b>
Unity FWB Church	Greenville, NC	\$187,665.53
The Donelson Fellowship	Nashville, TN	\$136,652.39
Bethel FWB Church	Kinston, NC	\$93,972.09
Connect Church	Russellville, AR	\$83,239.82
Cavanaugh FWB Church	Fort Smith, AR	\$73,023.15
First FWB Church	North Little Rock, AR	\$59,716.36
Bethany FWB Church	Broken Arrow, OK	\$57,636.24
First FWB Church	Gastonia, NC	\$51,232.91
Horse Branch FWB Church	Turbeville, SC	\$50,010.20
Union Grove FWB Church	Atkins, AR	\$46,809.04
First FWB Church	Albany, GA	\$41,802.20
New Hope FWB Church	Joelton, TN	\$41,358.30
Lebanon FWB Church	Effingham, SC	\$39,483.48
Collinsville FWB Church	Collinsville, OK	\$39,483.21
Ebenezer FWB Church	Glennville, GA	\$38,093.72
Hilltop FWB Church	Fuquay Varina, NC	\$37,150.00
First FWB Church	Washington, NC	\$36,920.00
Good Springs FWB Church	Pleasant View, TN	\$33,507.08
First FWB Church	Poteau, OK	\$32,295.00
Cofer's Chapel FWB Church	Nashville, TN	\$32,150.07
Blue Point FWB Church	Cisne, IL	\$30,582.60
Fellowship FWB Church	Bryan, TX	\$30,244.65
Kirby FWB Church	Flat Rock, MI	\$29,467.00
Crossroads FWB Church	Jenks, OK	\$29,153.87
Westside FWB Church	Johnsonville, SC	\$28,179.36

## CHURCHES GIVING \$5000 OR MORE IN 2023 TO THE



In 2023, **\$630,102.04** of undesignated funds were disbursed from the WMO. Below is a list of churches who gave \$5000 or more in 2023.

Church Name	City, State	Total Amount Given
Cavanaugh FWB Church	Fort Smith, AR	\$73,003.15
Bethel FWB Church	Kinston, NC	\$35,000.00
First FWB Church	Poteau, OK	\$25,000.00
Ebenezer FWB Church	Glennville, GA	\$22,000.00
Unity FWB Church	Greenville, NC	\$19,365.81
Sutton FWB Church	Pocahontas, AR	\$15,787.20
First FWB Church	Fair Grove, MO	\$15,000.00
Sulphur FWB Church	Sulphur, OK	\$8,193.00
Good Springs FWB Church	Pleasant View, TN	\$7,556.32
First FWB Church	Walnut Ridge, AR	\$7,365.00
Heritage FWB Church	Columbus, OH	\$7,140.00
Ryanwood Fellowship FWB Church	Vero Beach, FL	\$7,000.00
First FWB Church	Columbus, GA	\$6,870.00
Sherwood Forest FWB Church	El Sobrante, CA	\$6,756.00
Faith FWB Church	Lubbock, TX	\$5,330.26
Hartville FWB Church	Hartville, MO	\$5,000.00
Rejoice FWB Church	Owasso, OK	\$5,000.00





## Independent Auditor's Report

Board of Directors  
IM, Inc.

### Opinion

We have audited the consolidated financial statements of IM, Inc. and its subsidiary (the Organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, 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).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022, 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.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC  
Brentwood, Tennessee  
March 30, 2024



**IM, Inc. and Subsidiary**  
Consolidated Statements of Financial Position  
December 31, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,277,128	\$ 1,662,702
Investments	2,380,022	2,325,342
Endowment investments in trusts	462,105	343,271
Prepaid expenses	234,252	187,440
Advances and receivables	656,890	598,387
Property and equipment, net	<u>1,436,567</u>	<u>1,488,973</u>
Total assets	<b>\$ 6,446,964</b>	<b>\$ 6,606,115</b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 328,441	\$ 306,246
Accrued employee benefits	68,256	62,471
Notes payable	<u>-</u>	<u>11,650</u>
Total liabilities	396,697	380,367
Net assets		
Without donor restrictions	876,433	950,994
With donor restrictions	<u>5,173,834</u>	<u>5,274,754</u>
Total net assets	<u>6,050,267</u>	<u>6,225,748</u>
Total liabilities and net assets	<b>\$ 6,446,964</b>	<b>\$ 6,606,115</b>

See notes to consolidated financial statements

**IM, Inc. and Subsidiary**  
Consolidated Statement of Activities  
For the Year Ended December 31, 2023

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
<b>Revenues, Gains, and Other Support</b>			
Contributions of cash and other financial assets	\$ 1,441,321	\$ 7,505,168	\$ 8,946,489
Investment and interest income	167,519	-	167,519
Gain on disposal of property and equipment	16,358	-	16,358
Net assets released from restrictions	<u>7,606,088</u>	<u>(7,606,088)</u>	<u>-</u>
Total revenues, gains, and other support	9,231,286	(100,920)	9,130,366
<b>Expenses</b>			
Program services	8,081,259	-	8,081,259
Management and general	568,387	-	568,387
Fundraising	<u>656,201</u>	<u>-</u>	<u>656,201</u>
Total expenses	9,305,847	-	9,305,847
Change in net assets	(74,561)	(100,920)	(175,481)
Net assets, beginning of year	<u>950,994</u>	<u>5,274,754</u>	<u>6,225,748</u>
Net assets, end of year	<b>\$ 876,433</b>	<b>\$ 5,173,834</b>	<b>\$ 6,050,267</b>

See notes to consolidated financial statements

**IM, Inc. and Subsidiary**  
Consolidated Statement of Activities  
For the Year Ended December 31, 2022

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
<b>Revenues, Gains, and Other Support</b>			
Contributions of cash and other financial assets	\$ 1,345,680	\$ 7,550,046	\$ 8,895,726
Investment and interest income	28,071	-	28,071
Gain on disposal of property and equipment	111,108	-	111,108
Net assets released from restrictions	<u>6,936,008</u>	<u>(6,936,008)</u>	<u>-</u>
Total revenues, gains, and other support	8,420,867	614,038	9,034,905
<b>Expenses</b>			
Program services	7,157,470	-	7,157,470
Management and general	472,151	-	472,151
Fundraising	<u>564,026</u>	<u>-</u>	<u>564,026</u>
Total expenses	8,193,647	-	8,193,647
Change in net assets	227,220	614,038	841,258
Net assets, beginning of year	<u>723,774</u>	<u>4,660,716</u>	<u>5,384,490</u>
Net assets, end of year	<b>\$ 950,994</b>	<b>\$ 5,274,754</b>	<b>\$ 6,225,748</b>

See notes to consolidated financial statements



**IM, Inc. and Subsidiary**  
Consolidated Statement of Functional Expenses  
For the Year Ended December 31, 2023

	Program services	Supporting services		Total
		Management and general	Fundraising	
Compensation and benefits	\$ 4,132,523	\$ 264,917	\$ 381,130	\$ 4,778,570
Depreciation	194,755	89,165	10,000	293,920
Equipment and supplies	49,848	101,770	5,826	157,444
Facilities and utilities	158,001	138,762	4,856	301,619
Field housing and education	953,634	-	-	953,634
Field projects	942,584	7,416	-	950,000
Marketing and development	110,305	-	131,558	241,863
National convention	17,416	14,705	27,833	59,954
Professional services	39,519	21,375	256	61,150
Training	107,663	291	28,791	136,745
Travel	1,152,272	46,238	27,995	1,226,505
WMO campaign	-	-	37,865	37,865
Bank and credit card charges	9,386	61,777	-	71,163
Miscellaneous	34,607	717	91	35,415
Total expenses before allocation	7,902,513	747,133	656,201	9,305,847
Indirect missionary expense allocation	178,746	(178,746)	-	-
Total expenses	<b>\$ 8,081,259</b>	<b>\$ 568,387</b>	<b>\$ 656,201</b>	<b>\$ 9,305,847</b>

See notes to consolidated financial statements

**IM, Inc. and Subsidiary**  
Consolidated Statement of Functional Expenses  
For the Year Ended December 31, 2022

	Program services	Supporting services		Total
		Management and general	Fundraising	
Compensation and benefits	\$ 3,629,295	\$ 279,033	\$ 329,972	\$ 4,238,300
Depreciation	185,863	73,179	15,000	274,042
Equipment and supplies	58,833	110,226	5,726	174,785
Facilities and utilities	144,053	115,029	7,025	266,107
Field housing and education	857,912	-	-	857,912
Field projects	946,604	10	-	946,614
Marketing and development	83,286	2,228	104,926	190,440
National convention	18,576	3,478	38,398	60,452
Professional services	7,709	14,627	-	22,336
Training	99,041	591	9,773	109,405
Travel	896,517	27,643	33,370	957,530
WMO campaign	-	-	19,795	19,795
Bank and credit card charges	7,420	45,742	-	53,162
Miscellaneous	21,894	832	41	22,767
Total expenses before allocation	6,957,003	672,618	564,026	8,193,647
Indirect missionary expense allocation	200,467	(200,467)	-	-
Total expenses	<b>\$ 7,157,470</b>	<b>\$ 472,151</b>	<b>\$ 564,026</b>	<b>\$ 8,193,647</b>

See notes to consolidated financial statements

**IM, Inc. and Subsidiary**  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022

	<b>2023</b>	<b>2022</b>
Cash and cash equivalents, beginning of year	\$ 1,662,702	\$ 1,025,932
<b>Cash flows from operating activities</b>		
Change in net assets	(175,481)	841,258
Adjustments to reconcile change in net assets to net cash provided by (used) operating activities:		
Depreciation	293,920	274,042
Unrealized gain on investment	(125,008)	(16,593)
Gain on disposal of property and equipment	(16,358)	(111,108)
Contributions restricted for long-term investments	(98,506)	(111,255)
Change in:		
Prepaid expenses	(46,812)	8,973
Advances and receivables	(58,503)	(129,040)
Account payable and accrued expenses	22,195	(10,660)
Accrued employee benefits	5,785	5,838
Net cash provided by (used) operating activities	<u>(198,768)</u>	<u>751,455</u>
<b>Cash flows from investing activities</b>		
Purchases of investments	(348,506)	(111,255)
Sale of investments	300,000	-
Purchases of property and equipment	(376,619)	(331,179)
Proceeds from sale of property and equipment	151,463	232,981
Net cash provided (used) by investing activities	<u>(273,662)</u>	<u>(209,453)</u>
<b>Cash flows from financing activities</b>		
Payments on notes payable	(11,650)	(16,487)
Contributions restricted for long-term investments	98,506	111,255
Net cash provided (used) by financing activities	<u>86,856</u>	<u>94,768</u>
Net change in cash and cash equivalents	<u>(385,574)</u>	<u>636,770</u>
Cash and cash equivalents, end of year	<b>\$ 1,277,128</b>	<b>\$ 1,662,702</b>
<b>Supplemental disclosures of cash flow information</b>		
Cash payments for interest	\$ 166	\$ 1,237

See notes to consolidated financial statements

**IM, Inc. and Subsidiary**  
Notes to Consolidated Financial Statements  
For the Years Ended December 31, 2023 and 2022

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**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.

**Note 2. Summary of Significant Accounting Policies**

**Principles of Consolidation**

The accompanying financial statements include the accounts of IM, Inc. and The Hanna Project, its wholly-owned subsidiary. 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 requires 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 and Cash Equivalents**

For the purposes of the statements of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Certain amounts are held in foreign banks. The impact of foreign currency translation is nominal.

**Investments**

Investments include funds held in trusts established and maintained by the Free Will Baptist Foundation (the Foundation). The Foundation invests the trusts in debt securities, government securities, and preferred stock and values the trusts at amounts that approximate fair value of the pooled assets. Additionally, investments are held in mutual funds and equity securities that are carried at fair value.

**IM, Inc. and Subsidiary**  
Notes to Consolidated Financial Statements  
For the Years Ended December 31, 2023 and 2022

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**Note 2. Summary of Significant Accounting Policies**

**Property and Equipment**

The Organization's policy is 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 a 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 3 to 39 years and is computed on a straight-line method.

**Leases**

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset. If material, the Organization recognizes leases on its statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis.

The Organization made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less.

**Contributions of Cash and Other Financial Assets**

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.

**Functional Expenses**

The costs of providing program and supporting services 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:

	<b>Method of allocation</b>
Compensation and benefits	Time and effort
Facilities and utilities	Time and effort
Depreciation	Time and effort
Equipment and supplies	Time and effort



**IM, Inc. and Subsidiary**  
Notes to Consolidated Financial Statements  
For the Years Ended December 31, 2023 and 2022

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**Note 2. Summary of Significant Accounting Policies**

**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.

**Reclassifications**

Certain reclassifications have been made to the 2022 financial statement presentation to correspond to the current year's format. The total net assets and change in net assets are unchanged due to these reclassifications.

**Note 3. Liquidity and Availability**

The following represents the Organization's financial assets:

	<b>2023</b>	<b>2022</b>
Financial assets		
Cash	\$ 1,277,128	\$ 1,662,702
Investments	2,380,022	2,325,342
Endowment investments in trusts	462,105	343,271
Advances and receivables	<u>656,890</u>	<u>598,387</u>
Total financial assets	4,776,145	4,929,702
Less amounts not available to be used within one year		
Advances for long-term use	(79,958)	(52,279)
Permanently restricted portion of investments	<u>(372,758)</u>	<u>(274,252)</u>
	(452,716)	(326,531)
Financial assets available to meet cash needs for general expenditures over the next 12 months	<b>\$ 4,323,429</b>	<b>\$ 4,603,171</b>

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.

**IM, Inc. and Subsidiary**  
Notes to Consolidated Financial Statements  
For the Years Ended December 31, 2023 and 2022

**Note 4. Investments**

The Organization's non-endowment investments consist of the following:

	<b>2023</b>	<b>2022</b>
General Reserves Trust, held by Free Will Baptist Foundation	\$ 2,090,140	\$ 2,316,505
MK Scholarship Trust, held by Free Will Baptist Foundation	3,004	2,914
Mutual funds, held by Free Will Baptist Board of Retirement	281,381	-
Equity securities, held with broker	<u>5,497</u>	<u>5,923</u>
	<b>\$ 2,380,022</b>	<b>\$ 2,325,342</b>

The total investment income on the non-endowment investments was \$104,642 and \$65,132 for 2023 and 2022, respectively.

**Note 5. Endowment Investments**

The Organization created two endowment funds with The Free Will Baptist Foundation to assist in providing funds for the general operations of the Organization (IM Cornerstone Endowment) and to assist in providing start-up funds for new missionaries entering the field (IM Grow Endowment). The Organization's endowment investments consist of the following:

	<b>2023</b>	<b>2022</b>
IM Cornerstone Endowment	\$ 456,767	\$ 338,697
IM Grow Endowment	<u>5,338</u>	<u>4,574</u>
	<b>\$ 462,105</b>	<b>\$ 343,271</b>

The Organization's endowment investments include donor-restricted funds and funds designated by the Board of Directors to function as an endowment (see note 12). Earnings of the endowment are classified as net assets without donor restrictions as they are available for appropriation by the Organization at any time.

Changes in the endowment assets are as follows:

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
December 31, 2021	\$ 117,611	\$ 161,787	\$ 279,398
Contributions	-	111,255	111,255
Investment loss	<u>(47,382)</u>	<u>-</u>	<u>(47,382)</u>
December 31, 2022	70,229	273,042	343,271
Contributions	-	98,506	98,506
Investment gain	<u>20,328</u>	<u>-</u>	<u>20,328</u>
December 31, 2023	<b>\$ 90,557</b>	<b>\$ 371,548</b>	<b>\$ 462,105</b>

**IM, Inc. and Subsidiary**  
Notes to Consolidated Financial Statements  
For the Years Ended December 31, 2023 and 2022

**Note 6. Fair Value Measurements**

The *Fair Value Measurements and Disclosure* topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of 3 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 Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Non-endowment investments				
Cash funds	\$ 172,997	\$ -	\$ -	\$ 172,997
Equities	926,597	-	-	926,597
REIT	-	158,038	-	158,038
Fixed income instruments	-	587,257	-	587,257
Mutual funds				
Fixed income	<u>535,133</u>	<u>-</u>	<u>-</u>	<u>535,133</u>
	1,634,727	745,295	-	2,380,022
Endowment investments				
Cash funds	40,111	-	-	40,111
Equities	71,534	-	-	71,534
REIT	-	274,721	-	274,721
Fixed income instruments	<u>-</u>	<u>75,739</u>	<u>-</u>	<u>75,739</u>
	111,645	350,460	-	462,105
Total investments	<b>\$ 1,746,372</b>	<b>\$ 1,095,755</b>	<b>\$ -</b>	<b>\$ 2,842,127</b>

**Note 7. Advances and Receivables**

Included in advances and receivables is \$620,408 and \$535,653 at December 31, 2023 and 2022, 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.

**IM, Inc. and Subsidiary**  
Notes to Consolidated Financial Statements  
For the Years Ended December 31, 2023 and 2022

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**Note 8. Property and Equipment**

A summary of property and equipment is as follows:

	<b>2023</b>	<b>2022</b>
Land	\$ 178,483	\$ 178,483
Buildings	966,239	966,239
Office furniture and equipment	79,097	79,098
Cameras and projectors	98,754	98,754
Automobiles	1,369,090	1,223,722
Computer equipment and software	<u>47,648</u>	<u>47,648</u>
	2,739,311	2,593,943
Less: accumulated depreciation	<u>(1,302,744)</u>	<u>(1,104,970)</u>
Property and equipment, net	<b>\$ 1,436,567</b>	<b>\$ 1,488,973</b>

Depreciation expense amounted to \$293,920 and \$274,042 for 2023 and 2022, respectively.

**Note 9. Accrued Employee Benefits**

Accrued employee benefits consists of funds provided to employees at the time of separation or retirement. One program provides a cash payout upon separation based on reaching 25 years of service. The second program provides a lump sum payment to non-missionary employees at the time of separation based on the number of years of service.

**Note 10. Notes Payable**

Notes payable consist of the following:

	<b>2023</b>	<b>2022</b>
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 matured in August 2023. The note was secured by the property financed.	\$ -	\$ 11,650

**Note 11. 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 \$127,625 and \$112,510 for 2023 and 2022, respectively.

**IM, Inc. and Subsidiary**  
Notes to Consolidated Financial Statements  
For the Years Ended December 31, 2023 and 2022

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**Note 12. Net Assets With Donor Restrictions**

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

	<b>2023</b>	<b>2022</b>
Subject to expenditure for mission personnel and projects	\$ 4,801,076	\$ 5,000,502
Endowment investments in perpetuity	371,548	273,042
Other investments in perpetuity	<u>1,210</u>	<u>1,210</u>
	<b>\$ 5,173,834</b>	<b>\$ 5,274,754</b>

The Organization has a policy of allocating certain indirect missionary costs to missionary/field net assets. The administrative allocation totaled \$562,013 and \$538,786 for 2023 and 2022, respectively, and is recorded as a direct transfer from net assets with donor restrictions to net assets without donor restrictions. The support allocation totaled \$178,746 and \$200,467 for 2023 and 2022, 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 13. Designated Net Assets Without Donor Restrictions**

Included in net assets without donor restrictions are funds designated by the Board of Directors to fund missionary accounts with deficit balances and to fund specific mission projects. Additional funds are designated by the Board of Directors to assist in funding the IM Cornerstone Endowment (see note 5). Balances at are as follows:

	<b>2023</b>	<b>2022</b>
Designated for missionary accounts	\$ 407,414	\$ 471,474
Endowment investments	<u>90,557</u>	<u>70,229</u>
	<b>\$ 497,971</b>	<b>\$ 541,703</b>

**Note 14. 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 6% of gross salary for missionaries and administrative employees. Employees are allowed to contribute but are not required to contribute. Pension expenses amounted to \$129,149 and \$113,506 for 2023 and 2022, 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 15. Concentrations**

In 2023, the Organization began utilizing a program to sweep excess funds into money market cash equivalents. Prior to this change, the amounts in excess of federally insurance limits totaled approximately \$1,000,000 at December 31, 2022.

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 \$978,109 and \$1,070,293 at December 31, 2023 and 2022, respectively.



**IM, Inc. and Subsidiary**  
Notes to Consolidated Financial Statements  
For the Years Ended December 31, 2023 and 2022

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**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 revenues and support are 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 statements and related notes by naming the specific entity.

**Note 17. Subsequent Events**

The Organization has evaluated subsequent events through March 30, 2024, the date on which the financial statements were available for issuance.

# IM, Inc.

## 2025 Operational Budget Summary

Category	2023 Approved Budget	2023 Actuals	2024 Approved Budget	2025 Proposed Budget
Field Ministries & Projects	\$1,416,000.00	\$ 2,040,730.66	\$2,346,000.00	\$2,438,000.00
Missionary Compensation & Benefits	\$ 4,425,000.00	\$3,956,127.01	4,896,000.00	\$ 5,088,000.00
Missionary Travel/Transportation	\$ 1,239,000.00	\$674,246.41	816,000.00	\$ 848,000.00
Mobilization & Development	\$ 531,000.00	\$1,078,248.01	816,000.00	\$ 848,000.00
Administration	\$ 1,239,000.00	\$885,949.83	1,326,000.00	\$ 1,378,000.00
<b>Grand Totals</b>	<b>\$ 8,850,000.00</b>	<b>\$ 8,635,301.92</b>	<b>10,200,000.00</b>	<b>\$ 10,600,000.00</b>

Does not include: Non-Governmental Organization Projects, Impact, or other "Potential" Budgets approved by the Board of IM, Inc.

	2023 Adj Factor	2024 Adj Factor	2025 Adj Factor
<b>Non-Director Increase %</b>	1.050	1.060	1.030
<b>Director Increase %</b>	1.100	1.030	1.030
<b>IM Directors Compensation Proposals 2025</b>			
	2023 Actual	2024 Actual	2025 Proposed
<b>General Director - Clint Morgan</b>			
Salary	79,819.24	82,727.81	85,929.65
Housing and Utilities	24,000.00	24,000.00	24,000.00
Social Security	17,377.91	17,899.25	18,436.22
Retirement	5,180.96	5,336.39	5,496.48
Insurance	20,886.84	20,886.84	20,886.84
Christmas Bonus	1,992.68	2,052.46	2,114.03
<b>Total Cost of Employment</b>	<b>149,057.62</b>	<b>152,902.75</b>	<b>156,863.22</b>
<b>CFO/Director of Financial Operations - Robert Conley</b>			
Salary	83,860.36	86,376.17	88,967.46
Social Security	14,160.66	14,585.48	15,023.05
Retirement	4,193.02	4,318.81	4,448.37
Insurance	20,964.24	20,964.24	20,964.24
Christmas Bonus	1,612.70	1,661.08	1,710.91
<b>Total Cost of Employment</b>	<b>124,790.98</b>	<b>127,905.78</b>	<b>131,114.03</b>
<b>Director of Field Ministry Personnel - Curt Holland</b>			
Salary	53,860.36	56,376.17	58,967.46
Housing and Utilities	30,000.00	30,000.00	30,000.00
Social Security	14,064.16	14,486.09	14,920.67
Retirement	4,193.02	4,318.81	4,448.37
Insurance	27,947.16	27,947.16	27,947.16
Christmas Bonus	1,612.70	1,661.08	1,710.91
<b>Total Cost of Employment</b>	<b>131,677.40</b>	<b>134,789.31</b>	<b>137,994.57</b>
<b>Director of Development - Don Matchett</b>			
Salary	43,738.49	37,130.65	39,594.57
Housing and Utilities	36,000.00	45,000.00	45,000.00
Social Security	13,372.89	13,774.07	14,187.30
Retirement	3,986.92	4,106.53	4,229.73
Insurance	28,287.36	28,287.36	28,287.36
Christmas Bonus	1,533.43	1,579.44	1,626.82
<b>Total Cost of Employment</b>	<b>126,919.10</b>	<b>129,878.05</b>	<b>132,925.77</b>
<b>Director of THP - Danny Gasperson</b>			
Salary	53,822.22	56,156.88	58,561.59
Housing and Utilities	24,000.00	24,000.00	24,000.00
Social Security	13,051.51	13,443.05	13,846.35
Retirement	3,891.11	4,007.84	4,128.08
Insurance	20,964.24	20,964.24	20,964.24
Christmas Bonus	1,496.58	1,541.48	1,587.72
<b>Total Cost of Employment</b>	<b>117,225.66</b>	<b>120,113.50</b>	<b>123,087.98</b>
<b>Director of Mobilization - Leslie Nichols</b>			
Salary	71,500.00	73,645.00	75,854.35
Social Security	12,073.49	12,435.70	12,808.77
Retirement	3,575.00	3,682.25	3,792.72
Insurance	11,250.79	12,038.35	12,881.03
Christmas Bonus	1,375.00	1,416.25	1,458.74
<b>Total Cost of Employment</b>	<b>99,774.29</b>	<b>103,217.55</b>	<b>106,795.61</b>
<b>Director of Field Partnerships - Kenneth Eagleton</b>			
Salary	53,147.24	55,461.66	57,845.51
Housing and Utilities	24,000.00	24,000.00	24,000.00
Retirement Bonus	600.00		
Social Security	13,037.04	13,326.46	13,728.25
Retirement	4,628.83	4,767.70	4,910.73
Insurance	10,080.00	10,080.00	10,080.00
Christmas Bonus	1,483.60	1,528.11	1,573.95
<b>Total Cost of Employment</b>	<b>106,976.71</b>	<b>109,163.92</b>	<b>112,136.44</b>

## 2023 President's Report Welch College

God has richly blessed Welch College this past year. We are making great strides forward in our mission to educate leaders to serve Christ, His Church, and His world through biblical thought and life despite the financial difficulties Welch is facing as we slowly recover from the effects of the COVID-19 pandemic.

### **Dedication to Our Mission**

Our students and recent graduates are thankful for the combination of spiritual formation, academic excellence, and the conservative Christian worldview they receive at Welch College. We continue to see the value of our commitment to make higher education not just about making a living but about making a life.

Recent statistics show that 94% of Welch graduates are very active in the weekly life of a local church, including those who are serving as salt and light in a diversity of professional settings. These statistics demonstrate that we are fulfilling our spiritual mission. The continuing strong number of students preparing for Christian ministry is also a testament to our missional orientation.

### **Commitment to Excellence**

Welch continues to maintain high marks in rankings such as *U.S. News and World Report's Best Colleges*. This year we were ranked second in "social mobility," out of the 98 schools in our category. This metric tracks an institution's success at moving students from economically challenged backgrounds to graduation with a four-year degree.

One example of our commitment to excellence is our teacher education degree. This year Welch's teacher education program was among the ten programs in the state of Tennessee that "exceeded expectations" on the state department of education's annual Educator Preparation Report Card. The Report Card evaluated teacher preparation programs at 42 Tennessee institutions. Welch's overall percentage of points earned in the Report Card's performance rating ranked fourth in the state. This recognition is further evidence of the academic excellence at Welch.

We continue to add academic programs. The new, fully online Master of Arts (M.A.) degree in organizational leadership joins M.A.s in ministry and humanities, the Master of Arts in Teaching (M.A.T.), and the Master of Divinity (M.Div.) degrees to round out our recently added graduate offerings.

We have improved in just about every measure of excellence in the higher education industry. This includes the percentage of children of alumni who choose to enroll at Welch. This number is more than twice that of most Christian colleges.

### **Spiritual Distinctiveness**

Our greatest distinctive, however, remains our Christian worldview approach to higher education, which contrasts with the secular progressivism that is so widespread in today's higher education community. And that Christian worldview is taught in the context of a richly spiritual community of Christian faith and learning and discipleship.

A few words from Silas Houser, a missions major and member of the class of 2024 who is going on to complete his M.Div. at Welch, sum up our commitment to this spiritual mission:

A. W. Tozer once said, "What comes into our minds when we think about God is the most important thing about us." There was a time in my life when I did not believe that. Perhaps I would have said that I believed it. But in the demonstration of my life, there was scarce evidence of it. Four years ago, I entered Welch College not with the hopes of receiving a vigorous education or really knowing God better but solely to be among good Christian peers. This desire (which was a noble one) Welch College satisfied. But as I continued my journey at Welch, I realized that good, godly community stemmed from the community thinking deeply about the things of God . . . considering the words of God and stirring one another to contemplate and live out those ancient words that are ever true. . . . What Welch has done for me is show that salvation is not being called into isolation; rather, it's a call to be not of the world and to be an active member of Christ's bride, the church. But by being a part of the family of God, we're called to transform culture, to be good stewards of the task He has given us. Welch has not only pointed me toward purpose but has also given me the tools to accomplish that purpose. I have been taught the supremacy of the Word for all things regarding faith and practice. I also have mentors and friends who urge me to pursue all things concerning life and godliness. . . . It has been said that one of the biggest blind spots in modern Christianity is loneliness and a low view of genuine friendship. By God's grace, I have been a beneficiary of this beloved community, and I am so much better for it!

Saying we are a Christian college is not a surface-level description. It defines our identity in deep and pervasive ways.

### **Higher Education Challenges**

These are difficult days for Christian higher education. More than 60 church-related colleges have closed since the onset of COVID, unable to continue operations in the face of decreasing enrollment. For the vast majority of these colleges, difficulties did not surface with COVID; the pandemic simply worsened the problem.

Thankfully, Welch went into the pandemic with a different set of circumstances than most small Christian colleges. We had recently rebranded with a new name, built a beautiful new campus, and relocated to an area with prospective students who are evangelical Christians who didn't know about Welch but now want to be a part of what we're doing. So we went into COVID with strength, having reached a 36-year record high fall enrollment in 2019.

We cannot overstate the difficulties COVID has caused for Welch in decreased enrollment and capital campaign giving in 2020–2021 and 2021–2022 (general fund giving has remained strong). Though freshman enrollment and capital campaign gifts have increased both the year before last and last year, our recovery has been slower than anticipated. Frankly, we thought we would have completely recovered by now. However, unlike other industries that bounced back within the first two years after COVID, it takes four years for us to cycle through the two very low freshman classes we had in the fall semesters of 2020 and 2021.

Christian higher education, like all private higher education, has suffered greatly over the past quarter-century. Community college education has become free or nearly free for the first two years of college in most of the states from which we draw students. State university tuition in the junior and senior years of college is also very inexpensive, to keep students in their home states. Inexpensive online education for 18-year-olds has become easily accessible. The higher education industry has come under increased scrutiny, with more and more people questioning the need for a college degree. We share these difficult conditions with the rest of the Christian higher education community.



In addition to those factors, membership in the National Association of Free Will Baptists has declined by more than 40% over the past 22 years. Thankfully, the decline in the number of Free Will Baptist students at Welch since that time has been only around 30%. The year before COVID, Free Will Baptist enrollment was about the same as it was 22 years ago. We are attracting a higher percentage of the overall number of Free Will Baptist students available than we used to. And when we get back to pre-COVID numbers, we should be attracting the same number of Free Will Baptist students as we did 22 years ago. Clearly, however, enrollment growth has been impeded because of our denominational membership decline.

### **Finances Are Tight**

Because of the above factors, finances are tight at Welch. Our donors are strongly committed to giving the largest gifts they have ever given when economic conditions permit. Yet many have not been able to come through with large pledges they had hoped they could make prior to the pandemic. Consequently, we haven't been able to retire large portions of the long-term debt on our new campus that we had anticipated doing before the pandemic. Still, we're maintaining good stewardship, meeting our financial obligations, and slowly chipping away at the debt with our monthly payments. And we believe that we will be able to make additional payments as the economy improves.

Despite these difficulties, we still believe that, at press time in early May, we will be able to come close to meeting our budget for the year. Yet we continue to cut the budget and carefully manage expenditures as we gradually recover from the effects of the pandemic.

### **A Bright Future**

The future is bright. We will gradually continue to increase our enrollment, and our donors have committed themselves, as economic conditions improve, to giving more than they've ever given to move us forward in our mission.

We are confident that, after the institution gets through these years of budget cuts and fiscal rigor, Welch College will experience record growth and expansion, which will enable us to continue fulfilling our mission, for the glory of God and the extension of His kingdom.

### **Thank You**

I want to thank you for your continued support of this beloved institution in good times and bad. I deeply appreciate your love for Welch, your prayers, your recommendation of the college to prospective students, and your financial support.

Sincerely,

Matt Pinson  
President

## Registration Report 2023-2024

### ENROLLMENT 441

**States**

Alabama .....22	Louisiana ..... 2	Rhode Island ..... 3
Arizona ..... 1	Maryland ..... 1	South Carolina ..... 2
Arkansas ..... 5	Michigan ..... 5	South Dakota ..... 2
California .....7	Mississippi .....7	Tennessee .....264
Florida ..... 18	Missouri .....7	Texas .....1
Georgia ..... 5	Montana ..... 1	Virginia .....5
Illinois ..... 8	North Carolina ..... 21	West Virginia .....3
Indiana .....3	Ohio ..... 6	US Virgin Islands .....3
Kentucky ..... 6	Oklahoma ..... 6	International ..... 27

The student body represents 25 states, 1 territory (USA), and 7 international countries ( Dominican Republic, Ecuador, Indonesia, Japan, Mexico, Panama, and Spain).

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**Classification\***

Freshman ..... 85
Sophomore .....49
Junior .....46
Senior ..... 59
Graduate (Degree-seeking) ..... 45
Non-degree Part-time .....36
Dual Enrollment ..... 123

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**Vocational\***

Christian Ministry (Grad) ..... 30	English ..... 13	Music ..... 10
Christian Ministry (Bach)** ..... 37	Exercise Science ..... 23	Psychology ..... 20
Christian Ministry (Assoc) ..... 8	General Studies ..... 19	Science/Nursing ..... 8
Missions ..... 7	History ..... 9	Teacher Education*** ..... 57
Biology ..... 8	Humanities ..... 10	Non-degree Part-time .....49
Business ..... 40	Mathematics ..... 6	Dual Enrollment ..... 123

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**Other Categories**

Full-Time ..... 196	Undergraduate Dorm ..... 143	New ..... 32
Part-Time .....245	Commuter ..... 48	Transfer ..... 7
	Graduate Dorm ..... 9	Continuing ..... 278
Male .....226	Non-residential Graduate ...40	Dual Enrollment ..... 124
Female ..... 215	Adult Studies ..... 29	
	Online Studies ..... 48	Free Will Baptist .....189
Single .....355	Dual Enrollment ..... 124	Other ..... 252
Married ..... 86		

\*The total number of classifications and vocations do not equal the total enrollment because numerous students are pursuing multiple degrees and/or programs.

\*\*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 2023–December 2023**

**June 12, 2023**

The Board of Trustees convened via video conference to finalize the 2023–24 fiscal year budget.

**September 25, 2023**

The Board of Trustees, via email vote, approved a motion to continue the line of credit with North American Ministries.

**October 10, 2023**

The Board of Trustees convened via video conference to approve the Audit for the 2022–23 fiscal year.

**December 6, 2023**

The Board of Trustees convened on the Welch campus and received reports, approved the Free Will Baptist Foundation's request to increase the interest rate on the college's long-term loan to 6.25% and to extend the term to thirty-one years, heard an update on the Strategic Plan, approved an employee Christmas bonus, and reaffirmed the Welch College mission statement.

**WELCH COLLEGE**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

WELCH COLLEGE

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT.....	1 - 2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position .....	3
Consolidated Statements of Activities.....	4 - 5
Consolidated Statements of Functional Expenses .....	6 - 7
Consolidated Statements of Cash Flows.....	8
Notes to Consolidated Financial Statements .....	9 - 32





## Independent Auditor's Report

The Board of Trustees  
Welch College  
Gallatin, Tennessee

### ***Opinion***

We have audited the accompanying consolidated financial statements of Welch College (the "College"), which comprise the consolidated statements of financial position as of May 31, 2023 and 2022, and 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the College as of May 31, 2023 and 2022, 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.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.



***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Crosslin, PLLC*

Nashville, Tennessee  
July 17, 2023

WELCH COLLEGE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	May 31,	
	2023	2022
<u>ASSETS</u>		
Cash and cash equivalents	\$ 502,918	\$ 658,122
Restricted cash for student loans	447,277	283,175
Accounts receivable, net of allowance of \$29,984	27,693	49,647
Prepaid expenses and other	179,787	86,008
Investments	1,625,493	1,947,401
Beneficial interests in perpetual trusts	2,226,996	2,657,332
Campaign pledges receivable, net of allowance of \$6,249 and \$14,564, respectively	200,564	392,635
Other notes receivable	2,800,000	-
Operating right of use assets, net	17,714	-
Property and equipment, net	32,981,841	37,287,464
Total assets	\$ 41,010,283	\$ 43,361,784
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 595,370	\$ 355,589
Lines-of-credit	2,470,062	1,932,686
Operating right of use liabilities	17,714	-
Financing lease liabilities	94,674	127,124
Notes payable	14,807,561	15,070,301
Student deposits and agency funds	158,621	143,347
Deferred revenues	70,044	83,821
Total liabilities	18,214,046	17,712,868
Net assets:		
Net assets without donor restrictions:		
Attributable to College	15,708,676	17,781,346
Attributable to noncontrolling interests	1,719,508	1,724,774
Total net assets without donor restrictions	17,428,184	19,506,120
Net assets with donor restrictions:		
Purpose restrictions	958,760	1,378,336
Invested in perpetuity	4,409,293	4,764,460
Total net assets with donor restrictions	5,368,053	6,142,796
Total net assets	22,796,237	25,648,916
Total liabilities and net assets	\$ 41,010,283	\$ 43,361,784

See accompanying notes to consolidated financial statements.

WELCH COLLEGE  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED MAY 31, 2023

4

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues, gains and other support:			
Tuition and fees, net of student aid discounts of \$1,860,066	\$ 2,223,160	\$ -	\$ 2,223,160
Private gifts and grants	1,547,606	581,891	2,129,497
Government grants and contracts	909,602	10,593	920,195
Investment income	26,902	(372,067)	(345,165)
Other income	24,707	-	24,707
Auxiliary enterprises	1,158,626	-	1,158,626
	<u>5,890,603</u>	<u>220,417</u>	<u>6,111,020</u>
 Net assets released from operating restrictions and reclassifications	 726,976	 (726,976)	 -
 Total operating revenues, gains and other support	 <u>6,617,579</u>	 <u>(506,559)</u>	 <u>6,111,020</u>
Operating expenses and losses:			
Academic and general:			
Instruction	1,852,637	-	1,852,637
Institutional support	2,401,722	-	2,401,722
Academic support	651,432	-	651,432
Student services	783,143	-	783,143
Plant maintenance	834,129	-	834,129
Interest expense	847,669	-	847,669
Auxiliary enterprises	978,780	-	978,780
	<u>8,349,512</u>	<u>-</u>	<u>8,349,512</u>
 Total operating expenses and losses	 <u>8,349,512</u>	 <u>-</u>	 <u>8,349,512</u>
 Total changes in net assets from operating activity	 <u>(1,731,933)</u>	 <u>(506,559)</u>	 <u>(2,238,492)</u>
Nonoperating activity:			
Contributions	-	545,705	545,705
Realized and unrealized gains	-	238,580	238,580
Change in value of beneficial interests in perpetual trusts	-	(430,336)	(430,336)
Loss on disposition of property and equipment	(918,785)	-	(918,785)
Relocation expenses	(49,351)	-	(49,351)
	<u>(968,136)</u>	<u>353,949</u>	<u>(614,187)</u>
 Net assets released from nonoperating restrictions and reclassifications	 622,133	 (622,133)	 -
 Total changes in net assets from nonoperating activity	 <u>(346,003)</u>	 <u>(268,184)</u>	 <u>(614,187)</u>
 Change in net assets	 <u>(2,077,936)</u>	 <u>(774,743)</u>	 <u>(2,852,679)</u>
 Change in net assets attributable to noncontrolling interests	 (5,266)	 -	 (5,266)
 Change in net assets attributable to college	 <u>(2,072,670)</u>	 <u>(774,743)</u>	 <u>(2,847,413)</u>
 Net assets, beginning of year	 <u>19,506,120</u>	 <u>6,142,796</u>	 <u>25,648,916</u>
 Net assets, end of year	 <u>\$ 17,428,184</u>	 <u>\$ 5,368,053</u>	 <u>\$ 22,796,237</u>

See accompanying notes to consolidated financial statements.

WELCH COLLEGE  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED MAY 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues, gains and other support:			
Tuition and fees, net of student aid discounts of \$1,666,714	\$ 2,166,418	\$ -	\$ 2,166,418
Private gifts and grants	4,180,811	207,925	4,388,736
Government grants and contracts	740,982	1,137,084	1,878,066
Investment income	53,504	164,211	217,715
Other income	28,189	-	28,189
Auxiliary enterprises	1,038,311	-	1,038,311
	<u>8,208,215</u>	<u>1,509,220</u>	<u>9,717,435</u>
Net assets released from operating restrictions and reclassifications	<u>1,603,329</u>	<u>(1,603,329)</u>	<u>-</u>
Total operating revenues, gains and other support	<u>9,811,544</u>	<u>(94,109)</u>	<u>9,717,435</u>
Operating expenses and losses:			
Academic and general:			
Instruction	1,815,174	-	1,815,174
Institutional support	2,324,508	-	2,324,508
Academic support	630,929	-	630,929
Student services	1,205,224	-	1,205,224
Plant maintenance	739,234	-	739,234
Interest expense	772,523	-	772,523
Auxiliary enterprises	881,483	-	881,483
Total operating expenses and losses	<u>8,369,075</u>	<u>-</u>	<u>8,369,075</u>
Total changes in net assets from operating activity	<u>1,442,469</u>	<u>(94,109)</u>	<u>1,348,360</u>
Nonoperating activity:			
Contributions	-	126,586	126,586
Realized and unrealized losses	-	(40,053)	(40,053)
Change in value of beneficial interests in perpetual trusts	-	10,336	10,336
Loss on disposition of property and equipment	(25,046)	-	(25,046)
Relocation expenses	(69,347)	-	(69,347)
	<u>(94,393)</u>	<u>96,869</u>	<u>2,476</u>
Net assets released from nonoperating restrictions and reclassifications	<u>152,940</u>	<u>(152,940)</u>	<u>-</u>
Total changes in net assets from nonoperating activity	<u>58,547</u>	<u>(56,071)</u>	<u>2,476</u>
Change in net assets	<u>1,501,016</u>	<u>(150,180)</u>	<u>1,350,836</u>
Change in net assets attributable to noncontrolling interests	<u>(5,151)</u>	<u>-</u>	<u>(5,151)</u>
Change in net assets attributable to college	<u>1,506,167</u>	<u>(150,180)</u>	<u>1,355,987</u>
Net assets, beginning of year	<u>18,005,104</u>	<u>6,292,976</u>	<u>24,298,080</u>
Net assets, end of year	<u>\$ 19,506,120</u>	<u>\$ 6,142,796</u>	<u>\$ 25,648,916</u>

See accompanying notes to consolidated financial statements.



WELCH COLLEGE  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED MAY 31, 2023

	Instruction	Institutional Support	Academic Support	Student Services	Plant Maintenance	Interest Expense	Auxiliary Enterprises	Total
Employee compensation	\$1,376,944	\$1,001,608	\$398,952	\$ 475,774	\$ 124,925	\$ -	\$142,038	\$3,520,241
Professional services	-	128,031	-	-	-	-	2,654	130,685
Advertising	23,055	106,214	-	23,399	-	-	-	152,668
Office expenses	29,097	174,478	9,391	120,958	32,755	-	-	366,679
Information technology	-	31,588	126,444	-	-	-	-	158,032
Utilities and maintenance	-	1,000	-	-	566,147	-	141,909	709,056
Travel	21,111	499,838	12,919	21,707	-	-	-	555,575
Conferences and meetings	-	741	-	-	-	-	-	741
Interest	-	-	-	-	-	847,669	-	847,669
Depreciation	115,141	182,420	61,542	94,005	21,449	-	246,509	847,669
Insurance	-	19,360	-	-	86,472	-	-	721,066
Athletics equipment and fees	-	90,749	-	-	-	-	-	105,832
Instruction assistance	37,924	615	4,822	-	-	-	-	90,749
Other expenses	249,365	83,989	25,427	3,309	2,381	-	2,956	43,361
Campus store	-	-	-	-	-	-	39,047	367,427
Food services	-	-	-	-	-	-	403,667	39,047
On-campus events	-	49,562	11,935	43,991	-	-	-	403,667
Student accounts write-offs	-	31,529	-	-	-	-	-	105,488
	<u>\$1,852,637</u>	<u>\$2,401,722</u>	<u>\$651,432</u>	<u>\$ 783,143</u>	<u>\$ 834,129</u>	<u>\$847,669</u>	<u>\$978,780</u>	<u>\$8,349,512</u>

See accompanying notes to consolidated financial statements.

WELCH COLLEGE  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED MAY 31, 2022

	Instruction	Institutional Support	Academic Support	Student Services	Plant Maintenance	Interest Expense	Auxiliary Enterprises	Total
Employee compensation	\$1,517,141	\$ 997,087	\$403,324	\$ 463,318	\$ 139,163	\$ -	\$125,583	\$3,645,616
Professional services	13,125	110,713	-	-	-	-	2,590	126,428
Grants to students	-	-	-	419,950	-	-	-	419,950
Advertising	36,398	99,657	-	40,732	-	-	-	176,787
Office expenses	26,448	149,692	11,695	139,419	65,756	-	-	393,010
Information technology	-	31,682	96,336	-	-	-	-	128,018
Utilities and maintenance	-	1,206	-	-	453,989	-	113,783	568,978
Travel	15,424	462,495	11,531	11,720	-	-	-	501,170
Conferences and meetings	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	772,523	-	772,523
Depreciation	144,440	193,730	63,106	107,827	21,643	-	244,766	775,512
Insurance	-	20,910	-	-	58,029	-	-	78,939
Athletics equipment and fees	-	72,584	-	-	-	-	-	72,584
Instruction assistance	34,772	2,604	5,952	-	-	-	-	43,328
Other expenses	27,426	88,580	27,177	5,899	654	-	25,885	175,621
Campus store	-	-	-	-	-	-	42,173	42,173
Food services	-	-	-	-	-	-	326,703	326,703
On-campus events	-	49,783	11,808	16,359	-	-	-	77,950
Student accounts write-offs	-	43,785	-	-	-	-	-	43,785
	<u>\$1,815,174</u>	<u>\$2,324,508</u>	<u>\$630,929</u>	<u>\$1,205,224</u>	<u>\$ 739,234</u>	<u>\$772,523</u>	<u>\$881,483</u>	<u>\$8,369,075</u>

See accompanying notes to consolidated financial statements.

WELCH COLLEGE  
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended May 31,	
	2023	2022
Operating activities:		
Change in net assets before attribution of noncontrolling interests	\$ (2,852,679)	\$ 1,350,836
Change in net assets attributable to noncontrolling interests	(5,266)	(5,151)
Change in net assets attributable to the College	<u>(2,847,413)</u>	<u>1,355,987</u>
Items not requiring providing cash:		
Depreciation and amortization	721,066	775,512
Loss on disposition of property and equipment	918,786	25,046
Realized and unrealized losses	238,580	40,053
Change in value of beneficial interests in perpetual trusts	430,336	(10,336)
Contributions restricted for acquisition of long-lived assets	(532,374)	(93,964)
Contributions restricted for long-term investment	(74,345)	(58,322)
Non-cash contributions	-	(2,061,809)
Changes in:		
Noncontrolling interests	(5,266)	(5,151)
Accounts receivable, net of allowance	21,954	7,329
Accounts payable and accrued expenses	239,777	(191,054)
Other assets and liabilities	99,790	223,034
Net cash (used in) provided by operating activities	<u>(789,109)</u>	<u>6,325</u>
Investing activities:		
Purchases of property and equipment	(289,206)	(1,004,301)
Notes issued from sale of land	(2,800,000)	-
Proceeds from sale of equipment, net of expenses	2,954,978	7,747
Purchases of securities	(811,639)	(652,682)
Proceeds from sale of investments	894,967	662,304
Net cash used in investing activities	<u>(50,900)</u>	<u>(986,932)</u>
Financing activities:		
Proceeds from contributions restricted for acquisition of long-lived assets	532,374	93,964
Proceeds from contributions restricted for long-term investment	74,345	58,322
Borrowings on line-of-credit agreement	1,650,000	1,425,000
Principal payments on line-of-credit agreement	(1,112,625)	(1,577)
Borrowings on notes payable	99,500	1,746
Principal payments on notes payable	(362,241)	(1,001,429)
Borrowings under financing lease obligations	20,142	-
Principal payments under financing lease obligations	(52,588)	(75,200)
Net cash provided by financing activities	<u>848,907</u>	<u>500,826</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	8,898	(479,781)
Cash, cash equivalents, and restricted cash, beginning of year	<u>941,297</u>	<u>1,421,078</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 950,195</u>	<u>\$ 941,297</u>
Supplemental cash flows information:		
Interest paid, net of capitalized interest	\$ 847,669	\$ 772,523
Purchase of land	\$ -	\$ (1,000,000)
Forgiveness of note receivable	\$ -	\$ 1,000,000
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases (i.e. interest)	\$ 1,537	\$ -
Financing cash flows from finance leases (i.e. principal portion)	\$ 52,588	\$ 75,200
Operating cash flows from operating leases	\$ 2,372	\$ -
ROU assets obtained in exchange for new finance lease liabilities	\$ 146,861	\$ -
ROU assets obtained in exchange for new operating lease liabilities	\$ 19,763	\$ -

See accompanying notes to consolidated financial statements.

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Welch College (the “College”) is a not-for-profit college that operates under the affiliation of the National Association of Free Will Baptists, Inc. and is governed by a board of trustees. The College provides postsecondary education to students from approximately 24 states and several international countries. The College’s revenue and support are derived principally from student tuition and fees, private gifts and grants and auxiliary enterprises.

Basis of Presentation and Principles of Consolidation

The consolidated financial statements include the accounts of the College and the Free Will Baptist Ministries Partnership (the “Partnership”). The College entered into a partnership agreement in September 2016 in order to acquire, own and manage property near the Gallatin campus. The College holds a 36.37% interest in the Partnership and, under the terms of the agreement, is designated as the managing general partner. In addition, the College has the option to purchase all of the interests of the minority partners within 120 months of the date of the partnership agreement for an agreed-upon return of the minority partners’ capital contributions plus a guaranteed return. Significant intercompany transactions and accounts have been eliminated in consolidation.

Net Assets

For reporting purposes, the College’s financial statements have been prepared to focus on the organization as a whole. Resources are classified into two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the College and changes therein are classified and reported as follows:

*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 mission and primary objectives of the College. These net assets may be used at the discretion of the College’s management and those charged with governance.

*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 College or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from contracts with customers

The College identifies a contract for revenue recognition when there is approval and commitment from both parties, the rights of the parties and payment terms are identified, the contract has commercial substance and the collectability of consideration is probable. The College evaluates each contract to determine the number of distinct performance obligations in the contract, which requires the use of judgment. Performance obligations are determined based on the nature of the services provided by the College.

The College's primary source of revenues from contracts with customers are from tuition and education fees, net of scholarships, offered at its main campus, online, and auxiliary enterprises revenue. Net tuition revenue is recognized pro-rata over the applicable period of instruction. Students enter into contracts for a particular academic period and revenue is recognized at the start of the applicable academic instruction period. The College also charges certain upfront application or other fees which are deferred and recognized over the respective academic instruction period. The College does not have costs that are capitalized to obtain or fulfill a contract with a customer. Auxiliary enterprises revenue consists primarily of housing and food service (meal plan) revenues that are recognized over the period the services are provided, which generally aligns with the academic instruction period.

Accounts receivable include student receivables representing unconditional rights to consideration from contracts with students. Students are billed at predetermined periods prior to the commencement of services being provided. Installment billing is offered by the College which may reduce the amount of cash received in advance of performing services. However, the terms of student contracts provide that the student is liable for the total contract price which minimizes any exposure to losses associated with nonpayment. The College has determined that the installment billing does not represent a significant financing component. As a result, the receivables from students are considered unconditional rights to consideration. Student billings include all educational related items, including tuition, housing, food service, educational materials, and other fees. The College does not have any contract assets. The College's contract liabilities are reported as deferred revenue in the consolidated statements of financial position. The College has established refund policies that provide for all or a portion of tuition to be refunded if a student withdraws during established refund periods. The College does not record revenue for amounts that may be refunded. The College estimates amounts subject to refund based on historical trends and such estimates are presented as refund liabilities separate from deferred revenue on the consolidated statement of financial position, when material.



WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Noncontrolling Interests

Noncontrolling interests represent the proportionate share of the equity of the Partnership that is owned by third parties. Losses attributable to the noncontrolling interests are allocated to the noncontrolling interests even if the carrying amount of the noncontrolling interests is reduced below zero.

Cash, Cash Equivalents, and Restricted Cash

The College considers all highly liquid investments with original maturities of three months or less to be cash equivalents. At May 31, 2023 and 2022, cash equivalents consisted primarily of demand deposits at financial institutions. The deposits possess credit risk to the extent they exceed federally insured limits.

For purposes of the statement of cash flows, the College's restricted cash balances at May 31, 2023 and 2022, are as follows:

	<u>2022</u>	<u>2021</u>
Restricted Cash for Student Loans	\$447,277	\$283,175

The College maintains cash balances in financial institutions that it considers to be high quality financial institutions.

Investments and Investment Return

Investments are carried at fair value. Investments in private pooled investments are recorded at present value of future cash flows, as a practical expedient, to determine fair value of the investments. Investment return includes dividend, interest and other investment income, realized and unrealized gains and losses on investments carried at fair value and realized gains and losses on other investments.

WELCH COLLEGE  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 MAY 31, 2023 AND 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The College maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated bi-annually to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investment accounts, as adjusted for additions to or deductions from those accounts.

Accounts and Student Notes Receivable

The College grants credit to its students by allowing tuition and fees to be paid under various payment options. The College reports tuition and fees revenue net of any student aid discounts. The College does not require collateral for accounts and student notes receivable. The College evaluates the need for an allowance for doubtful accounts based upon factors surrounding the credit risk of the specific students, historical trends and other information available.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization or estimated fair value at the date of gift. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. The current provision for depreciation is reported as an expenditure of the College. Assets under capital lease obligations are depreciated over the shorter of the lease term or their respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Land improvements	10 - 50 years
Buildings and building improvements	20 - 70 years
Library books and periodicals	5 - 20 years
Furniture and equipment	4 - 20 years

Long-Lived Asset Impairment

The College evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the year ended May 31, 2023 or 2021.

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Private Gifts and Grants

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions. Gifts having donor stipulations, which are satisfied in the period the gift is received, are reported as unrestricted revenue and net assets.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as private gifts and grants revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

Deferred Revenues

Deferred revenues consist of amounts billed or received prior to year-end for services rendered after year-end. These revenues pertain primarily to summer semester tuition and fees.

Student Aid Discounts

Tuition and fees revenue, and certain other revenues from students, are reported net of student aid discounts in the consolidated statement of activities. Student aid discounts are the difference between the stated charge for goods and services provided by the College and the amount that is paid by students and/or third parties making payments on the students' behalf. The student aid discounts on tuition and fees revenue for the years ended May 31, 2023 and 2022 were \$1,860,066 and \$1,666,714, respectively.

Income Taxes

The College is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the College is subject to federal income tax on any unrelated business taxable income.

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The College accounts for the effect of any uncertain tax positions based on a *more likely than not* threshold to the recognition of the tax positions being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a *cumulative probability assessment* that aggregates the estimated tax liability for all uncertain tax positions. Tax positions for the College include, but are not limited to, the tax-exempt status and determination of whether income is subject to unrelated business income tax; however, the College has determined that such tax positions do not result in an uncertainty requiring recognition.

Functional Expenses

Costs of providing the College's programs are reported in the Statement of Activities on a functional basis. Program expenses include costs directly associated with the program and other indirect costs determined to benefit that program. These costs have been allocated between program and supporting services based on estimates made by management.

Leases

The College adopted FASB Topic 842, *Leases*, using the modified retrospective approach with June 1, 2022 as the date of initial adoption. The College elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the College to carry forward the historical lease classification. As a result of adopting the new standard effective June 1, 2022, the College recorded operating lease right-of-use assets and operating lease liabilities of \$17,714. Adoption of the new standard did not materially impact the College's net income and had no impact on beginning retained earnings or cash flows.

The College determines whether an arrangement is or contains a lease at lease inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. On the commencement date, operating leases are recorded as operating lease right-of-use ("ROU") assets and operating lease liabilities in the balance sheets. Lease liabilities represent the College's contractual obligation to make lease payments over the lease term.

For operating leases, the lease liability is measured as the present value of the lease payments over the lease term using either the rate implicit in the lease, if it is determinable, or the College's incremental borrowing rate if the implicit rate is



WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

not determinable. Operating ROU assets are calculated as the present value of the remaining lease payments plus unamortized initial direct costs and prepayments of rent, less any unamortized lease incentives received. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. Lease expense is recognized on a straight-line basis over the lease term.

The College has elected not to recognize a ROU asset and lease liability for leases with an initial term of 12 months or less but includes the expense associated with short-term leases in institutional support in the consolidated statement of activities.

ROU assets are assessed for impairment in accordance with the College's long-lived asset policy. Management reassesses lease classification and remeasures ROU assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with ASC 842.

Fundraising

The College expenses fundraising costs as incurred in institutional support expenses. Fundraising costs were approximately \$408,007 and \$364,882 for the years ended May 31, 2023 and 2022, respectively.



WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

The table below represents financial assets available for general expenditures within one year at May 31, 2023 and 2022:

Financial assets at year-end:	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 950,195	\$ 941,297
Accounts and pledges receivable, net	228,257	442,282
Investments, at fair value	1,625,493	1,947,401
Other notes receivable	<u>2,800,000</u>	<u>-</u>
Total financial assets	<u>5,603,945</u>	<u>3,330,980</u>
Less amounts not available to be used for general expenditures within one year:		
Subject to donor restrictions	958,760	1,378,336
Long-term portion of receivables	146,191	183,926
Long-term portion of notes receivables	2,600,000	-
Endowments and loans to students	<u>2,182,295</u>	<u>2,107,129</u>
Total financial assets not available to be used within one year	<u>5,887,246</u>	<u>3,669,391</u>
(Deficit of financial assets)financial assets available to be used within one year	<u>\$ ( 283,301)</u>	<u>\$ ( 338,411)</u>

The College receives significant support through restricted and unrestricted contributions and must maintain sufficient resources to meet responsibilities to its donors; therefore, these assets are limited to use for donor-restricted purposes. Additionally, the College maintains certain other board designated assets that are designated for specific purposes. These assets are limited to use and are not available for general expenditures within the next year. However, the board-designated amounts could be made available, if necessary.

The College is also the beneficiary of various perpetual trusts created by donors, the assets of which are not in the possession of the College. The College has legally enforceable rights or claims to such assets including the right to income therefrom. The College has recorded the assets and recognized contribution revenue with donor restrictions at the fair value of its beneficial interest in these perpetual trusts. Distributions received on these perpetual trusts are recorded as investment income in the statements of activities unless otherwise restricted by the donor. Subsequent changes in fair value of the perpetual trusts are recorded as net unrealized gains or losses on perpetual trusts held by others in the net assets with donor restrictions classification. The College has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

C. INVESTMENTS AND INVESTMENT RETURN

Investments at May 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
In-house securities	\$ 3,724	\$ 3,724
Investments held with FirstBank	682,757	733,791
Investments held with the Free Will Baptist Foundation	<u>939,012</u>	<u>1,209,886</u>
	<u>\$1,625,493</u>	<u>\$1,947,401</u>

As of May 31, 2022, investments held with the Free Will Baptist Foundation consisted of 4% cash and cash equivalents, 52% equities, and 44% fixed income. As of May 31, 2023, investments held with the Free Will Baptist Foundation consisted of 1% cash and cash equivalents, 49% equities, and 50% fixed income. Investments held by FirstBank as of May 31, 2022 consisted of 54% cash and cash equivalents, 29% equities, and 17% fixed income. Investments held by FirstBank as of May 31, 2023 consisted of 62% cash and cash equivalents, 11% equities, and 17% fixed income.

D. CAMPAIGN PLEDGES RECEIVABLE

Campaign pledges receivable consisted of the following at May 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Due within one year	\$ 73,797	\$237,750
Due within five years	146,191	143,926
Due thereafter	<u>-</u>	<u>40,000</u>
	<u>219,988</u>	<u>421,676</u>
Less		
Allowance for uncollectible receivables	6,249	14,564
Unamortized discount	<u>13,175</u>	<u>14,477</u>
	<u>\$200,564</u>	<u>\$392,635</u>

A discount rate of 2.0% was applied to 2023 and 2022 pledges. The campaign pledges receivable are largely restricted for the construction of the new campus or other campus projects.

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

E. NOTES RECEIVABLE

On May 26, 2023, the College entered into a note agreement with Fourth Council Properties, LLC. (“the Borrower”), in the amount of \$2,800,000. The note calls for 28 semi-annual interest payments and 28 principal payments of \$100,000 each. The Borrowers first payment is due on October 5, 2023 and will mature in full on February 5, 2038. The interest rate on the note is fixed at 5.89% per annum. The balance of the note receivable on May 31, 2023 was \$2,800,000.

F. BENEFICIAL INTERESTS IN PERPETUAL TRUSTS

The College is the beneficiary under perpetual trusts administered by the Free Will Baptist Foundation and Free Will Baptist North American Ministries. Under the terms of the trusts, the College has the irrevocable right to receive income earned on the trust assets in perpetuity, but never receives the assets held in trust. The estimated value of the expected future cash flows is \$2,226,996 and \$2,657,332, which represents the fair value of the trust assets at May 31, 2023 and 2022, respectively. The change in value of beneficial interests in perpetual trusts for 2023 and 2022 was \$(430,336) and \$10,336, respectively.

G. PROPERTY, BUILDINGS, AND EQUIPMENT

Property, buildings, and equipment at May 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Land and land improvements	\$ 6,549,514	\$10,289,032
Buildings and building improvements	28,504,806	28,419,589
Library books and periodicals	1,105,042	1,091,263
Furniture and equipment	3,159,281	3,233,499
Construction in progress	<u>114,557</u>	<u>-</u>
Total plant facilities	39,433,200	43,033,383
Less accumulated depreciation and amortization	<u>6,451,359</u>	<u>5,745,919</u>
Net property, buildings, and equipment	<u>\$32,981,841</u>	<u>\$37,287,464</u>

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

H. LINES-OF-CREDIT

The College has a \$1,300,000 revolving line-of-credit with the Free Will Baptist Foundation. The line of credit was set to expire on March 30, 2022, however the agreement was amended extending the maturity to March 30, 2027. At May 31, 2023 and 2022, there was \$1,270,062 and \$1,132,686 borrowed against this line, respectively. The line is secured by an endowment fund held by the Free Will Baptist Foundation. Prior to March 30, 2022, interest accrued at the rate of the prime plus 1% (4.50% at May 31, 2021), and was payable semi-annually. Subsequent to the amendment, the interest rate became fixed at a rate of 4.75% and is payable semi-annually.

In May 2018, the College entered into a \$800,000 revolving line-of-credit agreement with FirstBank which expired in May 2021. In May 2021, the line-of-credit was amended extending the maturity through May 2023, and the College is in negotiations with the bank and expects to extend the line of credit. At May 31, 2023 and 2022, there was \$0 and \$800,000 borrowed against this line, respectively. The line is secured by a portion of the College's real property. Interest accrues at the rate of the prime plus 1% (9.25% and 5.75% at May 31, 2023 and 2022, respectively) with a floor of 4.50% and is payable monthly.

The College has a \$1,500,000 revolving line-of-credit with the Board of Home Missions of the National Association of Free Will Baptists, Inc. The line of credit is set to expire on September 25, 2023. At May 31, 2023 and 2022, there was \$1,200,000 and \$0 borrowed against this line, respectively. The line is secured by a portion of the College's real property. Interest accrues at the rate of 4.50% and is payable annually.

I. NOTES PAYABLE

	<u>2023</u>	<u>2022</u>
Notes payable (A)	\$ 170,574	\$ 71,074
Paycheck Protection Plan (B)	-	-
Construction line-of-credit note (C)	<u>14,636,987</u>	<u>14,999,227</u>
	<u>\$14,807,561</u>	<u>\$15,070,301</u>

(A) The balance of \$170,574 and \$71,074 at May 31, 2023 and 2022, respectively, represents various notes payable to individuals. These notes are due upon demand with annual interest rates of 4.00% and 4.00%, respectively.

(B) On February 19, 2021, the College was approved for a second PPP loan. On April 7, 2021, the College received funding for the PPP loan in the amount of \$740,870. On April 4, 2022, the College received notification from the Small Business Administration that the loan had been forgiven in full.

WELCH COLLEGE  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 MAY 31, 2023 AND 2022

I. NOTES PAYABLE - Continued

- (C) During 2017, the College entered into an \$11,000,000 non-revolving construction line-of-credit note with the Free Will Baptist Foundation. In 2018, this agreement was amended to increase the maximum principal amount to \$14,000,000. In September 2018 (fiscal year 2019), the agreement was amended to increase the principal amount to approximately \$15,900,000. Interest accrues at a fixed rate of 4.5%. In April 2021, the Board of the Free Will Baptist Foundation voted to approve a renewal of the loan for six additional years as of September 1, 2021, renewable in the fifth year, with a fixed interest rate of 4.75% annually and a loan amortization period of twenty-four years. In the absence of renewal, all remaining principal and accrued interest will be due and payable on October 1, 2027. This note is collateralized by a portion of the College's real property.

Aggregate annual maturities of notes payable at May 31, 2023 are:

	<u>Notes Payable</u>
2023	\$ 379,722
2024	398,157
2025	417,486
2026	437,754
2027	459,006
Thereafter	<u>12,715,436</u>
	<u>\$14,807,561</u>



WELCH COLLEGE  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 MAY 31, 2023 AND 2022

J. NET ASSETS WITH DONOR RESTRICTIONS

Net assets at May 31, 2023 and 2022 have been restricted by the donors as follows:

	<u>2023</u>	<u>2022</u>
Subject to purpose restrictions:		
Scholarships, endowed	\$ 221,853	\$ 447,191
Scholarships, time restricted	253,377	251,494
Campus relocation	244,327	304,211
Accelerated pastoral degree program	175,846	331,436
Other	<u>63,357</u>	<u>44,004</u>
Total subject to purpose restrictions	<u>958,760</u>	<u>1,378,336</u>
Endowments and perpetual trusts:		
Perpetual trusts	2,226,996	2,657,332
Endowments	1,886,221	1,811,874
Loans to students	<u>296,076</u>	<u>295,254</u>
Total endowments and perpetual trusts	<u>4,409,293</u>	<u>4,764,460</u>
Total net assets with donor restrictions	<u>\$5,368,053</u>	<u>\$6,142,796</u>

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2023</u>	<u>2022</u>
Purpose restrictions accomplished		
Scholarship	\$ 443,101	\$ 228,049
Campus construction	622,133	152,940
Government grants and contracts	-	1,137,084
Other	<u>283,875</u>	<u>238,196</u>
	<u>\$1,349,109</u>	<u>\$1,756,269</u>

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

J. NET ASSETS WITH DONOR RESTRICTIONS - Continued

Net Asset Transactions With Noncontrolling Interests

For the years ended May 31, 2023 and 2022, changes in consolidated net assets attributable to the controlling and noncontrolling financial interests are:

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets Attributable to Welch College</u>	<u>Noncontrolling Interests</u>
Balance, June 1, 2022	\$ 18,005,104	\$ 16,279,395	\$ 1,725,709
Change in net assets without donor restrictions	<u>1,501,016</u>	<u>1,501,951</u>	<u>( 935)</u>
Balance, May 31, 2022	<u>19,506,120</u>	<u>17,781,346</u>	<u>1,724,774</u>
Change in net assets without donor restrictions	<u>( 2,077,936)</u>	<u>( 2,072,670)</u>	<u>( 5,266)</u>
Balance, May 31, 2023	<u>\$ 17,428,184</u>	<u>\$ 15,708,676</u>	<u>\$ 1,719,508</u>

K. ENDOWMENT

The College's endowment consists of approximately 85 individual funds established for a variety of purposes. The endowment includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The College's governing body has interpreted the *Uniform Prudent Management of Institutional Funds Act* (USPMIFA), adopted by the state of Tennessee, as requiring 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 College classifies as net assets with donor restriction (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 donor-restricted endowment funds that are not classified as perpetual in nature are classified as temporary in nature net assets until those amounts are appropriated for expenditure by

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

K. ENDOWMENT - Continued

the College in a manner consistent with the standard of prudence prescribed by USPMIFA. In accordance with USPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor- restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the College and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the College
7. Investment policies of the College

The composition of net assets by type endowment fund at May 31, 2023 and 2022 was as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		
		<u>Temporary In Nature</u>	<u>Perpetual In Nature</u>	<u>Total</u>
<u>May 31, 2023</u>				
Donor-restricted endowment funds	<u>\$3,623</u>	<u>\$221,853</u>	<u>\$4,113,219</u>	<u>\$4,338,694</u>
<u>May 31, 2022</u>				
Donor-restricted endowment funds	<u>\$26,449</u>	<u>\$443,731</u>	<u>\$4,469,207</u>	<u>\$4,939,387</u>

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

K. ENDOWMENT - Continued

Changes in endowment net assets for the years ended May 31, 2023 and 2022 were:

	Without Donor Restrictions	With Donor Restrictions		Total
		Temporary In Nature	Perpetual In Nature	
Endowment net assets, June 1, 2021	\$ 28,420	\$ 449,373	\$ 4,400,734	\$ 4,878,527
Investment return				
Change in beneficial interests in perpetual trusts	-	-	10,336	10,336
Investment income	48,795	125,670	-	174,465
Contributions	-	-	58,137	58,137
Appropriation of endowment assets for expenditure	<u>(50,766)</u>	<u>(131,312)</u>	<u>-</u>	<u>( 182,078)</u>
Endowment net assets, May 31, 2022	<u>26,449</u>	<u>443,731</u>	<u>4,469,207</u>	<u>4,939,387</u>
Investment return				
Change in beneficial interests in perpetual trusts	-	-	( 430,336)	( 430,336)
Investment income	25,308	(136,022)	-	( 110,714)
Contributions	-	-	74,347	74,347
Appropriation of endowment assets for expenditure	<u>(48,134)</u>	<u>( 85,856)</u>	<u>-</u>	<u>( 133,990)</u>
Endowment net assets, May 31, 2023	<u>\$ 3,623</u>	<u>\$ 221,853</u>	<u>\$ 4,113,219</u>	<u>\$ 4,338,694</u>

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

K. ENDOWMENT - Continued

Amounts of donor-restricted endowment funds classified as net assets with donor restrictions at May 31, 2023 and 2022 consisted of:

	<u>2023</u>	<u>2022</u>
Permanently restricted net assets - portion of perpetual endowment funds required to be retained permanently by explicit donor stipulation or USPMIFA	\$4,113,219	\$4,469,207
Temporarily restricted net assets - portion of perpetual endowment under USPMIFA With purpose restriction	<u>221,853</u>	<u>443,731</u>
	<u>\$4,335,071</u>	<u>\$4,912,938</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the College is required to retain as a fund of perpetual duration pursuant to donor stipulation or USPMIFA. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets with donor restrictions.

***Return Objectives and Risk Parameters***

The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the College must hold in perpetuity or for donor-specified periods. Under the College's policies, as approved by the board of trustees, endowment assets are primarily invested in U.S. securities or federal agencies obligations to reduce market and equity risk.

To satisfy its long-term rate of return objectives, the College relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized).



WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

K. ENDOWMENT - Continued

The College's investment policy allows expenditures of a maximum of 5% of corpus from the funds carried as temporarily restricted net assets up to the accumulated balance of such funds. The College will limit annual spending from funds to the lesser of the approved rate or the amount that prevents the funds value from descending below the donor's original contribution.

L. REVENUES

The College's revenue from contracts with customers are included in tuition and education fees and auxiliary enterprises revenue as presented in the consolidated statements of activities. There were no impairment losses on receivables or contract assets from contracts with customers during fiscal year 2023.

*Disaggregation of revenues*

A summary of revenue from contracts with customers related to tuition and education fees for the years ended May 31, 2023 and 2022 disaggregated by the major classification of student type is as follows:

<u>Student Classification</u>	<u>Tuition and Education Fees, Net</u>	
	<u>2023</u>	<u>2022</u>
Undergraduate tuition	\$1,839,130	\$1,778,669
Graduate tuition	131,642	96,784
Non-traditional tuition	<u>252,388</u>	<u>290,965</u>
Total	<u>\$2,223,160</u>	<u>\$2,166,418</u>

A summary of revenue from contracts with customers related to auxiliary enterprises revenue for the years ended May 31, 2023 and 2022 disaggregated by type is as follows:

<u>Revenue Classification</u>	<u>Amount</u>	
	<u>2023</u>	<u>2022</u>
Housing	\$ 422,764	\$ 392,022
Food Service	634,790	580,891
Other	<u>101,072</u>	<u>65,398</u>
Total	<u>\$1,158,626</u>	<u>\$1,038,311</u>

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

L. REVENUES - Continued

*Contract balances*

A summary of receivables and contract liabilities from contracts with customers is as follows at May 31, 2023, 2022 and 2021:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Student accounts receivable, net	\$ 27,693	\$ 49,647	\$ 56,976
Other notes receivable	2,800,000	-	1,000,000
Student accounts and deposits collected in advance	158,621	143,347	151,281
Deferred revenue	70,044	83,821	72,624

Substantially all of the deferred revenue at June 1, 2022 and 2021 was recognized as revenue during fiscal years 2023 and 2022, respectively, as generally all performance obligations are met within two-three months of the fiscal year end. Additionally, amounts of deferred revenue at May 31, 2023 represent cash received from students during fiscal year 2023 primarily for academic services to be provided in the subsequent year.

M. DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1 - Quoted prices in active markets for identical assets or liabilities
- Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3 - Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

M. DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES - Continued

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying consolidated statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at May 31, 2023 and 2022:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>May 31, 2023:</u>				
Equity securities	\$ 3,724	\$ 3,724	\$ -	\$ -
Investments held with FirstBank	682,757	682,757	-	-
Investments held with the Free Will Baptist Foundation (1)	<u>939,012</u>	<u>-</u>	<u>-</u>	<u>939,012</u>
Total investments	1,625,493	686,481	-	939,012
Beneficial interests in perpetual trusts	2,226,996	-	-	2,226,996
<u>May 31, 2022:</u>				
Equity securities	\$ 3,724	\$ 3,724	\$ -	\$ -
Investments held with FirstBank	733,791	733,791	-	-
Investments held with the Free Will Baptist Foundation (1)	<u>1,209,886</u>	<u>-</u>	<u>-</u>	<u>1,209,886</u>
Total investments	1,947,401	737,515	-	1,209,886
Beneficial interests in perpetual trusts	2,657,332	-	-	2,657,332

(1) See Note C for an analysis of the types of investments within the investments held with the Free Will Baptist Foundation and FirstBank.

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

M. DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES - Continued

The following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated statement of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended May 31, 2023. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. See the table below for inputs and valuation techniques used for Level 3 securities.

The value of certain investments, classified as alternative investments, is determined using net asset value (or its equivalent) as a practical expedient. Investments for which the College expects to have the ability to redeem its investments with the investee within 12 months after the reporting date are categorized as Level 2. Investments for which the College does not expect to be able to redeem its investments with the investee within 12 months after the reporting date are categorized as Level 3.

Beneficial Interests in Perpetual Trusts

Fair value is estimated at the present value of the future distributions expected to be received over the terms of the agreements. Due to the nature of the valuation inputs, the interests are classified within Level 3 of the hierarchy.

Investments Held With Free Will Baptist Foundation

Fair value is estimated using a discounted cash flow model. Due to the nature of the valuation inputs, the interests are classified within Level 3 of the hierarchy.

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

M. DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES - Continued

Level 3 Reconciliation

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying consolidated statement of financial position using significant unobservable (Level 3) inputs:

	Investments Held With Free Will Baptist Foundation	Beneficial Interests in Perpetual Trusts
Opening Balance - June 1, 2021	\$ 1,262,661	\$ 2,636,724
Transfers into Level 3	-	-
Total gains for the period included in change in net assets	47,225	99,783
Purchases, issues, sales and settlements		
Purchases	-	10,271
Issues	-	-
Sales	( 100,000)	( 89,446)
Settlements	-	-
Closing balance -May 31, 2022	<u>1,209,886</u>	<u>2,657,332</u>
Transfers into Level 3	-	-
Total gains or (losses) for the period included in change in net assets	( 170,874)	( 339,356)
Purchases, issues, sales and settlements		
Purchases	-	-
Issues	-	-
Sales	( 100,000)	( 90,980)
Settlements	-	-
Closing balance -May 31, 2023	<u>\$ 939,012</u>	<u>\$ 2,226,996</u>



WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

N. SIGNIFICANT ESTIMATES AND CONCENTRATIONS

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Investments

The College invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying consolidated statement of financial position.

O. LEASES

The College has operating and financing leases of vehicles and equipment for their office expiring in various years through 2028. Most leases do not contain options to renew. In the normal course of business, operating leases are generally renewed under available renewable options, renegotiated, or replaced.

Finance lease right-of-use assets are included in property and equipment in the balance sheets. Total cost and accumulated depreciation of finance lease right-of-use assets were \$609,077 and \$480,906, respectively, at May 31, 2023, and \$588,935 and \$431,484, respectively, at May 31, 2022.

The components of lease expense for May 31, 2023 is as follows:

Operating lease expense	\$ 2,372
Finance lease expense	
Amortization of ROU assets	51,235
Interest on lease liabilities	<u>1,537</u>
	<u>\$ 55,144</u>

Additional supplemental information regarding assumptions for operating leases is as follows for May 31, 2023:

Weighted-average remaining lease term (years)	
Operating leases	4.67
Finance leases	2.88
Weighted-average discount rate	
Operating leases	2.93%
Finance leases	1.61%

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2023 AND 2022

O. LEASES - Continued

As of May 31, 2023, the maturity of the operating lease liabilities is as follows:

<u>Maturity</u>	<u>Operating</u>	<u>Finance</u>
2024	\$ 4,066	\$ 42,844
2025	4,066	24,356
2026	4,066	20,856
2027	4,066	5,731
2028	<u>2,711</u>	<u>3,525</u>
Total undiscounted cash flows	18,974	97,312
Less: present value discount	<u>( 1,260)</u>	<u>( 2,638)</u>
Total lease liabilities	<u>\$ 17,714</u>	<u>\$ 94,674</u>

P. RELATED PARTY

For the year ended May 31, 2023 and 2022, as a director of an agency of the College's sponsoring denomination, the President of the College served as a board member of its sister agency the Free Will Baptist Foundation, whom holds investments for the College.

Q. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 17, 2023, the date the financial statements were available for issuance, and has determined that there are no subsequent events requiring disclosure.

## The Report of the Commission for Theological Integrity

The purpose of the Commission for Theological Integrity is threefold: (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 2–3, 2023, we sponsored our twenty-sixth annual Theological Symposium on the campus of Randall University in Moore, Oklahoma. Our twenty-seventh annual Theological Symposium will meet October 7–8, 2024, on the campus of Welch College in Gallatin, Tennessee. For more information on the Symposium, please contact program chairman Cory Thompson at [fwbtheology@gmail.com](mailto:fwbtheology@gmail.com).

We hope to publish a new issue of *Integrity: A Journal of Christian Thought* this year. This year also witnessed the publication of a new occasional supplement to *Integrity* entitled *De Doctrina*. That periodical will consist of substantive theological articles that are shorter than typical *Integrity* articles. The latter initiative is made possible by a generous grant from the Free Will Baptist Foundation. We continue to publish occasional theological essays at our blog, [fwbtheology.com](http://fwbtheology.com).

This year's Theological Integrity Seminar at the Annual Session will consist of a presentation by Christopher Talbot, instructor of Youth and Family Ministry and coordinator of that program at Welch College. His topic, "The Bible and the Body: Theological Clarity in a Confused Culture," will provide a theological framework for navigating various current issues, including the transgender phenomenon.

The Commission for Theological Integrity and its work are valuable in our day of increasing consumerism and secularism in American culture. These cultural issues have decreased concern for theology in general and the distinctive theology of the Free Will Baptist Church in particular. We appreciate the support and prayers of the National Association of Free Will Baptists as our denomination navigates these difficult waters.

Respectfully submitted,

Matt Pinson (chairman),  
for the Commission for Theological Integrity:  
Kevin Hester (secretary)  
Rodney Holloman  
Cory Thompson  
Jackson Watts

**2023**  
**Commission for Theological Integrity**  
**Financial Report**

<b>Bank Balance - January 1, 2023</b>	<b>\$20,043.04</b>
<b>Commission Income</b>	
The Together Way	\$5,288.20
Theological Symposium Papers	215.00
Gifts	<u>43.38</u>
<b>Total Commission Income</b>	<b>5,546.58</b>
<b>Journal Income</b>	
FWB Foundation Grant	<u>0.00</u>
<b>Total Income</b>	<b>5,546.58</b>
<b>Commission Expenses</b>	
Bookkeeping	400.00
National Seminar/Digest of Reports	50.00
Annual Meeting and Symposium Expenses	3,206.40
Miscellaneous Office Expenses	<u>200.00</u>
<b>Total Commission Expenses</b>	<b>3,856.40</b>
<b>Journal Expenses</b>	<u>0.00</u>
<b>Total Expenses</b>	<b><u>3,856.40</u></b>
<b>Bank Balance - December 31, 2023</b>	<b><u>\$21,733.22</u></b>

**2025**  
**Commission for Theological Integrity**  
**Budgets**

	2023 Budget	2023 Actuals	2024 Budget	2025 Budget
<b>Income</b>				
Gifts	\$700.00	\$43.38	\$700.00	\$500.00
Journal Income	250.00	0.00	250.00	200.00
Theological Symposium Papers	350.00	215.00	250.00	200.00
Together Way Plan	<u>5,500.00</u>	<u>5,288.20</u>	<u>5,600.00</u>	<u>5,600.00</u>
<b>Total Income</b>	<b><u>6,800.00</u></b>	<b><u>5,546.58</u></b>	<b><u>6,800.00</u></b>	<b><u>6,500.00</u></b>
<b>Expenses</b>				
Annual Meeting/Symposium	4,000.00	3,206.40	2,800.00	3,000.00
Bookkeeping	400.00	400.00	400.00	400.00
Journal Expenses	1,000.00	0.00	3,500.00	2,000.00
National Seminar/Digest	750.00	50.00	750.00	750.00
Office Expenses	<u>350.00</u>	<u>200.00</u>	<u>350.00</u>	<u>350.00</u>
<b>Total Expenses</b>	<b><u>\$6,500.00</u></b>	<b><u>\$3,856.40</u></b>	<b><u>\$7,800.00</u></b>	<b><u>\$6,500.00</u></b>



## 2023-2024 Historical Commission Report

*Thank you!* In recent years, in partnership with the Executive Office, the Historical Commission has emphasized the importance of maintaining good minutes and records at every level of the denomination. Why? Good records help us avoid past mistakes, offer a safeguard against legal issues, and provide an accurate picture of the denomination. Good records help Free Will Baptists understand who they are, and they motivate them to remain dedicated to their spiritual heritage rather than drifting from their tradition. Most importantly, our historical record provides a clear public testimony to God’s ongoing work in and through the denomination.

I’m happy to report Free Will Baptists have responded well to this emphasis. Minutes are coming in better than they have in years. Historical donations have increased, ranging from minutes and periodicals to books, church histories, and other ephemera. State leaders are working with Phillip Morgan, Historical Collection curator, to fill in the missing gaps in the collection. Thanks to you, the Commission is suddenly hard pressed to assimilate the flow of donations. *Again, thank you!* This attention to preserving our history is an investment in the next generation.

As *Dr. Robert E. Picirilli* marks his final convention as chairman of the Historical Commission, we wish to thank him — with the deepest gratitude and respect — for 51 years of faithful service to this important work.

### 2023-2025 Budgets | Free Will Baptist Historical Commission

	2023 Budget	2023 Actuals	2024 Budget	2025 Budget
<b>Income</b>				
Gifts (Together Way)	\$5,500.00	\$5,858.79	\$5,500.00	\$5,500.00
Interest	10.00	194.68	25.00	200.00
Sale of Pamphlets	150.00	544.35	300.00	300.00
Rest of the Family Offering	20.00	36.39	35.00	35.00
Other	0.00	0.00	0.00	0.00
<b>Total Income</b>	<b>5,830.00</b>	<b>\$6,634.21</b>	<b>\$5,860.00</b>	<b>\$6,035.00</b>
<b>Expenses</b>				
Librarian/Curator Expense	2,500.00	2,500.00	2,500.00	2,500.00
Materials, Binding, Postage, Software	1,500.00	229.32	1,500.00	1,500.00
Website Expense	300.00	0.00	300.00	300.00
Publishing Projects	1,100.00	0.00	1,000.00	1,000.00
Meeting & Conference Expenses	200.00	0.00	210.00	200.00
NAFWB Digest	80.00	0.00	50.00	50.00
NAFWB Seminar Fee	50.00	50.00	0.00	50.00
Other*	0.00	2,972.69	300.00	435.00
<b>Total Expenses</b>	<b>\$5,830.00</b>	<b>\$2,624.69</b>	<b>\$5,860.00</b>	<b>\$6,035.00</b>

\*2023 Actuals includes new computer reimbursement, ALABI conference fees, and NAFWB seminar fees. Budget lines have been added in these areas for 2025.



**Financial Report 2023**  
**Free Will Baptist Historical Commission**

**Balance on hand (checking at Regions Bank) 12/31/2022.....\$15,872.70**

**Deposits**

Cooperative Giving/Together Way (13 months).....5,858.79  
 Interest (Regions Bank)..... 194.68  
 Sales of booklets (D6 Family Ministry) ..... 544.35  
 Rest of Family offering (two) ..... 36.39

**Total .....\$6,634.21**

**Expenditures**

Phillip Morgan: stipend .....2,500.00  
 Philip Morgan ALAB conference fee ..... 40.00  
 Welch reimbursement, new computer.....2,882.69  
 NAFWB seminar fee..... 50.00  
 Picirilli reimburse software fees ..... 229.32  
 (\$16.38 per month, 11/21–12/22)

**Total .....\$5,702.01**

Balance on hand (checking at Regions Bank) 12/31/2023..... \$16,804.90

Add: Trust Fund at FWB Foundation 12/31/2023 (gained \$1,266.15 in 2023)\$42,122.75

**Total on hand 12/31/2023..... \$58,927.65**

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**Robert E. Picirilli, Chairman and Treasurer**

*Eric K. Thomsen, Secretary*

*David Crowe*

*Willie Martin*

*Jim McComas*

## Music Commission Report

The Music Commission was created to promote the development of worship ministries in local Free Will Baptist churches. Our primary methods involve providing resources on-line and on site to encourage and support pastors and those who lead worship in our churches. Most of those leaders are volunteer or part-time. They are the primary group we consider as we provide resources.

The members of the Commission are personally involved in local church worship ministry leadership, as well as stepping up to assist in associational worship gatherings (including the National Association). We consider it a privilege to be advocates and facilitators for our fellow worship leaders across the denomination.

Two new members were elected In 2023, so we met at the National Offices in October for a face-to-face orientation and regrouping with input from Executive Secretary Eddie Moody. During those sessions we discussed the rising cry of our smaller churches for help to find and train musicians.

We identified two primary initiatives as our focus. First, we will continue to offer the “On-Site Worship Workshops” as requested. These provide coaching and instruction for churches who have a worship team in place, regardless of size. Secondly, we launched a new initiative – “Grow Your Own Musicians” – to address the issues facing churches with limited or no musicians to help lead their services.

“Grow Your Own Musicians” is not an event, but a process. The intent is to build a relationship with small church leadership through which their specific needs can be considered and recommendations made to begin to provide what will help. Each participating church will have a coach to maintain contact, input, and encouragement as steps are taken to move forward. While we can offer no quick fixes, we hope we can make a difference over time.

Our website, [fwbworship.com](http://fwbworship.com), offers tutorials, articles, and links to help people become better worship leaders. The website has also provided a point of communication among Free Will Baptist musicians.

Your suggestions and requests are always welcomed related to the resources we work to provide as we serve to “help everyday people become better worship leaders.” Join us in praying that Free Will Baptist churches will grow in their experience of true worship to the glory of the Lord Jesus Christ.

Respectfully submitted,

The Free Will Baptist Music Commission

Doug Little, Chairman

Sam Harris

Bryan Hughes

Kevin Justice

Daniel Webster

### MUSIC COMMISSION FINANCIAL SUMMARY 2023

<b>Beginning Balance (01/01/2023)</b>		<b>\$15,031.39</b>
<b>Income</b>		<b>\$ 5,898.74</b>
Together Way (undesignated)	4,927.56	
Together Way (designated)	63.00	
Other gifts	800.00	
Rest of the Family offering	58.78	
Endowment gifts	49.40	
Workshop fees	0.00	
<b>Expenses</b>		<b>\$ 5,561.46</b>
Meetings	3,039.01	
Convention	1,974.15	
Projects	548.30	
Office Expenses	-0-	
<b>Ending Balance (12/31/2023)</b>		<b>\$15,368.67</b>

### MUSIC COMMISSION BUDGET COMPARISONS

	2023 Budget	2023 Actual	2024 Budget	2025 Budget
<b>Income</b>				
Together Way (undesignated)	\$5,500.00	\$4,927.56	\$5,500.00	\$5,500.00
Together Way (designated)	\$1,000.00	\$63.00	\$1,000.00	\$1,000.00
Rest of the Family Offering	\$20.00	\$58.78	\$50.00	\$50.00
Direct gifts	\$500.00	\$800.00	\$500.00	\$500.00
Projects	\$2,000.00	-0-	\$1,000.00	\$1,000.00
Other	\$300.00	\$49.40	\$300.00	\$300.00
<b>Totals</b>	<b>\$9,320.00</b>	<b>\$5,898.74</b>	<b>\$8,350.00</b>	<b>\$8,350.00</b>
<b>Expenses</b>				
Meetings	\$2,500.00	\$3,039.01	\$2,500.00	\$2,500.00
Convention	\$500.00	\$1,974.15	\$2,000.00	\$2,000.00
Projects	\$3,200.00	\$548.30	\$3,750.00	\$3,750.00
Office Expenses and Misc	\$100.00	-0-	\$100.00	\$100.00
<b>Totals</b>	<b>\$6,300.00</b>	<b>\$5,561.46</b>	<b>\$8,350.00</b>	<b>\$8,350.00</b>

**Free Will Baptist Media Commission Report  
for the National Association of Free Will**

**Baptists**  
Tampa, Florida  
July, 2024

This past year our team has focused on team building and training. The Lord continues to revitalize our team allowing us to utilize our talents to serve our denomination and churches.

Our primary focus continues to be supporting the National Convention and National Leadership Conference. We provided all of the A/V support for the National Leadership Conference in December. We continue to improve the streaming services for the National Convention by including three languages (English, Spanish and ASL) and the addition of the live pre-service.

We are continuing to network with media teams within the denomination to provide resources and training to assist churches in their weekly activities via online or in person. Please connect with us on Facebook via our group "Free Will Baptist Media Teams" to network together, ask questions and discuss ideas. Our team is committed to assisting churches to be the best we can be in reaching our communities and world with the Gospel. If there are any ways that we can assist you and your church, please reach out to us via our Facebook page or individually.

In the past year two of our founding members passed away, Guy Owens and Sandy Goodfellow. We are thankful for their service and vision in creating the Media Commission. Without their leadership and faithfulness, we would not be able to serve our denomination in this capacity. We appreciate the legacy left by these men. May we all strive to leave a Godly legacy as these men did for generations to come!

Thank you for allowing us to serve our denomination and our Lord.

Respectfully Submitted,

Stephen Lopes (TN), Chairman  
Josh Owens (TN), Treasurer  
Jeremy Smith (NC)  
Adrian Holland (TN)  
Devon Dundee (AR)

## FWB Media Commission Comparative Budget Analysis

January 1, 2023 - December 31, 2023

	2023 Budget	2023 Actual	Difference	2025 Budget
<b>INCOME</b>				
Together Way (Undesignated)	\$4,750.00	5,191.20	\$441.20	\$4,750.00
Together Way (Designated)	\$100.00	\$97.00	-\$3.00	\$100.00
Rest of the Family Offering	\$25.00	\$60.18	\$35.18	\$25.00
Bill Gardner Memorial Gift	\$50.00	\$45.36	-\$4.64	\$50.00
Other Gifts	\$3,000.00	\$0.00	-\$3,000.00	\$3,000.00
<b>TOTAL INCOME</b>	<b>\$7,925.00</b>	<b>\$5,288.20</b>	<b>-\$2,636.80</b>	<b>\$7,925.00</b>
<b>EXPENSES</b>				
Office Supplies	\$100.00	\$0.00	\$100.00	\$75.00
Digest of Reports	\$80.00	\$39.58	\$40.42	\$75.00
Equipment Upgrades/Repairs	\$5,000.00	\$6,361.45	-\$1,361.45	\$3,000.00
Software/Hardware	\$250.00	\$216.32	\$33.68	\$500.00
Development and Training	\$500.00	\$297.00	\$203.00	\$500.00
Convention Streaming Service (Internet & Rental)	\$1,000.00	\$0.00	\$1,000.00	\$850.00
Convention Supplies	\$250.00	\$115.00	\$135.00	\$150.00
Convention/Leadership Conference Travel and Lodging	\$5,500.00	\$5,180.00	\$320.00	\$5,000.00
Convention/Leadership Conference Meals	\$1,200.00	\$770.40	\$429.60	\$1,000.00
Convention Seminar	\$50.00	\$50.00	\$0.00	\$0.00
<b>TOTAL EXPENSES</b>	<b>\$13,930.00</b>	<b>\$13,029.75</b>	<b>\$900.25</b>	<b>\$11,150.00</b>



# 2024 Election Schedule For Standing Boards and Commissions

## Board of Women Nationally Active for Christ

2026 – Jessica Edwards (Tennessee)  
Katie Postlewaite (South Carolina)  
Tracy Payne (Oklahoma)

2028 – Sharon Dickey (Texas)  
Jonda Patton (Kentucky)  
Lee Ann Wilfong (Missouri)

To be elected in 2024:

2030 – \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Board of D6 Family Ministry

2026 – Paul Bryant (Mississippi)  
Ryan Giles (Oklahoma)  
Rick Taylor (Alabama)

2028 – Darin Gibbs (North Carolina)  
Tim York (Kentucky)  
Jay Baines (Virginia)

To be elected in 2024:

2030 – \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Board of IM, Inc.**

**2026** – Janice Banks (Texas)  
Rick Cason (Georgia)  
Jeff Nichols (Tennessee)

**2028** – Cameron Lane (Arkansas)  
Will Harmon (Arkansas)  
Rodney Yerby (Alabama)

**To be elected in 2024:**

**2030** – \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Welch College Board of Trustees**

**2026** — Jeff Crabtree (Ohio)  
Shiloh Hackett (Tennessee)  
Chris Truett (North Carolina)

**2028** — Rusty Campbell (Tennessee)  
Brad Ryan (Illinois)  
Wayne Miracle (Georgia)

**To be elected in 2024:**

**2030** – \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **Commission for Theological Integrity**

**2025** – Rodney Holloman (Tennessee)

**2026** – W. Jackson Watts (Missouri)

**2027** – Kevin Hester (Tennessee)

**2028** – Matt Pinson (Tennessee)

**2029** – \_\_\_\_\_

## **Historical Commission**

**2025** – Eric Thomsen (Tennessee)

**2026** – Jim McComas (Tennessee)

**2027** – Willie Martin (Georgia)

**2028** – David Crowe (Tennessee)

**2029** – \_\_\_\_\_

## **Music Commission**

**2025** – Bryan Hughes (North Carolina)

**2026** – Sam Harris (North Carolina)

**2027** – Doug Little (Tennessee)

**2028** – Daniel Webster (Tennessee)

**2029** – \_\_\_\_\_

## **Media Commission**

**2025** – Jeremy Smith (North Carolina)

**2026** – Adrian Holland (Tennessee)

**2027** – Devon Dundee (Arkansas)

**2028** – Stephen Lopes (Tennessee)

**2029** – \_\_\_\_\_

## General Board

**2025** –Alabama: Danny Williams  
Arizona: John Gibson  
Arkansas: David Taylor  
Assn of Mexico: Luis-Felipe Tijerina  
Atlantic-Canada: Oral McAfee  
California: Mike Kilcrease  
Colorado: Terry Miller  
David Marks Heritage: Tom Jones  
Florida: Allan Austin  
Georgia: Tim Horne  
Idaho:  
Illinois: Josh Colson

**2026** –Indiana: Daniel Edwards  
Iowa: David Inman  
Kansas: Zane Brooks  
Kentucky: Ashley Kidd  
Mexico Assn: Bud Bivens  
Michigan: Jimmy Lawson  
Mid-Atlantic: Wayne Hale  
Mississippi: Larry Reynolds  
Missouri: Stan Bunch

### To be elected in 2024:

**2027** –North Carolina: \_\_\_\_\_  
Northeast: \_\_\_\_\_  
Northwest: \_\_\_\_\_  
Ohio: \_\_\_\_\_  
Oklahoma: \_\_\_\_\_  
South Carolina: \_\_\_\_\_  
Tennessee: \_\_\_\_\_  
Texas: \_\_\_\_\_  
Virginia: \_\_\_\_\_  
West Virginia: \_\_\_\_\_

**Executive Committee**

**2025** – David Taylor (Arkansas)  
          Danny Williams (Alabama)  
          Mike Kilcrease (California)

**2026** – Stan Bunch (Missouri)  
          Wayne Hale (Mid-Atlantic)  
          Daniel Edwards (Indiana)

**To be elected in 2024:**

**2027** – \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**General Officers of the Executive Committee**

**2025** – Moderator:     Tim York (Tennessee)  
          Assistant Clerk: Ernie Lewis (Illinois)

**2027** – Assistant Moderator: W. Jackson Watts (Missouri)  
          Clerk:                 Randy Bryant (Florida)



**The following boards do not elect members in 2024:**

**Board of North American Ministries**

**2025** – Jeff Jones (North Carolina)  
Bob Brown (Florida)  
Frank Wiley (Oklahoma)

**2027** – Jose Rodriguez (Tennessee)  
Mike Cash (Arizona)  
Marshall Boney (Virginia)

**2029** – Brian Williams (David Marks Heritage)  
Josh Baer (North Carolina)  
David Sexton (Virginia)

**Board of Retirement and Insurance**

**2025** – Lance Boyer (Missouri)  
Don Myers (Michigan)  
Randy Wilson (Oklahoma)

**2027** – Joel Franks (Alabama)  
Brent Nix (Northwest)  
Clayton Hampton (Northwest)

**2029** – Travis Moots (North Carolina)  
William Smith (Georgia)  
Joshua Chapman (Missouri)

**Board of FWB Foundation**

(Members include directors of national agencies.)

**2025** – Brent Patrick (Virginia)  
Matt Mouser (Georgia)  
Corey Minter (Tennessee)

**2027** – Gene Williams (North Carolina)  
Scott Coghill (North Carolina)  
Lee Allen (Arkansas)

**2029** – Jonathan Locklear (Michigan)  
Melissa Haralson (Arkansas)  
Bob Thompson (Oklahoma)

# Minutes of the Annual Session of the 87th National Association of Free Will Baptists

July 16-19, 2023, Raleigh, North Carolina

## Proceedings

The 87th annual session of the National Association of Free Will Baptists, Inc. met July 16-19, 2023, at the Raleigh Convention Center in Raleigh, North Carolina. "As for You" was the theme of the meeting. Ryan Lewis served as the convention manager and Kevin Justice as the music coordinator.

### **Sunday School - July 16**

Sunday School began at 9:30 a.m. Kevin Justice led the congregation in singing, "Leaning on the Everlasting Arms." Jay Baines introduced Sunday School teacher, Dr. Bruce Barnes, who taught the lesson from Hebrews 11. Dr. Eddie Moody dismissed Sunday School in prayer.

### **Sunday Morning - July 16**

The worship service began at 10:30 a.m. Kevin Justice led the congregation in singing, "'Tis So Sweet to Trust in Jesus," and "Praise the Name." Dr. Eddie Moody welcomed the body and called for the offering. The Praise Team, featuring Fawn Gibson as soloist, sang "Even Me" as the offering was received. The congregation sang "Same God" and "Rock of Ages," and Jonathan Huff read 2 Timothy 3:1-13. After the congregation sang "In Christ Alone," William Smith introduced the speaker. Bobby "Butch" Taylor, pastor of Deep Branch Free Will Baptist Church in Midville, Georgia, brought the message from 2 Timothy 3:14-16 on "As for You: Continue in the Word."

### **Sunday Evening - July 16**

The worship service began at 7:00 p.m. Kevin Justice led the congregation in singing "Victory in Jesus," with Joshua Riggs as soloist, followed by "There Is Power in the Blood." Eddie Moody welcomed the body to the service and called for the offering. The choir and praise team sang "Mercy Tree," with Matthew Berry as soloist. Eddie Moody read Mark 14:12-15 and led the body to eat communion bread together. The choir sang "What He's Done" with Stacie Ange as soloist, and Eddie Moody led the body to partake of the communion cup. The Choir sang "Thank You Jesus for the Blood," with Caitlyn Cherry as soloist. Tom Jones read 1 Thessalonians 5:1-7 before the congregation sang "Same God." David Brown introduced the speaker. Gene Williams, the pastor of Parkers Chapel Free Will Baptist Church in Greenville, North Carolina, brought the message from 1 Thessalonians 5:1-16 on "As for You: Encourage One Another." Pastors and their wives were invited to visit the altar for prayer. Dr. Danny Dwyer prayed over pastors and their wives. Eddie Moody dismissed the service in prayer.

### **Monday Evening - July 17**

The worship service began at 7:00 p.m. Kevin Justice led the congregation in singing "The Solid Rock." Reuben Cason, Promotional director of the North Carolina State Association of Free Will Baptists welcomed the body to North Carolina and presented gifts from North Carolina to Eddie Moody and Tim York. Eddie Moody welcomed the body to the service and called for the offering. Eddie Moody prayed before the offering, and the choir sang "Center of It All," featuring Chad Donoho as soloist. Josh Chapman read Acts 8:1-8 before a men's ensemble sang "'Til the Storm Passes By." After Stan Bunch introduced the speaker, Faron Thebeau, pastor of Mosaic Free Will Baptist Church in Rolla, Missouri, brought the message from Acts 8:26-40 on "As for You: Reach Through the Word." Following the invitation, Clerk Randy Bryant called the meeting to order and introduced the moderator, Dr. Tim York, who named the following committees before dismissing the service in prayer.

#### **Nominating Committee**

Terry Hinds (IN), chairman

Jimmy Lawson (MI)

Mark Harrison (CA)

Melanie Franks (AL)

Ken Simpson (MO)

Mark Walker (GA)

John Collier (TX)

#### **Resolutions Committee**

Dick Terry (OK), chairman

Brent Patrick (VA)

Curtis Smith (IL)

Stephen Hood (AZ)

Will Beauchamp (FL)

### **Tuesday Afternoon - July 18**

The convention business session began at 1:30 p.m. Moderator Tim York called the meeting to order. Assistant Moderator William Smith shared a message from Colossians 3:15 on "Peace, Perfect Peace" and led in prayer.

Assistant Clerk Ernie Lewis read the Credentials report. Motion passed to receive the report and seat delegates.

The Assistant Clerk read the General Board report. Motion passed to receive the report and act on item by item.

Executive Secretary Eddie Moody gave the report of the Executive Office, Building Services, and *ONE Magazine*. Auditor Terry Hill gave the financial reports. Motion passed to receive the report. Executive Board member Chris Todd and Assistant Moderator William Smith, who served from 2004-2023, were recognized for their service to the denomination.

Motion to adopt Item 2 of the General Board report. Motion passed to amend Item 2 by adding the following statement after the second paragraph of the resolution:

*WHEREAS, God's divine order is further manifested in the home as the husband loves his wife as a servant-leader and the wife assists and faithfully follows her husband's leadership in the fulfillment of the divine purpose for the home (Eph. 5:22-6:4; Col.3:18-19);*

Item 2 of the General Board report adopted as amended.

Item 3 of the General Board Report adopted.

Item 4 of the General Board Report adopted.

Motion passed to remove Nomination Guidelines from the table. Motion passed to accept the guidelines.

Director Ron Hunter gave the Randall House Publications report. Michael Lytle gave the financial report. Allen Pointer was recognized for leading Truth & Peace Student Leadership Conference for 26 years. Ron Hunter continued his previous request to change the Randall House name to D6 Family Ministry. Motion passed to receive the report and adopt the name change.

The clerk read the Nominating Committee report for General Board and Executive Committee. All General Board nominees were elected as nominated.

Elected for the General Board for unexpired terms in 2024: Lanney Ard (SC) and Gary Hill (VA).

Elected for the Executive Committee in 2024, replacing Chris Todd (SC) was Dick Terry (OK).

Elected to 2026 terms on the Executive Committee were: Stan Bunch (MO), Wayne Hale (Mid-ATL), and Daniel Edwards (IN).

Director Clint Morgan gave the IM Inc. report. Rob Conley gave the financial report. Motion passed to receive the report and adopt the budget.

### **Tuesday Evening - July 18**

Worship began at 7:00 p.m. Kevin Justice led the congregation in singing, "House of the Lord," the congregation sang "My Jesus," featuring Amber Winders as soloist. Eddie Moody welcomed the body and called for the offering. The choir sang "This Is My Testimony," with Tammy Strickland as soloist. The congregation sang "I Love to Tell the Story." After Brandon Smith read Titus 1:1-16, the congregation sang "Do It Again," featuring a solo by Kevin Justice and "Great Is Thy Faithfulness." The praise team sang, "I Speak Jesus," featuring a duet from Kevin Denton and Meredith Locklear. After Josh Baer introduced the speaker, Amos Dillard, pastor of City Lights Free Will Baptist Church in Chula Vista, California, brought the message from Titus 2 on "As for You: Teach and Train With the Word." "O God, My God, I Need You" was sung, and Eddie Moody dismissed in prayer.

### **Wednesday Morning - July 19**

The business session began at 9:00 a.m. Moderator Tim York read Ephesians 4:31-32 and led in prayer.

President Matthew Pinson gave the Welch College Report. Craig Mahler gave the financial report. Motion passed to receive the report and adopt the budget.

Director Ruth McDonald gave the Women Nationally Active for Christ report. Auditor Terry Hill gave the financial report. Motion passed to receive the report.

Director John Brummitt gave the Board of Retirement report. Chris Compton gave the financial report. Motion passed to receive the report. Board Chairman Danny Baer was recognized for his years of service on the board. John Brummitt

presented a plan to change the board's name in the charter. Travis Moots (NC), William Smith (GA), and Joshua Chapman (MO) were elected to 2029 terms on the board.

Director David Brown gave the Free Will Baptist Foundation report. Richard Davis gave the financial report. Motion passed to receive the report. Jonathan Locklear (MI), Melissa Haralson (AR), and Bob Thompson (OK) were elected to 2029 terms on the board. Hubert Stafford (GA) resigned from the 2025 term on the board. Matt Mouser (GA) was elected to fulfill the unexpired term. Board Chairman Bobby Edwards was recognized for 12 years of service on the board.

David Crowe gave the North American Ministries report. Motion passed to receive the report. Brian Williams (David Marks), Josh Baer (NC), And David Sexton (VA) were elected to 2029 terms on the Board.

Eric Thomsen gave the Historical Commission report. A plaque recognizing Dr. Robert E. Picirilli's 50 consecutive years of service on the commission was presented to his daughters June McVay and Jill Pointer in his absence. David Crowe (TN) was elected to the 2028 term on the commission.

Doug Little gave the Music Commission report. Motion passed to receive the report. Sam Harris (NC) was elected to the 2026 unexpired term on the commission, and Daniel Webster (TN) was elected to the 2028 term.

### **Wednesday Afternoon - July 19**

Afternoon business began at 1:30 p.m. Assistant Clerk Ernie Lewis read Philippians 1:6-11 and led in prayer.

Josh Owen gave the Media Commission report. Motion passed to receive the report. Stephen Lopes was elected to the 2028 term on the commission.

Matthew Pinson gave the Commission on Theological Integrity report. Motion passed to receive the report. Matthew Pinson was elected to the 2028 term on the commission.

Matthew Pinson gave a special report on the resolution referred to the commission at the 2022 National Convention dealing with the ordination of those divorced and remarried. Motion passed to approve the report.

A motion was made to bring the previous year's resolution from the table. Motion failed.

Ron Hunter gave the Vertical 3 report. Motion passed to receive the report. Allen Pointer was recognized with a plaque for his years of service with Truth & Peace.

The registration report was read by the assistant clerk. Motion passed to receive the report.

Eddie Moody gave the Budget Committee report. Motion passed to receive the report.

The Obituary Committee report was given through video. Motion passed to receive the report. Following a moment of silence, Jeff Crabtree led in prayer.

The clerk read the report of the Resolutions Committee, including a single standing resolution of thanks to the North Carolina State Association for hosting the convention. Motion passed to receive the report.

The clerk read the nomination for the 2027 term as assistant moderator. Jackson Watts (MO) was elected.

The clerk read the nominee for the 2027 term as clerk. Randy Bryant (FL) was elected.

Motion made for Josh Colson (IL) to replace David Shores (IL) on the General Board. Motion passed.

Motion passed to adjourn. Danny Baer closed in prayer.



### **Wednesday Evening - July 19**

Worship began at 7:00 p.m. with a video summary of IMPACT Raleigh. As church planters and missionaries entered the service, the congregation sang "I Thank God," featuring a duet by Taylor and Lauren Stocks. NAM church planters and chaplains were introduced by Dr. Brad Ransom. IM missionaries and partners were introduced by Curt Holland. Dr. David Crowe presented a commissioning charge to the newly appointed missionaries and the congregation. Clint Morgan prayed the commissioning prayer while national agency directors and National Association officers laid hands on the missionaries. A male quartet sang "I'll Go Where You Want Me to Go." After Tyler Penn read Matthew 9:35-38, the congregation sang "King of Kings," featuring Elliott McMurray as soloist. Eddie Moody welcomed the body and called for the offering. The offering was received as the congregation sang "Hymn of Heaven," with Kevin Justice as soloist. Eddie Moody introduced the evening speaker. Ken Cash, missionary to Bulgaria, brought the message from Matthew 9:36-38 on "As for You: Give Yourself as a Laborer." Many responded to the invitation to accept God's call by writing their decisions on a note and attaching it to a wooden cross at the front of the auditorium. The service closed with prayer by Eddie Moody.

## **2023 Nominating Committee Report\***

The 2023 Nominating Committee presents the following nominees to be considered for the 2023 convention election:

### **Board of Retirement and Insurance - 2029 Term**

Travis Moots (NC)

William Smith (GA)

Joshua Chapman (MO)

### **Board of FWB Foundation - 2029 Term**

Jonathon Locklear (MI)

Melissa Haralson (AR)

Bob Thompson (OK)

**Unfulfilled 2025 Term** Matt Mouser (GA)

### **Board of North American Ministries - 2029 Term**

Josh Bush (KS)

Josh Baer (NC)

David Sexton (VA)

### **Commissions:**

**Music: 2026 Term** - Sam Harris (NC); **2028 Term** - Daniel Webster (TN)

**Theological Integrity: 2028 Term** - Matthew Pinson (TN))

**Historical: 2028 Term** - David Crowe (TN)

**Media: 2028 Term** - Stephen Lopes (TN)

### **General Officers of the Executive Committee - 2027 Term**

Randy Bryant (FL) - Clerk

Jackson Watts (MO) - Assistant Moderator

\*The following boards did not elect members in 2023: IM, Inc., Randall House, Welch College, and WNAC.

### **Respectfully Submitted,**

Ben Crabtree (OH), chairman; Tim Eaton (OK); Isaiah Hatfield (WV); Terry Hinds (IN); Elizabeth Hodges (TN);  
David Taylor (AR)

## **General Board**

### **2026 Term**

Indiana: Daniel Edwards

Iowa: David Inman

Kansas: Josh Bush

Kentucky: Ashley Kidd

Mexico Assn: Bud Bivens

Michigan: Jimmy Lawson

Mid-Atlantic: Wayne Hale

Mississippi: Larry Reynolds

Missouri: Stan Bunch

### **2024 Term**

South Carolina: Lanney Ard

Virginia: Gary Hill

### **2025 Term**

Illinois: Josh Colson

## **Executive Committee**

### **2024 Term**

Dick Terry (OK)

### **2026 Term**

Stan Bunch (MO)

Wayne Hale (Mid-Atl)

Daniel Edwards (IN)

# 2023 Convention Registration Report\*

## National Convention

Board/Commission Member.....	55
Local Church Delegate.....	60
NAFWB Attendee .....	4,009
Ordained Deacon .....	106
Ordained Minister.....	540
State Delegate.....	56
<b>Total .....</b>	<b>4,826</b>

## Vertical Three\*\*

V3 Attendee.....	1,680
V3 Child Attendee .....	126
V3 Grades 4-6 .....	280
V3 Grades 7-12.....	583
V3 Grades K-3.....	281
V3 Preschool Worship .....	89
<b>Total.....</b>	<b>3,039</b>

\*Unique: 5,159

\*\*Statistics in the Vertical Three report do not reflect final registration totals.

# 2023 Obituary Report\*

## Alabama

Jackie Adcox  
Charles E. Fowler  
David Isaac  
Fred Jones, Sr.  
Jack Rollins

## Arkansas

Ken Doggett  
Geno Johnston  
JC Kinder  
Hoover Lewis  
Larry Pounds  
Earl Stapleton  
Walter Vanderlip  
Randell Williams

## Georgia

William Irvin Hyman

## Illinois

Jesse Allen  
Arthur Gene Blades

## Kansas

Gary Ledbetter

## Mexico Association

Enrique Hernandez

## Mississippi

Roger Bennett

## Missouri

Wendell Crosswhite  
Fred Hersey  
Gary Massey  
Dan Talbott  
Elmer Turnbough

## North Carolina

Willie Coleman  
L. D. Creech  
Joe Haas  
Larry Haggard  
Edwin Hill  
George Hyatt  
William Kellum  
Leonard Lindsey  
Dale McCoy  
Rudolph Outlaw  
Jesse Roger Trip

## Oklahoma

Curtis Pete Butler  
Lamar Kindell  
Lonnie Earl Johnson  
Orval Minyard

## South Carolina

Jacob Creech  
John Driggers  
James Earl Raper

## West Virginia

Jerry Casteel  
Moses Vance  
Dennis Browning  
Paul Fleming  
Argil Maynard  
Richard "Dick" Workman  
Glen Wiley

**\*Report includes pastors, national leaders,  
and missionaries**



## 2023 Resolutions Committee Report

### Resolution 1 - Rising Vote of Thanks:

*Be it therefore RESOLVED that this body, the National Association of Free Will Baptists, give a rising vote of thanks to the North Carolina State Association of Free Will Baptists and everyone who has put in the work of hosting the 2023 National Convention.*

### Respectfully Submitted:

Dick Terry (OK), Chairman

Stephen Hood (AZ)

Brent Patrick (VA)

Curtis Smith (IL)

Will Beauchamp (FL)

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### Resolution on Pastoral Ordination (tabled in 2022; amended and approved in 2023)

*WHEREAS God created all persons in His image as male and female to serve under Him on earth to order it as His representatives and therefore, men and women possess equal worth and honor (Gen. 1:26-27; 2:18-24; Matt. 19:4-6; Mk. 10:6-9); and,*

*WHEREAS God equips persons for varying roles in the divine order, which begins with Christ, who is the head of all, including the home and the church (1 Cor. 11:3; Col. 1:18); and,*

*WHEREAS God's divine order is further manifested in the home as the husband loves his wife as a servant-leader, and the wife assists and faithfully follows her husband's leadership in the fulfillment of the divine purpose for the home (Eph. 5:22-6:4; Col. 3:18-19); and,*

*WHEREAS God also equips believers for varying roles in the governance of His church (Eph. 4:11-16; 1 Cor. 12:4-5; Rom. 12:4-8); and,*

*WHEREAS God's order for the church is manifested in pastors/elders/bishops who are charged with the humble oversight and shepherding of the church (Eph. 4:11-13; Acts 20:28; 1 Tim. 5:17); and,*

*WHEREAS all members of the body are charged to strive together to fulfill the mission of Christ's Church (1 Pet. 4:10); now, therefore, be it*

*RESOLVED that, while men and women are stewards of divine gifts of service in the church, ordination to the office of pastor/elder/bishop is intended only for qualified men as a reflection of God's order for the home and church (1 Tim. 2:8-15; 3:1-7; Titus 1:5-9).*

## 2023 Randall House VIII Conference Report

<b>Registration Total:</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
V3 Adult Attendee:	1,216	1,476	1,680
V3 Child Attendee	83	90	126
V3 Grades 1-3:	184	242	281
V3 Grades 4-6:	186	233	279
V3 Grades 7-12:	484	760	581
V3 Preschool Worship:	83	77	86
V3 Total Attendees:	2,236	2,878	3,033

<b>Competitive Activity Entries:</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Entries (up 155)	592	747	792
Competitors (up 327)	1,085	1,412	1,449

### Buck-A-Week:

Tuesday's Buck-A-Week Offering: **\$5,244.05 (this number will grow in the coming days)**

2023 ministries receiving funds:

**North American Missionaries:** Team Athens, Alabama (Joel Franks Family and B.J. Eaton Family)

**International Missions:** Taylor Pate - Japan

### Total Truth & Peace Leadership Conference Participants:

128 students and 16 staff members for a total of 144; a special note of thanks to Randall University for hosting Truth & Peace this summer.

Randall House and Vertical 3 honored Allen Pointer for his 26 years as director of the Truth & Peace Leadership Conference. We have seen teens develop their walk with Christ while learning leadership to use in their churches and throughout life. Allen Pointer has poured himself into thousands of students through the years who have gone on to serve in places of influence including ministry, business, service, and professional careers. Only Heaven will reveal the impact of Allan's legacy in this role. Ryan Akers will begin to serve as the director of Truth & Peace moving forward.

### Youth Evangelistic Team (YET):

YET was comprised of 12 students guided by first-year leaders Bryan and Kinsley Houser. The team traveled to five states. We are thankful for the partnership of North American Ministries, a key sponsor of YET. We also would like to thank Randall University for hosting the team for their week of training before going on tour.

### **V3 God Moments:**

At the conclusion of V3-Teen on Monday evening, conference attendees were presented with an opportunity to pick up a free copy of the book *Screen Kids* by Arlene Pellicane. Arlene was the Monday evening speaker at the conference. She is an expert in technology, women's ministry, and ministry to couples. She challenged attendees on "The Dangers of Digital Candy," how technology can be a huge distraction preventing believers from putting on "the full armor of God."

After being challenged by the talk Arlene presented, a middle school boy made his way to the back of the ballroom, worked through the crowd, picked up a copy of Arlene's book, and quickly exited. He was on a mission.

Like many of the students who attend V3-Teen nightly, this middle school boy's family attended the adult service. The boy quickly located his dad, handed him the book, and debriefed him about what he had experienced during the session. He told his father, "Here, Dad. I am kind of afraid for you to read this book, but I want you to read it. Please help me with this (boundaries with technology)."

This is a beautiful picture of what takes place at the Vertical 3 Conference, a wonderful reflection of what D6 Family Ministry is all about. We are about helping you "build believers through church and home," even if it is one middle school boy at a time.

## 2023 Credentials Report

The letters have been examined and representation fees paid from the following state associations, districts, and local churches and found to be in order as presented below:

1. From the following state associations, which are entitled to be represented by five (5) delegates: Alabama, Arkansas, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Mexico Association, Michigan, Mississippi, Missouri, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.
2. From the following district associations, which are entitled to be represented by three (3) delegates: Arizona, Colorado, David Marks, Mid-Atlantic, and Northwest.
3. From the following local church, which is entitled to be represented by one (1) delegate: the Free Will Baptist Church of St. Croix, Virgin Islands.
4. We recommend delegates from the Canada Association, California Association, Iowa Association, Kentucky Association, Association of Mexico, Northeast District, Harvest Time Free Will Baptist Church of South Dakota, the Waipahu Free Will Baptist Church of Hawaii, and the Twin Valley Free Will Baptist Church of Wisconsin be seated upon reception of fees and/or reports.
5. We recommend delegates from the countries, state associations, district associations, and local churches listed above, along with other properly registered delegates, be seated for this session.
6. We recommend all lay delegates entitled to representation by virtue of their positions on standing boards be seated if properly registered.

## BUDGET COMMITTEE REPORT

The National Association of Free Will Baptists, Inc., has approved in this convention the following budgets for 2024:

Executive Office (Includes:)		\$972,354.00
Administrative	\$465,000.00	
Convention	<u>507,354.00</u>	
Free Will Baptist Foundation		2,334,012.00
IM, Inc.		9,100,000.00
North American Ministries		5,000,000.00
Randall House Publications		5,330,850.00
Retirement and Insurance		855,850.00
Welch College		7,755,234.00
(Includes \$1,500,000 in unrestricted gifts)		
Women Nationally Active for Christ		260,000.00
Commission for Theological Integrity		6,800.00
Historical Commission		5,680.00
Media Commission		7,925.00
Music Commission		<u>8,350.00</u>
 <b>TOTAL</b>		 <b>\$31,637,055.00</b>

All these ministries are non-profit and receive funds through The Together Way Plan.

The Budget Committee recommends that gifts received through The Together Way Plan be allocated to the national ministries on the following basis:

1. Underwrite the Executive Office Administrative Budget above designated gifts, not to exceed 45% of cooperative gifts.
2. Disburse the balance of cooperative gifts to the following national ministries according to these percentages:

IM, Inc.	21.0%
North American Ministries	21.0%
Welch College	21.0%
WNAC	17.0% *
Retirement and Insurance	11.0%
Randall House Publications	4.5% *
Commission for Theological Integrity	1.0%
Historical Commission	1.0%
Media Commission	1.0%
Music Commission	1.0%
Free Will Baptist Foundation	<u>0.5%</u>
 <b>TOTAL</b>	 <b>100.0%</b>

Respectfully Submitted, Your Servants,

Edward Moody, Executive Secretary  
 David Brown, General Director of Free Will Baptist Foundation  
 Clint Morgan, General Director of IM, Inc.  
 David Crowe, General Director of North American Ministries  
 Ron Hunter, General Director of Randall House Publications  
 John Brummitt, General Director of Retirement and Insurance  
 Matt Pinson, President of Welch College  
 Ruth McDonald, Director of WNAC



**STATISTICAL REPORT**  
**Reporting Period 2022**

	Associations	Number Reporting	Churches	Number Reporting	City	Rural	Full-Time Pastors	Bivocational Pastors	Baptisms	Reported 2021 Membership	Members Added	Members Lost	Net Membership Gain/Loss	Actual 2021 Membership	Reported 2022 Membership
Alabama	10	10	95	95	33	62	42	43	104	8,248	177	112	65	8,313	7,507
Arizona	1	1	5	5	4	1	3	2	7	125	11	13	-2	123	159
Arkansas	15	15	161	151	70	83	69	71	297	11,382	433	179	254	11,636	12,414
* Assoc. of Mexico	11	11	42	28	14	28	0	0	0	0	0	0	0	0	0
California	7	7	48	48	45	3	20	29	105	768	56	76	-20	748	1,356
Canada	1	1	7	6	1	6	4	3	3	233	3	5	-2	231	201
* Colorado	1	1	5	0	3	2	4	1	0	109	0	0	0	109	109
David Marks Assoc.	1	1	4	4	4	0	2	2	16	95	73	8	65	160	143
Florida	8	8	54	51	31	17	23	25	96	1,955	169	64	105	2,060	2,103
Georgia	10	10	100	87	37	63	62	38	122	5,839	149	119	30	5,869	5,953
* Hawaii	0	0	1	0	1	0	1	0	0	17	0	0	0	17	17
Idaho	1	1	3	2	3	0	0	2	0	131	0	0	0	131	122
Illinois	5	5	35	33	21	14	20	11	50	2,688	65	27	38	2,726	2,228
Indiana	3	3	17	17	11	6	16	0	0	0	0	0	0	0	0
* Iowa	1	1	3	0	3	0	1	2	0	0	0	0	0	0	0
Kansas	1	1	10	8	10	0	9	1	54	764	46	4	42	806	934
Kentucky	11	11	118	112	35	84	33	82	151	10,090	225	282	-57	10,033	0
* Mexico Assoc.	4	4	29	0	20	9	6	25	0	2,700	0	0	0	2,700	2,700
Michigan	4	3	23	11	20	3	15	5	27	668	22	32	-10	658	608
Mid-Atlantic Assoc.	1	1	4	4	3	1	3	1	0	412	0	0	0	412	412
Mississippi	3	3	46	32	14	32	25	15	66	3,289	82	47	35	3,324	3,324
Missouri	20	20	140	139	66	73	55	73	262	8,152	455	208	247	8,399	8,496
North Carolina	8	8	153	122	68	62	98	24	358	13,621	727	346	381	14,002	11,938
* Northeast Assoc.	1	1	3	0	0	3	3	0	0	0	0	0	0	0	0
Northwest Assoc.	1	1	6	5	4	1	2	3	7	208	6	6	0	208	161
Ohio	17	17	122	118	51	64	50	59	170	5,280	251	179	72	5,352	5,193
Oklahoma	25	24	189	149	109	61	92	69	525	10,573	422	224	198	10,771	10,417
South Carolina	5	3	102	44	33	0	31	0	58	6,713	97	46	51	6,764	3,303
* South Dakota	0	0	1	0	1	0	1	0	4	22	0	0	0	22	0
Tennessee	10	10	183	183	52	92	78	75	403	13,237	371	271	100	13,337	12,704
Texas	5	4	38	27	17	11	12	10	42	837	66	27	39	876	824
Virgin Islands	1	1	1	1	0	1	1	0	4	80	0	0	0	80	100
Virginia	6	6	64	64	29	35	30	29	240	3,111	317	105	212	3,323	3,039
West Virginia	20	20	135	135	22	113	50	61	134	5,059	177	338	-161	4,898	4,853
* Wisconsin	0	0	1	0	0	1	1	0	0	35	0	0	0	35	35
<b>TOTALS</b>	<b>218</b>	<b>213</b>	<b>1,948</b>	<b>1,681</b>	<b>835</b>	<b>931</b>	<b>862</b>	<b>761</b>	<b>3,305</b>	<b>116,441</b>	<b>4,400</b>	<b>2,718</b>	<b>1,682</b>	<b>118,123</b>	<b>101,353</b>
<b>2021 TOTALS</b>	<b>221</b>	<b>216</b>	<b>1,981</b>	<b>1,807</b>	<b>978</b>	<b>1,003</b>	<b>906</b>	<b>775</b>	<b>2,924</b>	<b>117,446</b>	<b>3,671</b>	<b>2,821</b>	<b>850</b>	<b>118,292</b>	<b>116,441</b>

\* Did not report

**STATISTICAL REPORT**  
**Reporting Period 2022**  
**Page 2**

	Combined Income of All Churches	Number of Churches with Budgets	Parsonages	Value of Church and Parsonage Property	Ordained Ministers	Licensed Ministers	Deacons	Day Cares	Christian Day Schools	Bible Institutes	Colleges	Sunday School Enrollment	Value of Associational Property
Alabama	0	0	0	0	116	13	227	6	4	0	0	0	0
Arizona	739,928	5	2	3,678,597	12	0	5	0	0	0	0	273	0
Arkansas	10,555,540	40	38	86,016,980	193	41	251	1	2	0	0	4,282	4,795,000
* Assoc. of Mexico	0	0	0	0	0	0	0	0	0	0	0	0	0
California	1,539,365	18	13	25,335,444	102	15	55	1	4	0	0	448	0
Canada	245,507	3	0	1,652,333	4	1	0	0	0	0	0	35	0
* Colorado	0	0	0	0	5	0	0	0	0	0	0	0	0
David Marks Assoc.	422,441	4	1	2,740,000	10	1	3	0	0	0	0	0	0
Florida	2,485,482	21	20	33,684,486	80	3	69	2	1	0	0	1,459	585,222
Georgia	5,213,856	33	44	42,060,117	107	26	228	0	1	1	0	1,985	250,000
* Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	113,537	0	1	800,000	6	0	0	1	0	0	0	47	0
Illinois	3,555,596	21	8	33,016,000	53	11	73	0	1	1	0	797	1,300,000
Indiana	5,481	0	0	0	29	0	0	0	0	0	0	0	0
* Iowa	0	3	0	1,500,000	1	0	2	0	0	0	0	0	0
Kansas	800,500	2	1	10,983,000	12	1	0	0	0	0	0	331	0
Kentucky	0	0	3	0	260	12	283	1	1	0	0	2,270	0
* Mexico Assoc.	26,966	12	7	1,000,350	25	0	60	0	1	1	0	3,100	250,000
Michigan	394,801	12	4	2,471,000	31	7	12	1	1	0	0	117	0
Mid-Atlantic Assoc.	0	0	0	0	9	0	0	0	0	0	0	0	0
Mississippi	0	20	0	0	54	7	124	0	1	1	0	1,460	0
Missouri	8,528,587	48	23	86,034,200	195	28	221	2	0	0	0	3,396	5,925,000
North Carolina	21,507,246	91	39	130,117,986	207	41	38	7	5	0	1	4,052	0
* Northeast Assoc.	0	0	0	0	3	0	0	0	0	0	0	0	0
Northwest Assoc.	266,376	2	3	6,600,000	7	4	4	0	1	0	0	112	0
Ohio	6,331,533	27	18	52,297,298	229	32	162	0	1	0	0	2,998	800,000
Oklahoma	13,023,592	40	21	94,595,263	244	60	302	7	3	0	1	3,457	20,500,000
South Carolina	4,400,000	17	17	26,765,425	56	14	87	2	3	0	0	701	1,900,000
* South Dakota	40,000	1	0	400,000	1	1	0	0	0	0	0	15	0
Tennessee	12,446,464	43	35	98,139,519	325	51	312	0	2	0	1	5,744	0
Texas	1,477,701	12	9	24,309,427	28	9	10	0	1	0	0	253	1,306,520
Virgin Islands	121,594	1	1	1,500,000	1	1	0	1	1	0	0	0	0
Virginia	3,385,000	22	9	54,654,000	93	22	80	5	4	0	0	1,393	0
West Virginia	1,330,584	7	3	35,562,000	267	7	168	2	2	0	0	2,784	0
* Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTALS</b>	<b>98,957,677</b>	<b>505</b>	<b>320</b>	<b>855,913,425</b>	<b>2,763</b>	<b>408</b>	<b>2,776</b>	<b>39</b>	<b>40</b>	<b>4</b>	<b>3</b>	<b>41,509</b>	<b>37,611,742</b>
<b>2021 Totals</b>	<b>182,774,887</b>	<b>471</b>	<b>353</b>	<b>800,233,804</b>	<b>2,772</b>	<b>412</b>	<b>3,198</b>	<b>37</b>	<b>34</b>	<b>7</b>	<b>1</b>	<b>37,499</b>	<b>36,448,179</b>

\*Did not report

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Although **Free Will Baptist Foundation** is still registering in various states across the nation, some states allow for a limited number of investors during this process. Other states allow ministries to invest with our program throughout registration. While it is true you can invest in many places with good interest rates, **only one place allows you to fund multiple Free Will Baptist ministries.** Our programs helped the Foundation establish a grant program, which has produced **\$4.4 million** in gifts to Free Will Baptist ministries to date, along with an estate program that has produced more than **\$35 million** in future estate gifts!

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