

# DIGEST OF REPORTS

INCLUDES 2024 PROCEEDINGS



NAFWB

NATIONAL ASSOCIATION OF  
FREE WILL BAPTISTS

JULY 20-23, 2025 | KANSAS CITY, MO





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# Digest of National Agency Reports

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**National Association of Free Will Baptists  
89th Annual Convention  
July 20-23, 2025  
Kansas City, Missouri**







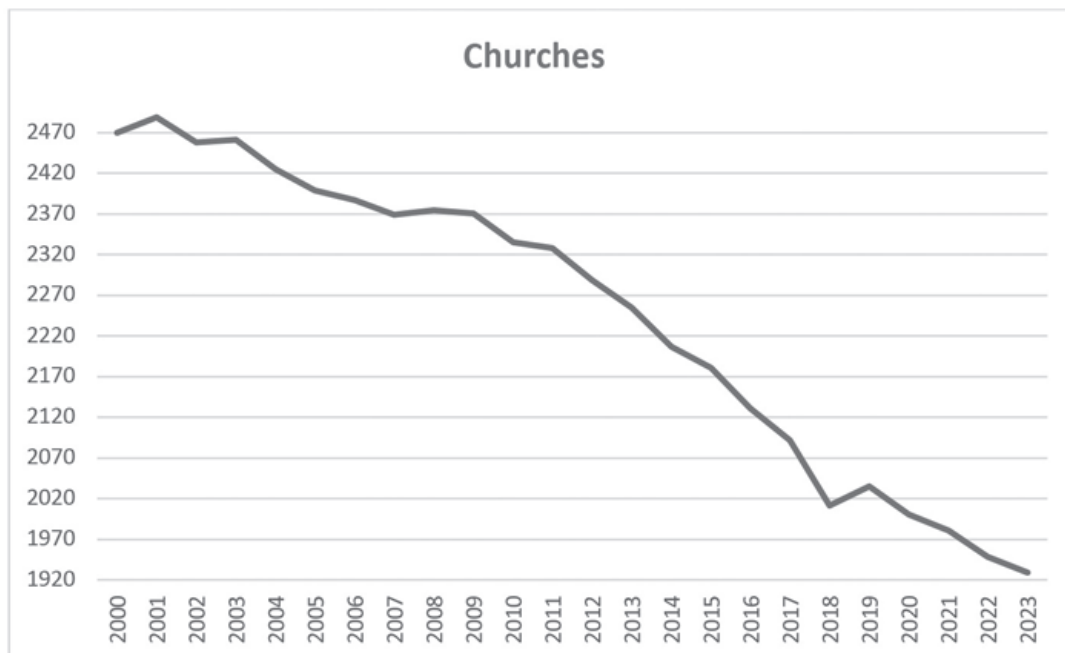
## 2024 Report of the Executive Director

*And I say also unto thee, That thou art Peter, and upon this rock I will build my church; and the gates of hell shall not prevail against it (Matthew 16:18). — Jesus*

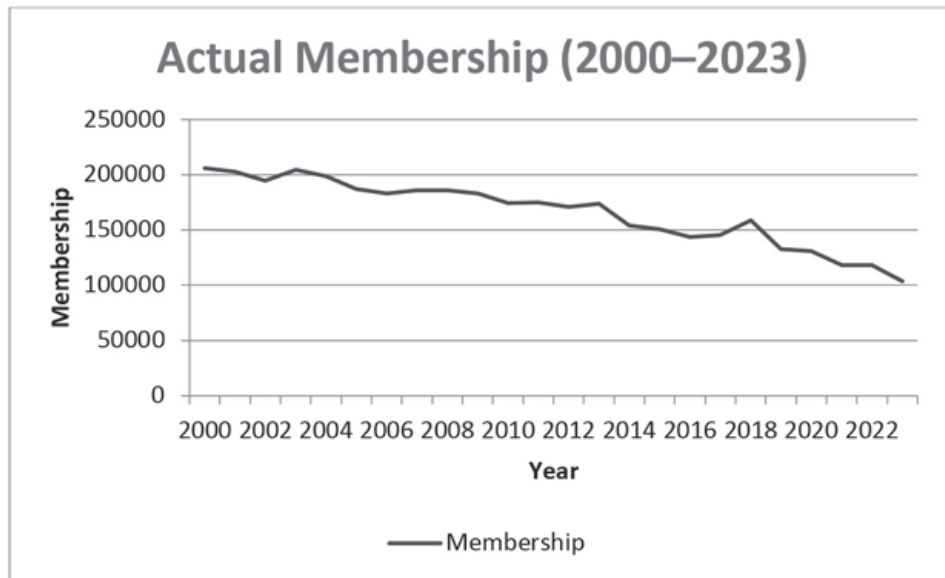
When I think of the Allied effort during World War II, I tend to think of the 16 million people who served in the military. It is easy to forget the total war effort that involved rationing, recycling, and producing materials needed to fight the war. The United States became an industrial giant during World War II, producing planes, ships, tanks, jeeps, and battleships.

We can draw similarities between this total war effort and the efforts of the National Association of Free Will Baptists (NAFWB) to build churches by reaching people with the gospel, training them in the Christian faith, and giving ourselves wholly to the Lord. As a denomination, we have been doing these things for 90 years. Are we in a good position to do it for another 90 years, should the Lord tarry?

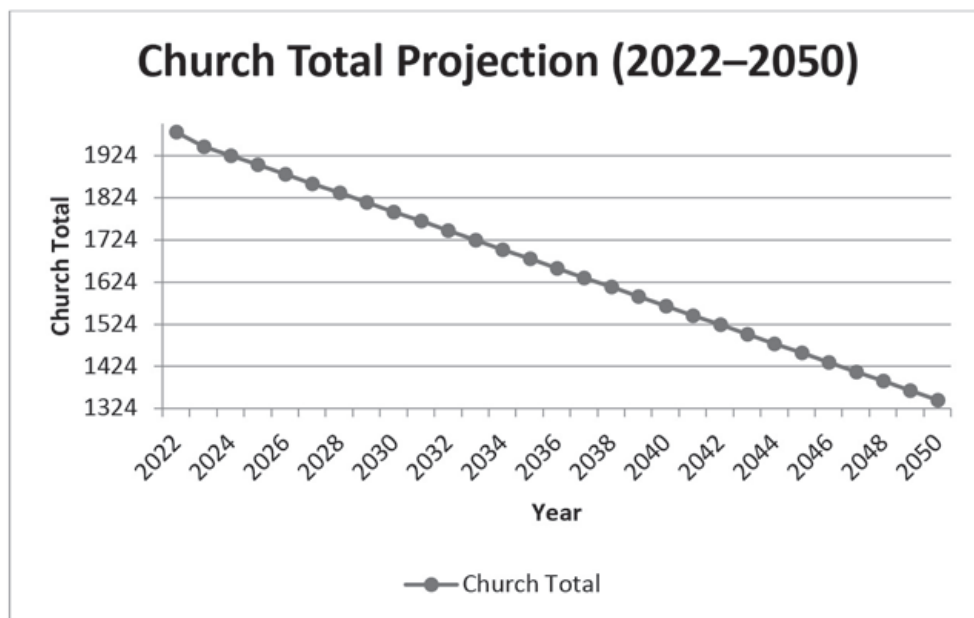
As I write this report, the IM Board recently appointed eight new missionaries to the field. This is an exciting occasion. I have no doubt Free Will Baptists will rise to the occasion and support these new missionaries on the field. However, will we be able to *keep* these missionaries on the field? Below is a chart showing the downward trend of Free Will Baptist churches and membership over the last 23 years.







As of this reporting period, the NAFWB is losing an average of 22 churches and 7,544 members a year. If this trend continues, the picture will be similar to the one on the chart below.



Suppose our newest missionary candidates serve thirty years. It is critical the NAFWB be strong to keep advancing missions work on the field and sending out and supporting the next generation of missionaries. However, if the current trend continues, it is unlikely we can sustain a similar effort in 2050. The United States and Canada are clearly in need of revival. Perhaps we would be wise to intervene and do what we can to reverse this trend, but how?



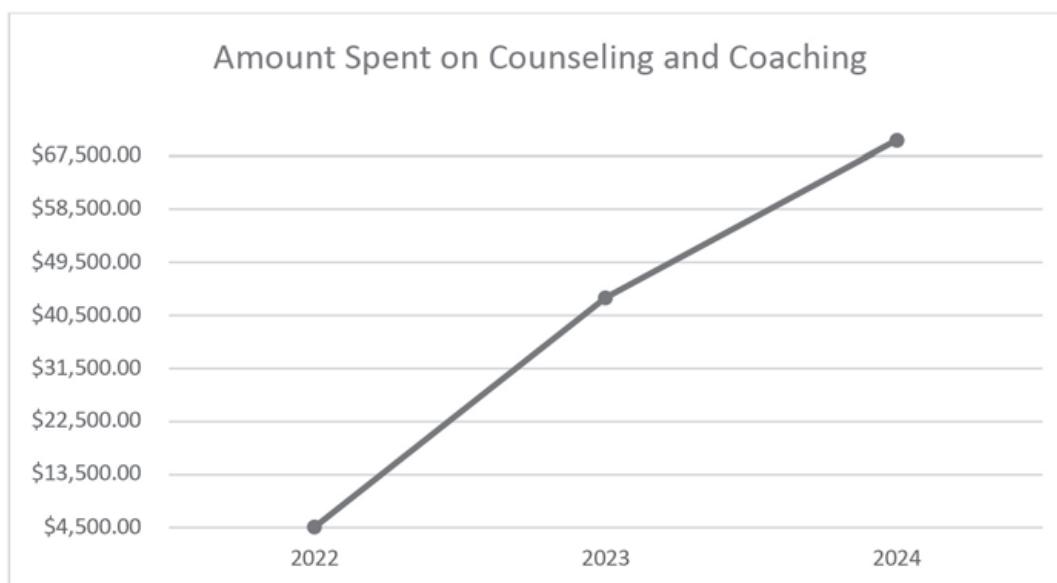
*The labourer is worthy of his hire... (Luke 10:7). — Jesus*

### Focus on Pastor and Church Health

During World War II, when a service member was injured or a ship damaged, those around them sprang into action. Medics tended to the injured service member. Beyond that, U.S. military medical personnel made great advancements in caring for the wounded with the development of field hospitals and stateside facilities. When battleships or other equipment were damaged, they were taken to a dry dock for repairs.

Do we engage in the same kinds of care for our pastors and churches? What happens when a church or pastor struggles? To fail to provide support and counseling is like leaving a wounded soldier on the battlefield or a damaged battleship at sea. They would have to continue the fight in a weakened condition.

Some might think pastors and churches do not need help. Our data suggests pastors and churches utilize resources when they are available. Note the chart below showing expenditures on counseling and coaching resources.



In 2022, we spent \$4,500 on counseling and coaching. As awareness of these programs has grown, so has utilization. The costs for counseling and coaching rose to \$67,500 in 2024 for pastors and churches. We believe these counseling and coaching interventions have helped alleviate the pastor shortage and helped many churches grow stronger. Note the following responses from pastors about the counseling program:

*I don't know where I would be if I did not have this resource available to me.*

*I appreciate this gift. It saved me and my marriage.*

*In the most difficult time of nearly 26 years of ministry, and the serious consideration of walking away, this opportunity became a vital piece in my decision to continue. Having someone to talk with and them asking the questions to help navigate the thinking process made it easier to refocus on the calling God has placed upon my life.*

*I didn't even know this ministry existed, but I can say with full honesty: without it, I don't know where my marriage, my faith, or my mental health would be right now. As a pastor's wife, I've spent years carrying wounds I never had time — or permission — to unpack. Some of them went all the way back to childhood. I thought I had moved on. I thought surviving was healing. But it wasn't. I had just pushed it all down because that's what life teaches you to do: take the hit, stay quiet, keep going. This ministry gave me a place to finally lay it down. To face it. To begin to heal — not just from this current season of pain in ministry, but from a lifetime of unspoken sorrow I didn't know was still shaping me. If you're wondering whether it matters — let me tell you, it does.*

*It saved pieces of me I thought were already too far gone. I'll never be the same, and I'm so deeply, eternally grateful.*

This ministry has enabled us to keep pastors and their wives in the ministry, just like WWII hospitals helped keep military personnel alive. Consider these responses:

*When I believed the enemy had finally won in my life and ministry, this program showed me that the grace of God was so much deeper and so much more powerful.*

*Pastoring can sometimes feel like you are in a cave all alone and nobody else cares. It was a comfort to hear God's still small voice say that there are others in this same battle and then be able to talk to a counselor about the issues that come up.*

*This program helped me get through a very difficult time in my life that I couldn't do myself.*

Jesus said the “labourer is worthy of his hire,” and Paul reiterated this principle. We have started saying, “The laborer is worthy of help.” We are on pace to spend over \$100,000 on counseling alone for pastors, their wives, and in special situations, their children. This seems like a lot, but ask yourself, “How have Free Will Baptists invested in pastors and churches?” One of the reasons I believe we have a pastor shortage is because we have not made pastors a priority. Consider a few more responses:

*I have never experienced this level of help from our denomination. It is incredible and invaluable for our pastors and families to have this option to help sustain and grow our faith and address roadblocks in a healthy and confidential manner.*

*I appreciate the NAFWB offering this program and taking care of the cost during my greatest hour of need. Without this, I wouldn't have sought out and received treatment.*

*I am so proud to be a part of a denomination that cares for the mental health of its pastors and their families.”*



At this writing, the giving from churches is not there to support these vital ministries. I encourage you to give so we can continue ministering. We believe helping pastors and their families is a key to reversing the loss of pastors. We believe coaching is a key to helping churches not just survive but thrive.



### **Focus on Infrastructure**

The World War II period saw the largest migration of people in U.S. history, as people moved to industrial centers to build materials necessary to win the war. The U.S. outpaced her enemies in production. By 1945, the U.S. had over 90,000 ships, 86,000 tanks, and nearly 300,000 aircraft. Some would say the war was won in the factory. What is the infrastructure Free Will Baptists must support to build churches and sustain our efforts on the mission field?

### **Convention**

A major component of the NAFWB is the annual convention. At the convention, we commission missionaries, showcase young people, engage in educational activities, conduct our business, and gather for fellowship and worship. Because of online streaming, even those unable to attend in person reap the benefits.

For comparison purposes, 5.1% of Free Will Baptists attended the 2023 convention in Raleigh. This is a much higher percentage than other denominations. For example: although Southern Baptists have larger conventions (roughly 18,000 attendees) only about .13% of their congregants attend the convention. In contrast, our convention plays a *significant* role in the life of the NAFWB.

Last year, I reported to the General Board about convention shortfalls and identified the real problem. From 2019 until last year, we ran on a deficit of around \$80,000 each year. Last year, we received \$50,000 from North American Ministries (NAM) and \$30,000 in convention offerings to help the convention finish in the black. This year, NAM has given another \$60,000. The Foundation has committed to giving \$25,000. Yet, we still need another \$30,000 to break even. With this in mind, we urge attendees to designate giving to the Executive Office or increase giving to the Cooperative/The Together Way program to help offset costs. So far, that giving has not materialized, and it is necessary to put us on firm footing for future conventions.

### **Curriculum, Colleges, and Camps**

Curriculum is a key infrastructure component, providing churches with biblical teaching from a Free Will Baptist perspective. In addition to curriculum, D6 Family Ministry conducts the Vertical

Three Conference and Truth and Peace. These ministries, along with ETEAM and CMP from IM, Inc., have proven to be very effective. Read more at [onemag.org/keeping\\_students.htm](http://onemag.org/keeping_students.htm).

In many ways, our young people are an untapped strength. As you may know, the results from the Cooperative Election Survey in 2022 indicated 28% of Free Will Baptists are a parent or guardian of a child under age 18. This is the third highest of any denomination!

In my opinion, this data indicates we should be putting greater emphasis on our camps. If you review the May releases from the **Better Together Podcast ([nafwb.org/podcast](http://nafwb.org/podcast))**, you will hear from three camp directors (Camp Caleb, Kentucky; Cumberland Camp, Tennessee; and the Indiana State Camp). These camps ran from 92 to 243 students each last year. These three camps alone saw 42 decisions, and seven young men answered the call to the ministry. Camps are a crucial pipeline to our colleges and churches, helping raise up pastors and other workers.

Other infrastructure needs are our colleges. One 3 for 30 objective is to enroll a thousand students in our colleges. Last year's enrollment is below.

**Free Will Baptist College Enrollment**

States	Welch	Randall	Southeastern	Total
Tennessee	244	5	0	249
Oklahoma	10	177	0	187
North Carolina	16	0	51	67
International	27	18	1	46
California	4	35	0	39
Texas	1	29	0	30
Alabama	19	1	3	23
Florida	19	0	0	19
Illinois	10	0	1	11
South Carolina	2	0	8	10
Virginia	7	1	1	9
Kentucky	7	0	0	7
Mississippi	7	0	0	7
Missouri	6	1	0	7
Rhode Island	2	5	0	7
Arkansas	1	4	0	5
Indiana	5	0	0	5
Georgia	2	2	0	4
Kansas	0	4	0	4
Michigan	2	2	0	4
Ohio	4	0	0	4
Arizona	1	1	1	3
Louisiana	1	1	0	2
New York	1	1	0	2
Puerto Rico	0	2	0	2
USVI	2	0	0	2
Colorado	1	0	0	1
Idaho	0	1	0	1
Iowa	0	1	0	1
Minnesota	0	1	0	1
Montana	1	0	0	1
South Dakota	1	0	0	1
Washington	0	1	0	1
West Virginia	1	0	0	1
	<b>404</b>	<b>293</b>	<b>66</b>	<b>763</b>

Students who go to Free Will Baptist colleges are significantly more likely to continue to minister and serve in Free Will Baptist churches. We need more students in this pipeline.

*For which of you, intending to build a tower, sitteth not down first, and counteth the cost, whether he have sufficient to finish it? (Luke 14:28) — Jesus*

## What am I asking you to do?

### Focus on Strategy

To defeat the Axis powers, the Allies had to work together and follow a strategy. They were intentional and coordinated their efforts while maintaining their autonomy. The denomination also will need to follow a strategy in this major effort to turn our trends around. In 2020, denominational leadership developed the 3 for 30 plan, which consisted of three goals to emphasize until 2030: *reach people with the gospel, train them in the faith, and give of ourselves to the Lord*. What would happen if churches and associations worked toward these goals? You can see a breakdown of the goals and objectives at [nafwb.org/3for30](https://nafwb.org/3for30).

### Utilize and Promote

Utilize and promote resources like **Know Your Community** ([nafwb.org/know](https://nafwb.org/know)). Sixty-nine percent of Free Will Baptist churches that have used Know Your Community can identify an action they have taken to engage their community. If you have used this resource, consider working with other similar churches, discussing ways to collaborate. Also, any church that has participated in Know Your Community can receive a free “new mover list” for newcomers within a five-mile radius of the church. What might happen if we identify the needs of our community and engage our new neighbors?

Use the **BLESS app** ([nafwb.org/bless](https://nafwb.org/bless)) to pray for your community. The app is a free resource for NAFWB churches and congregations. Encourage other churches in your state to use it as well and maybe even set goals for praying and sharing. What might happen if we get serious about praying for our neighbors?

We have seen great progress in churches that have used **The Hope Initiative** ([nafwb.org/hope](https://nafwb.org/hope)). One church leader said, “We’ve done more outreach in 30 days than the last 30 years.” What might happen if our churches actively engage lost friends, family members, neighbors, and coworkers?

Consider using **First Aid Ready resources** ([nafwb.org/firstaid](https://nafwb.org/firstaid)) to help hurting people in your community and the **Reaching International Students Task Force** if you have a college nearby (contact Curt Holland at [curt@iminc.org](mailto:curt@iminc.org)). What might happen if our churches are equipped to help hurting people and serve international students?

Encourage churches to use **Rekindle Coaching** ([nafwb.org/rekindle](https://nafwb.org/rekindle)) if they are struggling. When you hear of a church without a pastor, encourage that congregation to use **The Shepherding Initiative** ([nafwb.org/shepherding](https://nafwb.org/shepherding)) to keep moving forward during their pastor search.



**These resources work!** Rather than being idle, let's get busy doing biblical activities with a proven track record. Let's encourage others to utilize these resources, knowing our words can either be a blessing or a curse. May we be people whose words are "fitly spoken," both in person and on social media.

## **Give**

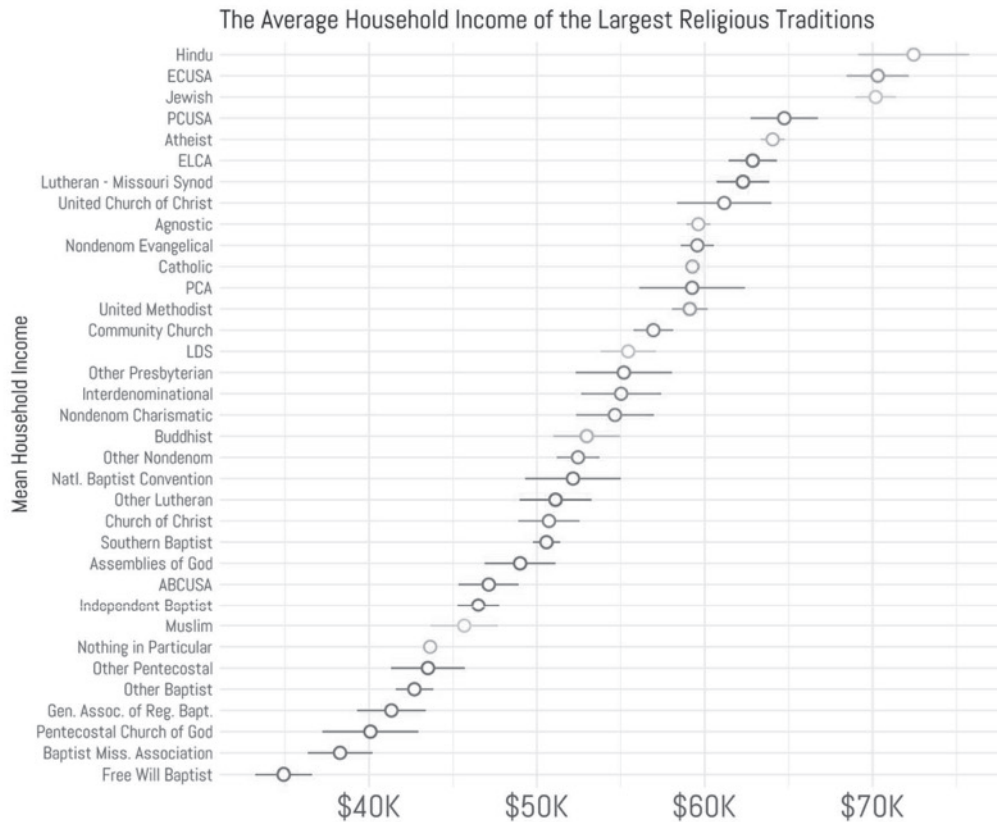
As you give, I encourage you to give to D6, Welch College, our other colleges, and Free Will Baptist camps as well as the Executive Office to support infrastructure. I encourage you to give through the Cooperative/Together Way program as a mean of giving to all national agencies. Cooperative giving would solve many of the financial problems we face. If you can't give cooperatively, **please put the Executive Office in your budget** so we can continue to do what we do.

## **Focus on the Value of Free Will Baptists**

During World War II, the Allies knew they were fighting for a free world. This was a very important cause. Free Will Baptists have an even greater cause. We are trying to reach people with the gospel. Without it, they will spend eternity in Hell. We seek to train them in the gospel, which changes their life trajectory, impacting the kinds of families they will have and the way they live. Some might wonder if Free Will Baptists, who are less than 1% of the U.S. population, are even needed for this task. Wouldn't it be better to just focus on Kingdom work?

Below is a chart Ryan Burge created from the results of the Cooperative Election Study. Notice the religious group with the *highest* income is Hindus, and the group with the *lowest* is Free Will Baptists. Some have debated whether these results truly describe Free Will Baptists. I believe they are missing the point. The point is: 50,000 Americans were surveyed, using a drop-down menu to choose from many different religious affiliations. The ones with the lowest incomes said, "I am Free Will Baptist."

That tells you a great deal about our denomination. Free Will Baptists are engaged in Kingdom work with those who struggle the most from an income and educational standpoint. Many of our churches are in rural areas and will never be highlighted for their size. In the church world, most would not consider these small, rural churches to be very important. **But they are important** to the economically and educationally disadvantaged. If Free Will Baptists are diminished, who will take the gospel to them?



@ryanburge  
Data: Cooperative Election Study, 2022-2023

In December 1941, the trends were not good for the free world, but the Allies came together and reversed those trends. The world benefited from their focus decades later. Let's reverse our own trends and build churches for present and future generations. This is critical, not only for North America but also for lost people around the world. It is important to provide the infrastructure to continue reaching a world that has never heard. By working together, we can reverse the trends. **We are better together!**

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

Scan the QR code below for a list of the resources available to assist you and your church.



**2024**  
**Gain/Loss of Churches**

STATE	2023	2024	Gain/ Loss	STATE	2023	2024	Gain/ Loss
Alabama	95	96	1	Mid-Atlantic	4	4	0
Arizona	5	5	0	Mississippi	46	44	-2
Arkansas	161	157	-4	Missouri	140	139	-1
California	48	48	0	North Carolina	153	151	-2
Canada	7	7	0	Northeast Assoc.	2	2	0
Colorado	5	5	0	Northwest Assoc.	6	6	0
David Marks Association	4	4	0	Ohio	122	118	-4
Florida	54	53	-1	Oklahoma	189	192	3
Georgia	100	99	-1	Puerto Rico	0	3	3
Hawaii	1	1	0	South Carolina	102	99	-3
Idaho	3	3	0	South Dakota	1	1	0
Illinois	35	36	1	Tennessee	183	187	4
Indiana	17	17	0	Texas	38	36	-2
Iowa	3	3	0	Virginia	64	62	-2
Kansas	10	8	-2	Virgin Islands			
Kentucky	118	116	-2	Christiansted, VI	1	1	0
Mexico				West Virginia	135	130	-5
Assoc. of FWBC of MX	39	39	0	Wisconsin			
Mexico Assoc.	31	29	-2	Twin Valley, Madison, WI	0	1	1
Michigan	23	23	0				
Sub-Total	759	749	-10	Sub-Total	1,186	1,176	-10
				Grand Total	1,945	1,925	-20



## 2024 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	Marion, North Carolina	\$2,092.00
3	Liberty Free Will Baptist Church	Manning, South Carolina	\$1,273.27
4	Heritage Free Will Baptist Church	Columbus, Ohio	\$1,100.00
5	Cedar Springs Free Will Baptist Church	Blakely, Georgia	\$1,000.00
6	First Free Will Baptist Church	Beaufort, North Carolina	\$765.00
7	Unity Free Will Baptist Church	Middleburg Heights, Ohio	\$677.00
8	Faith Free Will Baptist Church	Carrollton, Virginia	\$529.60
9	Texas State Association of Free Will Baptists	Bryan, Texas	\$465.00
10	Hope Free Will Baptist Church	Plymouth, North Carolina	\$437.65
11	First Free Will Baptist Church	Checotah, Oklahoma	\$377.72
12	Berean Free Will Baptist Church	Fairview, Tennessee	\$351.00
13	Richland Free Will Baptist Church	Nashville, Tennessee	\$297.48
14	Tippett's Chapel Free Will Baptist Church	Clayton, North Carolina	\$297.46
15	First Free Will Baptist Church	Bakersfield, California	\$255.00

**30 churches gave a total of \$14,634.16.**

## Tracking The Together Way Totals

DESIGNATED			CO-OP		TOTAL	
<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%			
<b>2024</b>						
3,098,671.39	9.05%		905,193.36	-4.09%	4,003,864.75	5.77%
77%			23%			

### The Together Way Totals Increase/Decrease from 2015-2024

Designated	-2.32%	CO-OP	9.80%
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## 2024 Contributions to the Executive Office

			Rest of the		% of
	Co-op	Designated	Family	Total	Total Gifts
Missouri	\$133,443.71	\$1,000.00	\$0.00	\$134,443.71	27.57%
Arkansas	79,771.20	10,024.16	156.76	\$89,952.12	18.45%
Oklahoma	87,446.57	1,400.00	245.30	\$89,091.87	18.27%
Tennessee	24,298.68	17,513.26	406.23	\$42,218.17	8.66%
North Carolina	5,811.90	25,092.18	2,919.77	\$33,823.85	6.94%
Georgia	18,280.21	3,000.00	593.20	\$21,873.41	4.49%
Ohio	15,287.50	1,290.00	761.09	\$17,338.59	3.56%
Illinois	13,243.46	9.48	-	\$13,252.94	2.72%
Florida	8,262.53	-	-	\$8,262.53	1.70%
Mississippi	5,673.54	1,283.00	-	\$6,956.54	1.43%
Alabama	2,595.40	4,698.01	62.10	\$7,355.51	1.51%
South Carolina	135.00	4,413.39	588.17	\$5,136.56	1.05%
Kentucky	3,034.57	1,000.00	-	\$4,034.57	0.83%
Virginia	734.43	1,099.40	226.83	\$2,060.66	0.42%
Texas	1,908.18	-	199.16	\$2,107.34	0.43%
Michigan	1,629.38	450.00	-	\$2,079.38	0.43%
California	1,588.89	-	109.20	\$1,698.09	0.35%
West Virginia	1,283.95	-	-	\$1,283.95	0.26%
Oregon	1,228.50	-	-	\$1,228.50	0.25%
New Mexico	864.68	-	-	\$864.68	0.18%
Indiana	-	650.00	-	\$650.00	0.13%
Virgin Islands	342.94	-	-	\$342.94	0.07%
Kansas	152.66	1,075.75	-	\$1,228.41	0.25%
Delaware	315.00	-	-	\$315.00	0.07%
Canada	4.22	-	-	\$4.22	0.00%
Arizona	-	-	-	-	0.00%
<b>TOTALS</b>	<b>\$407,337.10</b>	<b>\$73,998.63</b>	<b>\$6,267.81</b>	<b>\$487,603.54</b>	<b>100.00%</b>

Missouri, Arkansas and Oklahoma giving makes up 64.29% of total.

83.5% of Executive Office Income is from Co-op.

FWBs have churches in 38 states + CN, MX, VI, PR.





**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, 2024 and 2023, 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, 2024 and 2023, 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 there is a substantial likelihood that individually or in the aggregate, they would influence the judgement made by a reasonable user based on the 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 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.

*Hill Harper & Associates*

A Professional Limited Liability Company  
Franklin, Tennessee  
April 8, 2025

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

**Statements of Financial Position**

**December 31, 2024 and 2023**

	<u>Assets</u>	<u>2024</u>	<u>2023</u>
<b>Current assets:</b>			
Cash in bank			
Executive Office	\$	175,767	189,022
Convention		22,166	58,531
Special Projects - Hymnal royalties		67,193	60,549
<b>Total cash in bank</b>		265,126	308,102
Funds held by Free Will Baptist Foundation		25,512	21,085
Funds held by North American Ministries		133,917	-
Receivables:			
Randall House royalties		1,245	2,516
ERC receivable		102,877	-
Other departmental and agency charges		98,266	203,683
<b>Total receivables</b>		202,388	206,199
Prepaid expenses		-	16,277
<b>Total current assets</b>		626,943	551,663
<b>Equipment:</b>			
Office equipment and furniture		55,918	55,918
Automobiles		90,656	52,256
		146,574	108,174
Less accumulated depreciation		88,401	77,103
<b>Equipment, net of depreciation</b>		58,173	31,071
<b>Other assets:</b>			
Deposits for future conventions		14,413	9,263
Right to use assets		5,776	10,416
<b>Total other assets</b>		20,189	19,679
	\$	705,305	602,413
	<u><b>Liabilities and Net Assets</b></u>		
<b>Current liabilities:</b>			
Accounts payable	\$	5,601	-
Lease obligations - current portion		4,926	4,640
Funds held for distribution to other Free Will Baptist agencies		4,644	2,504
Hymnal royalty liability		25,722	22,667
<b>Total current liabilities</b>		40,893	29,811
<b>Lease obligations, net of current portion</b>		850	5,776
<b>Total liabilities</b>		41,743	35,587
<b>Net assets:</b>			
Without donor restrictions		663,562	566,826
<b>Total net assets</b>		663,562	566,826
	\$	705,305	602,413

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, 2024 and 2023**

	<b>Net Assets Without Donor Restriction</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Revenues:</b>		
<b>Executive Office:</b>		
The Together Way Plan	\$ 4,003,865	3,785,398
Disbursed to agencies and departments	(3,546,529)	(3,319,642)
Executive Office portion of Together Way Plan	457,336	465,756
Contributions	54,063	5,885
Counseling shared by departments	28,000	-
Other	26,199	20,612
	<u>565,598</u>	<u>492,253</u>
<b>Convention:</b>		
Convention revenues	400,094	410,325
Contributions	110,396	18,409
Interest revenues	4,003	-
Other	-	2,631
	<u>514,493</u>	<u>431,365</u>
<b>Special Projects:</b>		
Hymnal royalties	5,369	10,556
Rekindle contributions	600	650
	<u>5,969</u>	<u>11,206</u>
<b>Total operating revenues</b>	<u>1,086,060</u>	<u>934,824</u>
<b>Expenses:</b>		
<b>Program services</b>		
Executive Office	459,079	379,958
Convention	552,135	508,658
Special Projects	4,232	11,287
	<u>1,015,446</u>	<u>899,903</u>
<b>Supportive services</b>		
Administration	76,755	98,219
<b>Total expenses</b>	<u>1,092,201</u>	<u>998,122</u>
	(6,141)	(63,298)
<b>Non operating revenues:</b>		
ERC Grant	102,877	-
<b>Change in net assets</b>	<u>96,736</u>	<u>(63,298)</u>
<b>Net assets:</b>		
Beginning of year	566,826	630,124
End of year	<u>\$ 663,562</u>	<u>566,826</u>

See accompanying notes to financial statements.

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

**Statements of Functional Expenses**

For the years ended December 31, 2024 and 2023

	2024				2023			
	Program Services		Adminis- trative	Totals	Program Services		Adminis- trative	Totals
	Executive Office	Convention			Executive Office	Convention		
<b>Expenses of operations:</b>								
<b>Employment costs:</b>								
Salaries	\$ 84,088	114,894	198,982	224,399	68,331	88,214	41,342	197,887
Housing allowance	20,400	11,050	31,450	34,000	21,738	7,246	3,220	32,204
Payroll taxes and other benefits	41,382	56,249	97,631	108,625	37,823	72,949	16,722	127,494
<b>Total employment costs</b>	145,869	182,193	328,062	367,024	127,892	168,409	61,284	357,585
<b>Other operating costs:</b>								
Support to One Magazine	107,675	19,380	127,055	127,055	104,539	18,816	-	123,355
Auditorium and other convention services	-	278,161	278,161	278,161	-	295,852	-	295,852
Office rental	41,700	-	41,700	46,333	40,354	-	4484	44,838
Travel	46,704	60,643	107,347	112,536	38,291	4,599	4255	47,145
Supplies, office expense	-	-	-	15,860	-	7,661	16,420	24,081
Copier lease	1,813	-	1,813	2,015	8,776	-	975	9,751
Executive Committee and General Board	-	6,485	6,485	6,485	-	6,455	-	6,455
Depreciation	10,168	-	10,168	11,298	3,665	-	407	4,072
Legal and audit	-	-	-	10,087	-	-	9,120	9,120
Payroll service	-	-	-	452	-	-	1,034	1,034
Printing and promotion	12,584	2,922	15,506	15,506	10,858	3,682	-	14,540
Postage / mail services	2,295	73	2,368	2,368	1,606	171	-	1,777
Telephone	2,628	630	3,258	3,258	2,376	577	-	2,953
International Fellowship	-	-	-	240	-	-	240	240
Support to WNAC	4,978	-	4,978	4,978	5,191	-	-	5,191
Support to Randall House	4,979	-	4,979	4,979	5,191	-	-	5,191
Royalties	-	-	3,055	3,055	-	-	-	6,010
Rekindle	-	-	1,177	1,177	-	-	-	5,277
Impact Project	-	524	524	524	-	486	-	486
Ministerial counseling	42,334	-	42,334	42,334	12,360	-	-	12,360
Educational materials	11,264	-	11,264	11,264	7,150	-	-	7,150
Coaching	11,572	-	11,572	11,572	7,490	-	-	7,490
Church answers	12,416	-	12,416	12,416	3,719	-	-	3,719
Other	100	1,124	1,224	1,224	500	1,950	-	2,450
<b>Total expenses</b>	\$ 459,079	552,135	1,015,446	1,092,201	379,958	508,658	98,219	998,122

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, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b><u>Cash Flows from Operating Activities</u></b>		
Change in net assets	\$ 96,736	(63,298)
Adjustments to reconcile change in net assets to net operating activities :		
Depreciation	11,298	4,072
Change in deposits for future conventions	(5,150)	1,735
Increase in:		
Receivables	3,811	(186,817)
Prepaid expense	16,277	(16,277)
Increase (decrease) in:		
Funds held for distribution to other Free Will Baptist agencies	2,140	268
Accounts payable and accrued expenses	8,656	4,069
<b>Net operating activities</b>	<u>133,768</u>	<u>(256,248)</u>
<b><u>Cash Flows from Investing Activities</u></b>		
Purchase of equipment and vehicle	(38,400)	(33,436)
<b>Change in cash and cash equivalents</b>	95,368	(289,684)
<b>Cash and cash equivalents:</b>		
Beginning of year	<u>329,187</u>	<u>618,871</u>
<b>End of year</b>	<u>\$ 424,555</u>	<u>329,187</u>
<b>Cash and cash equivalents consist of:</b>		
Cash in bank	\$ 265,126	308,102
Funds held by North American Ministries	133,917	-
Funds held by Free Will Baptist Foundation	<u>25,512</u>	<u>21,085</u>
	<u>\$ 424,555</u>	<u>329,187</u>
<b>Non-cash transactions:</b>		
Lease assets obtained in exchange for lease obligations	\$ -	14,076
Amortization of right-of-use assets	<u>\$ 4,640</u>	<u>3,660</u>

See accompanying notes to financial statements.



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

**Notes to Financial Statements**

**December 31, 2024 and 2023**

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 include 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 chairman 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 be 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.

**Income Taxes**

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 2024 and 2023. Further, management believes that Executive Office has no activities which will lead to income taxes being levied.

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

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

**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.

(2) **Subsequent Events**

Subsequent events have been evaluated for potential recognition and disclosure through April 8, 2025 the date these financial statements were available to be issued.

(3) **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.

	<u>2024</u>	<u>2023</u>
<b>Financial assets at end of year:</b>		
Cash in bank	\$ 265,126	308,102
Funds held by Free Will Baptist Foundation	25,512	21,085
Funds held by North American Ministries	133,917	-
Accounts receivable	202,388	206,199
<b>Financial assets available to meet general expenditures the next twelve months</b>	626,943	535,386
<b>Less amount not available to be used within one year:</b>		
Accounts payable	5,601	-
Hymnal royalty liability	25,722	22,667
Funds held for distribution to other Free Will Baptist agencies	4,644	2,504
<b>Amount not available to be used within one year</b>	35,967	25,171
<b>Net financial assets available for expenditure within one year</b>	<u>\$ 590,976</u>	<u>510,215</u>

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.

(4) **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.

(5) **Commitments for Future Conventions**

Contractual obligations for conventions have been executed into future years. Deposits amounting to \$14,413 in 2024 and \$9,263 in 2023 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 \$278,161 in 2024 and \$295,852 in 2023.



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

Notes to Financial Statements, continued

(6) **Net Assets**

Net assets without donor restrictions are summarized as follows:

	<b>Undesignated Executive Office</b>	<b>Convention</b>	<b>Designated Special Projects</b>	<b>Total</b>	<b>Overall Total</b>
<b>For year ending December 31, 2024</b>					
Revenues	\$ 628,768	554,200	5,969	560,169	1,188,937
Expenses					
Program services	459,079	552,135	4,232	556,367	1,015,446
Administrative	69,080	7,675	-	7,675	76,755
Total expenses	528,159	559,810	4,232	564,042	1,092,201
Change in net assets	100,609	(5,610)	1,737	(3,873)	96,736
Net assets, beginning of year	400,321	93,202	73,303	166,505	566,826
Net assets, end of year	\$ 500,930	87,592	75,040	162,632	663,562
<b>For year ending December 31, 2023</b>					
Revenues	\$ 492,253	431,365	11,206	442,571	934,824
Expenses					
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
Change in net assets	18,386	(81,603)	(81)	(81,684)	(63,298)
Net assets, beginning of year	381,935	174,805	73,384	248,189	630,124
Net assets, end of year	\$ 400,321	93,202	73,303	166,505	566,826

(7) **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 liability is presented at present values using a rate of 6%.

Right of use assets details are as follows:

	<b>2024</b>	<b>2023</b>
Right of use assets as long lived assets, net of amortization	\$ 5,776	10,416
Amortization of right to use assets	\$ 4,640	3,660
Current portion of right to use liability	\$ 4,926	4,640
Long term portion of right to use liability	\$ 850	5,776

Expenses relating to these operating leases for office equipment amounts to \$5,138 in 2024 and \$4,282 in 2023.

Maturities of operating lease liabilities are as follows:

	<b>Required Payments</b>	<b>Interest Amount</b>	<b>Lease Maturities</b>
2025	5,138	213	4,925
2026	856	5	851
	\$ 5,994	218	5,776



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

**(8) Related Party Transactions**

**Pension**

The Executive Office participates in the master pension plan of the Richland Avenue Financial - a Free Will Baptist entity. The plan is contributory and a contribution of 5% of compensation is matched by the Executive Office. Employees may participate at date of employment. Pension expense amounted to \$28,575 in 2024 and \$26,020 in 2023 the 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.

**Transactions with other Free Will Baptist entities**

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 \$127,055 in 2024 and \$123,355 in 2023.

The Executive Office provided support for WNAC (Woman Nationally Active for Christ) and D6 Family Ministry support each in the amounts of \$4,978 in 2024 and \$5,191 in 2023.

The Free Will Baptist Foundation held accounts in the amount of \$25,512 in 2024 and \$21,085 in 2023.

North American Ministries held accounts in the amount of \$133,917 in 2024.

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 \$46,333 in 2024 and \$44,838 in 2023. Office rent for 2025 is budgeted for 47,827.

The Executive Office is responsible for receiving and disbursing funds received from The Together Way Plan program. See note 10.

**(9) Employee Retention Credit (ERC) under the CARES Act**

A refundable credit against payroll taxes paid is available to incentivize employers to retain employees during the pandemic under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) which was enacted March 27, 2020. When conditions of the program have been substantially met, the credit is accounted for as a grant in accordance with FASB Accounting Standards 958-605.

The Executive Office engaged an outside specialist to gather and file the appropriate documents with the Internal Revenue Service. This specialist has provided information that the Executive Office is eligible to receive these credits in the amount of \$102,876, including interest and net of fees.

The following summarizes transactions relating to this Employee Retention Credit:

	<b>Revenue Collected</b>		
	<b><u>Executive</u></b>	<b><u>Convention</u></b>	<b><u>Totals</u></b>
Credits earned due based on eligibility	\$ 55,363	34,799	90,162
Interest earned	13,504	8,488	21,992
Commission paid to Specialist	(5,697)	(3,580)	(9,277)
Net revenues collected	<u>\$ 63,170</u>	<u>39,707</u>	<u>102,877</u>

**(10) 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 \$1,166,163 and \$1,095,486 at 2024 and 2023, respectively.

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

**(10) 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, 2024 and 2023.

	2024			2023		
<b>Receipts:</b>	<b>Designated</b>	<b>Cooperative</b>	<b>Total</b>	<b>Designated</b>	<b>Cooperative</b>	<b>Total</b>
Alabama	\$ 5,208	5,768	10,976	5,979	7,566	13,545
Arkansas	458,646	177,269	635,915	379,824	183,302	563,126
California	255	3,531	3,786	800	6,025	6,825
Florida	-	18,361	18,361	341	19,520	19,861
Georgia	541,636	40,623	582,259	510,269	41,564	551,833
Illinois	139,946	29,430	169,376	132,725	26,087	158,812
Indiana	-	-	-	1,600	-	1,600
Kentucky	1,000	6,743	7,743	500	6,428	6,928
Michigan	145,558	3,621	149,179	101,579	4,531	106,110
Mississippi	2,080	12,608	14,688	2,950	15,230	18,180
Missouri	562,975	296,542	859,517	518,368	283,934	802,302
New Mexico	-	1,922	1,922	-	4,381	4,381
North Carolina	64,205	12,915	77,120	58,956	15,368	74,324
Ohio	201,233	33,972	235,205	146,216	26,585	172,801
Oklahoma	325,989	194,326	520,315	368,873	230,419	599,292
Oregon	-	2,730	2,730	-	2,550	2,550
South Carolina	516,743	300	517,043	471,968	275	472,243
Tennessee	15,505	53,997	69,502	10,639	58,741	69,380
Texas	110,985	4,240	115,225	119,307	1,990	121,297
Virginia	1,629	1,632	3,261	2,733	2,450	5,183
West Virginia	-	2,853	2,853	100	4,843	4,943
Canada	3,354	9	3,363	7,847	-	7,847
Contributions totaling \$2,500 or less	1,725	1,801	3,526	-	2,035	2,035
Total receipts	\$ 3,098,672	905,193	4,003,865	2,841,574	943,824	3,785,398
<b>Disbursements:</b>						
Executive Office	\$ 49,999	407,337	457,336	41,035	424,721	465,756
FWB Foundation	3,048	2,490	5,538	50	2,596	2,646
Home Missions	369,831	104,550	474,381	404,793	109,011	513,804
IM, Inc.	2,274,831	104,550	2,379,381	2,011,166	109,011	2,120,177
Richland Avenue Financial	962	54,764	55,726	3,467	57,101	60,568
D6 Family Ministries	1,471	22,404	23,875	1,363	23,360	24,723
Welch College	195,937	104,550	300,487	234,062	109,012	343,074
WNAC	2,770	84,636	87,406	3,421	88,248	91,669
Historical Commission	92	4,978	5,070	97	5,191	5,288
Media Commission	342	4,978	5,320	97	5,191	5,288
Music Commission	602	4,978	5,580	257	5,191	5,448
Theological Integrity Commission	92	4,978	5,070	97	5,191	5,288
Randall University	51,316	-	51,316	48,227	-	48,227
Alabama Children	32,586	-	32,586	34,844	-	34,844
Family Ministries	91,150	-	91,150	33,775	-	33,775
Other	23,643	-	23,643	24,823	-	24,823
Total disbursements	\$ 3,098,672	905,193	4,003,865	2,841,574	943,824	3,785,398

**2026  
EXECUTIVE OFFICE  
ADMINISTRATIVE BUDGET**

<b>PROJECTED EXPENSES</b>	<b>2024 Budget</b>	<b>2024 Actuals*</b>	<b>2025 Budget</b>	<b>2026 Budget</b>
Salaries	\$106,814.55	\$114,007.65	\$112,360.84	\$124,655.64
Housing	25,500.00	25,500.00	25,500.00	18,750.00
Social Security	4,725.80	5,007.99	5,042.17	5,301.21
Retirement	17,408.25	18,690.72	17,901.41	18,508.90
Employees Insurance (Health/Dental/Vision/Life/Travel)	39,967.17	30,181.51	35,421.90	38,761.51
Auditing/Legal	5,500.00	4,261.96	6,000.00	6,000.00
Books/Dues/Registrations	3,000.00	1,517.52	4,000.00	4,000.00
Car Lease/Purchase	4,500.00	0.00	5,000.00	4,000.00
Coaching	0.00	11,571.53	7,250.00	20,000.00
Computer Services/Supplies	4,000.00	5,480.17	5,000.00	5,000.00
Copier Lease	8,661.80	2,014.58	10,000.00	10,000.00
Counseling	0.00	42,333.57	11,000.00	50,000.00
Educational Materials	5,000.00	11,264.09	6,000.00	10,000.00
General/Disability Insurance	2,300.00	2,439.57	2,600.00	2,600.00
Int'l. Fellowship of FWB Churches	240.00	240.00	240.00	240.00
Know Your Community Reports	0.00	12,415.86	2,500.00	2,500.00
Office Rental (\$1.65 per sq. ft. x 2,491)	46,332.60	46,332.60	47,827.20	49,321.80
Office Supplies/Expense	2,200.00	8,862.74	3,000.00	3,000.00
Payroll Processing Services	0.00	452.13	0.00	1,300.00
Postage	1,200.00	2,295.49	1,500.00	2,000.00
Printing	1,500.00	1,352.78	2,500.00	1,500.00
Promotion	6,000.00	11,231.11	10,000.00	10,000.00
Telephone/Internet	1,000.00	2,627.50	2,500.00	2,600.00
Travel	61,074.43	51,892.81	43,250.82	50,000.00
Other	0.00	99.80	0.00	0.00
<i>One Magazine</i>	107,675.40	107,675.40	110,905.66	114,232.83
D6 Family Ministry	5,200.00	4,978.35	5,300.00	5,300.00
Women Nationally Active for Christ	<u>5,200.00</u>	<u>4,978.55</u>	<u>5,300.00</u>	<u>5,300.00</u>
<b>Totals</b>	<b>\$465,000.00</b>	<b>\$529,705.98</b>	<b>\$487,900.00</b>	<b>\$564,871.89</b>

**PROJECTED INCOME**

The Together Way Plan				
Cooperative Gifts	\$401,000.00	\$407,337.10	\$420,900.00	\$415,000.00
Designated Gifts	41,000.00	49,998.63	45,000.00	\$54,000.00
Travel Reimbursement	14,000.00	23,787.05	15,000.00	\$25,000.00
Other Gifts	0.00	30,275.38	0.00	\$25,000.00
Other Income	9,000.00	55,133.25	7,000.00	\$45,871.89
<b>Totals</b>	<b>\$465,000.00</b>	<b>\$566,531.41</b>	<b>\$487,900.00</b>	<b>\$564,871.89</b>

\*Budget comparison does not include depreciation expense.

**2026  
EXECUTIVE OFFICE  
ADMINISTRATIVE BUDGET  
SALARY BREAKDOWN**

	<b>2024</b>	<b>2025</b>	<b>2026</b>
Executive Director*			
Salary	\$45,039.37	\$46,450.16	\$55,358.67
Housing and Utilities	25,500.00	25,500.00	18,750.00
Retirement	3,526.97	3,597.51	3,705.43
Retirement in Lieu of Social Security	10,792.52	11,008.37	11,338.63
Insurance (Health/Dental/Life)	24,625.80	19,282.04	21,210.24
Disability/Travel Insurance	488.95	477.15	490.97
NOTE: Office car furnished.	109,973.61	106,315.23	110,853.94
Accounting Administrator*			
Salary	36,049.03	41,037.94	42,269.08
Social Security	2,757.75	3,139.40	3,233.58
Retirement	1,802.45	2,051.90	2,113.45
Insurance (Health/Dental/Life)	7,366.53	7,759.30	8,535.23
Disability/Travel Insurance	230.71	275.98	283.86
	48,206.48	54,264.52	56,435.20
Church Directory/Registration Coordinator*			
Salary	25,726.15	26,240.67	27,027.89
Social Security	1,968.05	2,007.41	2,067.63
Retirement	1,286.31	1,312.03	1,351.39
Insurance (Health/Dental/Life)	7,090.53	7,476.54	8,055.34
Disability/Travel Insurance	164.65	180.83	185.87
	36,235.68	37,217.49	38,688.13

<p>*Executive pays 75% of Executive Secretary's Salary, 60% of Accounting Administrator's Salary and 58% Church Directory Coordinator's Salary.</p>
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**CONVENTION BUDGET**  
**National Association of Free Will Baptists, Inc.**  
**July 20-23, 2025**  
**Kansas City, Missouri**

	2024 Budget	2024 Actuals	2025 Budget
<b>PROJECTED REVENUE</b>			
Booth Fees	\$45,000.00	\$45,539.49	\$49,500.00
Host State	40,000.00	\$30,000.00	\$40,000.00
Offerings	83,190.66	\$80,396.43	\$106,738.52
State Representation Fees (\$200 per church)	349,125.00	\$324,553.81	\$375,000.00
Other	<u>3,000.00</u>	<u>\$34,002.99</u>	<u>\$3,000.00</u>
<b>TOTALS</b>	<b><u>520,315.66</u></b>	<b><u>514,492.72</u></b>	<b><u>574,238.52</u></b>
<b>PROJECTED EXPENDITURES</b>			
Auditorium	216,637.27	234,903.15	251,025.90
Printing and Promotion	22,805.32	22,302.22	22,986.76
Convention Office	188,849.36	189,052.89	199,582.23
Convention Personnel			
Meals	6,440.00	6,308.00	6,108.00
Travel	10,351.44	4,269.65	5,100.00
Lodging	13,511.91	6,762.34	11,312.10
Convention Officials	7,910.16	8,148.90	7,659.20
Volunteer Staff	11,144.50	10,325.01	8,095.58
Honorariums	1,200.00	3,000.00	2,500.00
Decorator Services	19,063.50	28,437.17	22,900.00
Meal Functions	3,602.20	3,046.04	5,168.75
Executive Committee	4,050.00	3,600.00	4,050.00
Pre-Convention Expenses	6,750.00	9,089.75	9,750.00
National Committee Expenses	<u>8,000.00</u>	<u>17,069.54</u>	<u>18,000.00</u>
<b>Sub-Totals</b>	<b>520,315.66</b>	<b>546,314.66</b>	<b>574,238.52</b>
Surplus Revenue	<u>0.00</u>	<u>-31,821.94</u>	<u>0.00</u>
(Operating Capital for Future Conventions)			
<b>TOTALS</b>	<b><u>\$520,315.66</u></b>	<b><u>\$514,492.72</u></b>	<b><u>\$574,238.52</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 20-23, 2025**  
**Kansas City, Missouri**

	<b>2024 Budget</b>	<b>2024 Actuals</b>	<b>2025 Budget</b>
<b>PROJECTED REVENUE</b>			
Booth Fees	\$45,000.00	\$45,539.49	\$49,500.00
Host State	40,000.00	30,000.00	40,000.00
Offerings	83,190.66	80,396.43	106,738.52
State Representation Fees (\$175 per church)	349,125.00	324,553.81	375,000.00
Other (including gifts)	<u>3,000.00</u>	<u>34,002.99</u>	<u>3,000.00</u>
<b>TOTALS</b>	<b><u>520,315.66</u></b>	<b><u>514,492.72</u></b>	<b><u>574,238.52</u></b>
<b>PROJECTED EXPENDITURES</b>			
<b>AUDITORIUM</b>			
Rental/Arena/Meeting Space/Liability/Staging	12,158.00	15,251.10	45,000.00
Other			
First Aid Staff	6,720.00	6,888.00	5,777.40
ASCAP, BMI, CCLI Licenses	2,915.27	2,254.27	2,942.00
Music/Equipment	6,500.00	8,197.07	8,200.00
Sound System/AV Equipment	143,000.00	137,052.75	133,000.00
Boom/Rigging/Stage Hands	22,000.00	44,605.24	35,000.00
Usher Badges/Usher Room Table, Chairs	450.00	0.00	295.50
Police Security/Badge Checkers	22,167.00	16,473.72	20,000.00
Streaming Video License	377.00	3,701.00	461.00
General Board	<u>350.00</u>	<u>480.00</u>	<u>350.00</u>
<b>TOTALS</b>	<b>216,637.27</b>	<b>234,903.15</b>	<b>251,025.90</b>
<b>PRINTING AND PROMOTION</b>			
Convention Materials			
<i>Digest of Reports</i>	800.00	296.86	400.00
Programs	2,625.00	2,625.00	2,625.00
<i>ONE Magazine</i>	<u>19,380.32</u>	<u>19,380.36</u>	<u>19,961.76</u>
<b>TOTALS</b>	<b>22,805.32</b>	<b>22,302.22</b>	<b>22,986.76</b>

**CONVENTION BUDGET**  
**National Association of Free Will Baptists, Inc.**  
**July 20-23, 2025**  
**Kansas City, Missouri**

	2024 Budget	2024 Actuals	2025 Budget
<b>CONVENTION OFFICE</b>			
Convention CEO Salary	\$15,013.12	\$15,013.20	\$15,483.39
Housing	8,500.00	8,499.96	8,500.00
Retirement/Retirement in Lieu of Social Security	4,773.17	4,809.12	4,868.63
Insurance (Health/Life/Disability, etc.)	<u>8,371.58</u>	<u>6,272.19</u>	<u>6,586.40</u>
	<b>36,657.87</b>	<b>34,594.47</b>	<b>35,438.42</b>
Convention Manager Salary	73,312.06	74,721.78	74,778.30
Payroll Taxes	5,608.37	5,971.82	5,720.54
Retirement	3,665.60	5,075.49	3,738.92
Insurance (Health/Life/Disability, etc.)	<u>22,551.27</u>	<u>22,685.32</u>	<u>23,860.37</u>
	<b>105,137.31</b>	<b>108,454.41</b>	<b>108,098.13</b>
Registration Coordinator Salary	18,629.28	19,479.06	19,001.86
Taxes/Retirement/Insurance	<u>7,610.35</u>	<u>7,494.26</u>	<u>7,837.57</u>
	<b>26,239.63</b>	<b>26,973.32</b>	<b>26,839.43</b>
Assistant Registration Coordinator Salary	1,500.00	1,091.10	1,500.00
Payroll Taxes	<u>114.75</u>	<u>83.46</u>	<u>114.75</u>
	<b>1,614.75</b>	<b>1,174.56</b>	<b>1,614.75</b>
Audit	6,000.00	5,824.79	6,000.00
Convention Manager Computer	600.00	461.97	600.00
Equipment Rentals			
Computers, Printers	900.00	962.25	1,000.00
Copier Rental	3,000.00	8,249.01	4,500.00
Furniture	1,200.00	641.08	1,896.00
Information Tables	143.80	53.90	295.50
Media Room/Press Office	406.00	3,471.86	500.00
Paper/Printing Supplies	0.00	1,721.41	1,800.00
Convention Office Other/Supplies/Internet	3,100.00	-5,947.16	6,000.00
Postage	300.00	73.34	100.00
Pre-Registration (Supplies, Postage)	1,200.00	-1,406.09	1,000.00
Registration (Supplies)	1,000.00	1,700.59	1,750.00
Registration Computers/Printers	750.00	1,419.00	1,500.00
Telephone/Home Office Internet	<u>600.00</u>	<u>630.18</u>	<u>650.00</u>
<b>TOTALS</b>	<b>188,849.36</b>	<b>189,052.89</b>	<b>199,582.23</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	436.00	336.00
Elizabeth Hill (24 meals @ \$14.00 each)	336.00	436.00	336.00
Deanna Hollifield (24 meals @ \$14.00 each)	0.00	0.00	336.00
Melody Hood (24 meals @ \$14.00 each)	336.00	336.00	0.00
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)	336.00	336.00	336.00
Charles Wise (24 meals @ \$14.00 each)	336.00	336.00	336.00
Convention Interns (11)	<u>3,500.00</u>	<u>3,168.00</u>	<u>3,168.00</u>
<b>TOTALS</b>	<b>6,440.00</b>	<b>6,308.00</b>	<b>6,108.00</b>

**CONVENTION BUDGET**  
**National Association of Free Will Baptists, Inc.**  
**July 20-23, 2025**  
**Kansas City, Missouri**

	2024 Budget	2024 Actuals	2025 Budget
<b>CONVENTION OFFICE (Continued)</b>			
<b>TRAVEL</b>			
Eddie Moody	\$410.00	\$568.00	\$300.00
Anna Fox	410.00	406.27	300.00
Elizabeth Hill	410.00	48.86	300.00
Deanna Hollifield	0.00	0.00	450.00
Melody Hood	410.00	527.35	0.00
Kevin Justice	410.00	0.00	500.00
Ryan Lewis	300.00	190.89	300.00
Eric Thomsen	410.00	393.97	450.00
Charles Wise	410.00	363.50	400.00
Stephen Yerby	410.00	385.96	450.00
Convention Truck (Fuel/Meals/Rooms/Trailer Rental)	5,871.44	806.16	750.00
Staff Expense Money	<u>900.00</u>	<u>578.69</u>	<u>900.00</u>
<b>TOTALS</b>	<b>10,351.44</b>	<b>4,269.65</b>	<b>5,100.00</b>
<b>LODGING/PARKING</b>			
Eddie Moody	371.25	0.00	1,095.25
Anna Fox	1,271.73	538.84	1,045.10
Elizabeth Hill	1,279.25	545.84	1,045.10
Deanna Hollifield	0.00	0.00	1,045.10
Melody Hood	1,279.25	631.29	0.00
Ryan Lewis	371.25	0.00	1,095.25
Eric Thomsen	1,538.25	830.84	1,045.10
Stephen Yerby	1,279.25	560.53	933.10
Charles Wise	752.50	820.00	933.10
Convention Interns (11)	<u>5,369.18</u>	<u>2,835.00</u>	<u>3,075.00</u>
<b>TOTALS (Includes applicable tax and parking)</b>	<b>13,511.91</b>	<b>6,762.34</b>	<b>11,312.10</b>
<b>CONVENTION OFFICIALS</b>			
<b>Moderator - Tim York</b>			
Travel	410.00	410.00	450.00
Meals (21 meals @ \$14.00 each)	294.00	294.00	294.00
Lodging	1,090.08	1,183.00	895.80
Honorarium	<u>1,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>
	<b>2,794.08</b>	<b>2,887.00</b>	<b>2,639.80</b>
<b>Clerk - Randy Bryant</b>			
Travel	200.00	200.00	450.00
Meals (21 meals @ \$14.00 each)	294.00	294.00	294.00
Lodging	847.50	802.40	895.80
Honorarium	<u>1,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>
	<b>2,341.50</b>	<b>2,296.40</b>	<b>2,639.80</b>
<b>Assistant Moderator - Jackson Watts</b>			
Meals (21 meals @ \$14.00 each)	294.00	294.00	294.00
Lodging	<u>1,090.08</u>	<u>1,155.00</u>	<u>895.80</u>
	<b>1,384.08</b>	<b>1,449.00</b>	<b>1,189.80</b>
<b>Assistant Clerk - Ernie Lewis</b>			
Meals (21 meals @ \$14.00 each)	294.00	294.00	294.00
Lodging	<u>1,096.50</u>	<u>1,222.50</u>	<u>895.80</u>
	<b>1,390.50</b>	<b>1,516.50</b>	<b>1,189.80</b>
<b>TOTALS (Includes applicable tax and parking)</b>	<b>7,910.16</b>	<b>8,148.90</b>	<b>7,659.20</b>



**CONVENTION BUDGET**  
**National Association of Free Will Baptists, Inc.**  
**July 20-23, 2025**  
**Kansas City, Missouri**

	2024 Budget	2024 Actuals	2025 Budget
<b>VOLUNTEER STAFF</b>			
<b>Convention Reporter</b>			
Lodging	\$988.75	\$936.25	\$0.00
<b>Impact Coordinator - Ken Akers</b>			
Lodging	988.75	936.25	884.98
<b>Media Commission</b>			
Lodging	1,096.50	600.00	895.80
<b>Music Coordinator - Kevin Justice</b>			
Lodging	1,096.50	1,251.88	799.80
<b>Musicians (5 Rooms)</b>			
Lodging	3,307.50	3,306.88	3,126.00
<b>Photographer - Rodney Yerby</b>			
Lodging	1,501.50	1,222.50	896.00
<b>Translators (2 Rooms)</b>			
Lodging	<u>2,165.00</u>	<u>2,071.25</u>	<u>1,493.00</u>
<b>TOTALS (Includes applicable tax and parking)</b>	<b>11,144.50</b>	<b>10,325.01</b>	<b>8,095.58</b>
<b>HONORARIUMS</b>			
Sunday School	200.00	500.00	0.00
Sunday A.M. Service	200.00	500.00	500.00
Sunday P.M. Service	200.00	500.00	500.00
Monday P.M. Service	200.00	500.00	500.00
Tuesday P.M. Service	200.00	500.00	500.00
Wednesday P.M. Service	<u>200.00</u>	<u>500.00</u>	<u>500.00</u>
<b>TOTALS</b>	<b>1,200.00</b>	<b>3,000.00</b>	<b>2,500.00</b>
<b>DECORATOR SERVICES</b>			
Booth Installation/Draped Tables	9,705.00	13,293.33	12,000.00
Exhibitor Badges/Hall Sound System	100.00	0.00	100.00
Registration			
Chairs, Counters, Skirted Tables	4,822.50	9,075.50	5,000.00
Electricity/Masking Drape	800.00	1,044.50	800.00
Stage			
Furnishings/Carpet/Risers	<u>3,636.00</u>	<u>5,023.84</u>	<u>5,000.00</u>
<b>TOTALS</b>	<b>19,063.50</b>	<b>28,437.17</b>	<b>22,900.00</b>

**CONVENTION BUDGET**  
**National Association of Free Will Baptists, Inc.**  
**July 20-23, 2025**  
**Kansas City, Missouri**

	2024 Budget	2024 Actuals	2025 Budget
<b>MEAL FUNCTIONS</b>			
Executive Committee Dinner	\$1,909.60	\$1,691.36	\$3,281.25
Presidents' Breakfast	328.60	263.48	325.00
State Director's Wives Luncheon	<u>1,364.00</u>	<u>1,091.20</u>	<u>1,562.50</u>
<b>TOTALS</b>	<b>3,602.20</b>	<b>3,046.04</b>	<b>5,168.75</b>
<b>EXECUTIVE COMMITTEE</b>			
Per Diem			
(For the Executive Committee Meeting prior to the 2025 National Convention)			
Stan Bunch	450.00	450.00	450.00
Reuben Cason	450.00	450.00	450.00
James Coffelt	0.00	0.00	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	0.00	450.00
David Taylor	450.00	450.00	450.00
Dick Terry	450.00	450.00	0.00
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	750.00	524.20	750.00
Pre-Convention Meetings/Site Inspections	<u>6,000.00</u>	<u>8,565.55</u>	<u>9,000.00</u>
<b>TOTALS</b>	<b>6,750.00</b>	<b>9,089.75</b>	<b>9,750.00</b>
<b>NATIONAL COMMITTEE EXPENSES</b>			
Executive Committee	8,000.00	17,069.54	18,000.00
<b>SUB-TOTALS</b>	<b><u>520,315.66</u></b>	<b><u>546,314.66</u></b>	<b><u>574,238.52</u></b>
<b>SURPLUS REVENUE</b>			
(Operating Capital for Future Conventions)	0.00	-31,821.94	0.00
<b>GRAND TOTALS</b>	<b><u>\$520,315.66</u></b>	<b><u>\$514,492.72</u></b>	<b><u>\$574,238.52</u></b>

**2024**  
**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	\$116.66	\$641.85	\$68.88	\$0.00	\$119.42	\$643.28	\$72.41	\$57.09	\$59.32	\$59.69	\$701.32	\$55.48	\$2,595.40
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	5,842.90	9,699.41	7,203.32	4,285.45	8,947.30	5,682.18	5,010.53	9,339.56	4,868.53	5,136.06	8,363.13	5,392.83	79,771.20
California	243.69	0.00	263.86	0.00	0.00	332.92	0.00	275.77	0.00	253.52	219.13	0.00	1,588.89
Canada	0.00	4.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.22
Delaware	45.00	45.00	0.00	45.00	0.00	45.00	0.00	45.00	0.00	0.00	45.00	45.00	315.00
Florida	675.00	635.25	737.91	675.00	675.00	675.00	742.73	675.00	675.00	746.64	675.00	675.00	8,262.53
Georgia	3,002.25	1,451.66	1,153.94	1,772.57	1,488.25	1,132.98	1,708.07	1,178.41	1,508.40	1,642.66	1,084.14	1,156.88	18,280.21
Illinois	2,117.18	940.76	724.53	1,350.72	878.87	135.90	608.49	1,126.71	1,731.66	1,828.64	667.44	1,132.56	13,243.46
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	0.00	0.00	0.00	152.66	0.00	0.00	0.00	0.00	152.66
Kentucky	0.00	784.05	0.00	282.73	402.77	0.00	236.65	219.89	344.91	564.80	198.77	0.00	3,034.57
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	174.08	421.31	163.13	90.00	0.00	160.31	102.96	196.42	0.00	133.56	0.00	187.61	1,629.38
Mississippi	0.00	460.86	0.00	1,075.78	601.57	261.61	765.68	322.34	582.66	863.61	249.47	489.96	5,673.54
Missouri	17,968.23	8,055.34	0.00	22,507.29	9,051.84	8,731.83	13,497.48	4,767.05	15,955.86	12,979.67	8,562.31	11,366.81	133,443.71
New Mexico	475.43	79.65	140.40	169.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	864.68
North Carolina	274.53	336.59	81.00	1,302.21	609.18	406.17	302.88	725.73	392.43	421.02	619.08	341.08	5,811.90
Ohio	1,958.13	0.00	0.00	0.00	2,768.43	2,310.34	2,310.34	0.00	2,385.02	0.00	0.00	3,555.24	15,287.50
Oklahoma	11,056.34	7,765.82	7,119.47	7,797.04	7,192.17	9,318.50	6,222.92	6,627.89	6,615.30	7,079.77	4,810.09	5,841.26	87,446.57
Oregon	90.00	90.00	112.50	90.00	90.00	90.00	90.00	90.00	135.00	108.00	108.00	135.00	1,228.50
South Carolina	0.00	22.50	11.25	11.25	0.00	22.50	22.50	0.00	0.00	11.25	22.50	11.25	135.00
Tennessee	5,237.73	0.00	1,119.63	1,049.75	3,287.05	193.88	1,758.71	5,298.69	1,451.23	2,501.27	87.93	2,312.81	24,298.68
Texas	160.82	64.13	1,060.58	86.50	9.37	78.90	96.89	63.36	55.16	107.31	61.70	63.46	1,908.18
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	46.18	24.31	0.00	59.62	21.32	0.00	55.41	59.13	28.17	25.59	0.00	23.21	342.94
Virginia	61.19	70.91	84.36	0.00	137.66	71.23	62.19	61.68	81.80	57.02	46.39	0.00	734.43
West Virginia	46.30	279.70	53.48	34.77	115.77	311.85	49.72	44.52	116.86	81.59	85.68	63.71	1,283.95
<b>TOTALS</b>	<b>\$49,591.64</b>	<b>\$31,873.32</b>	<b>\$20,098.24</b>	<b>\$42,684.88</b>	<b>\$36,395.97</b>	<b>\$30,604.38</b>	<b>\$33,716.56</b>	<b>\$31,326.90</b>	<b>\$36,987.31</b>	<b>\$34,601.67</b>	<b>\$26,607.08</b>	<b>\$32,849.15</b>	<b>\$407,337.10</b>

**2024**  
**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	\$341.70	\$326.90	\$306.15	\$0.00	\$764.00	\$286.20	\$452.90	\$334.40	\$417.80	\$538.48	\$457.74	\$471.74	\$4,698.01
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	0.00	0.00	0.00	0.00	0.00	0.00	24.16	0.00	0.00	0.00	0.00	0.00	24.16
California	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Canada	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Florida	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Georgia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Illinois	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.48	0.00	0.00	0.00	0.00	9.48
Indiana	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	100.00	650.00
Kansas	0.00	0.00	0.00	0.00	0.00	0.00	97.55	0.00	0.00	0.00	0.00	978.20	1,075.75
Kentucky	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00
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	200.00	50.00	0.00	0.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	450.00
Mississippi	0.00	0.00	0.00	1,263.00	0.00	0.00	0.00	0.00	20.00	0.00	0.00	0.00	1,283.00
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	1,456.74	3,335.65	421.66	1,525.46	1,510.40	3,596.27	2,083.28	3,744.73	1,360.48	490.61	3,172.74	2,394.16	25,092.18
Ohio	40.00	0.00	0.00	0.00	325.00	300.00	300.00	0.00	300.00	0.00	0.00	25.00	1,290.00
Oklahoma	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,400.00	1,400.00
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	0.00	927.92	221.83	352.13	0.00	516.59	864.85	289.85	0.00	292.77	637.96	309.49	4,413.39
Tennessee	738.89	73.09	73.09	498.09	690.49	473.09	517.25	605.84	427.25	1,417.29	605.09	1,393.80	7,513.26
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	500.00	0.00	149.70	0.00	0.00	150.00	0.00	0.00	150.00	0.00	0.00	1,099.40
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>	<b>\$2,777.03</b>	<b>\$6,413.56</b>	<b>\$1,122.73</b>	<b>\$3,838.38</b>	<b>\$3,339.89</b>	<b>\$5,222.15</b>	<b>\$4,539.99</b>	<b>\$5,234.30</b>	<b>\$2,575.53</b>	<b>\$2,939.15</b>	<b>\$4,923.53</b>	<b>\$7,072.39</b>	<b>\$49,998.63</b>



# 2024 Gifts to National Ministries

States	Executive	FWB Foundation	IM, Inc.	North American Ministries	Richland Ave Financial	Welch College	D6 Family Ministry	WNAC	Commission for Theological Integrity	Historical Commission	Media Commission	Music Commission	Totals
Alabama	\$7,355.51	\$15.85	\$450,121.57	\$605,937.87	\$403.62	\$63,126.50	\$7,267.31	\$2,887.87	\$32.17	\$32.10	\$32.24	\$32.27	\$1,137,264.88
Alaska	0.00	0.00	90.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90.00
Arizona	0.00	0.00	33,805.66	22,611.08	0.00	1,800.00	100.00	850.00	0.00	0.00	0.00	0.00	59,166.74
Arkansas	79,952.12	487.50	958,318.04	115,431.06	10,852.78	50,456.59	18,694.03	29,806.58	976.08	975.90	976.26	976.34	1,267,913.28
California	1,699.09	9.71	143,069.80	59,630.44	309.75	8,528.87	87.38	984.32	20.19	20.06	20.31	20.37	214,399.29
Canada	4.22	0.03	0.00	2,277.56	0.57	2,771.47	0.23	0.88	0.00	0.05	0.05	0.05	5,055.11
Colorado	0.00	0.00	9,805.00	77,982.18	0.00	240.00	200.00	0.00	0.00	0.00	0.00	0.00	88,227.18
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	0.00
Delaware	315.00	1.96	1,485.00	0.00	42.35	80.85	17.36	65.45	3.85	3.85	3.85	3.85	2,023.37
Florida	8,262.53	50.54	205,972.33	116,822.49	1,110.96	94,851.90	7,737.16	16,276.46	100.99	100.99	100.99	100.99	451,490.25
Georgia	18,873.41	111.71	527,908.43	222,583.81	2,979.54	454,956.35	1,849.32	11,974.80	227.58	226.88	228.27	228.54	1,242,150.94
Hawaii	0.00	0.00	300.00	675.00	0.00	817.00	0.00	0.00	0.00	0.00	0.00	0.00	1,792.00
Idaho	0.00	0.00	10,181.70	1,800.11	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	13,981.81
Illinois	13,252.94	80.95	381,052.89	85,369.93	1,780.51	37,125.22	2,136.78	5,708.70	161.87	161.87	161.87	161.87	527,155.40
Indiana	650.00	0.00	35,505.95	12,726.50	0.00	961.46	380.00	0.00	0.00	0.00	0.00	0.00	5,800.00
Iowa	0.00	0.00	3,000.00	3,120.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,120.00
Kansas	1,228.41	0.93	17,982.92	22,571.71	20.32	3,266.05	8.40	31.72	1.87	1.87	1.87	1.87	45,116.14
Kentucky	4,034.57	18.55	152,723.23	92,719.09	407.98	17,260.09	342.79	6,020.53	37.09	37.09	37.09	37.09	273,675.19
Louisiana	0.00	0.00	18.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.00
Maine	0.00	0.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00
Maryland	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00
Massachusetts	0.00	0.00	5,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,800.00
Michigan	2,079.38	9.99	184,903.09	50,205.16	219.09	93,314.64	579.66	6,605.54	19.93	19.93	19.93	19.93	337,986.27
Mid-Atlantic Associat	0.00	0.00	0.00	2,550.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,550.37
Minnesota	0.00	0.00	1,790.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,790.00
Mississippi	6,956.54	34.67	91,368.04	100,841.13	762.78	23,619.37	1,486.92	3,178.83	69.35	69.35	69.35	69.35	228,525.68
Missouri	133,443.71	815.49	802,245.69	172,020.63	18,090.79	41,057.49	7,967.95	30,201.65	1,630.97	1,630.97	1,630.97	1,630.97	1,212,367.28
Montana	0.00	0.00	9,515.00	2,190.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,705.00
Nebraska	0.00	0.00	750.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	750.00
Nevada	0.00	0.00	1,330.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,330.00
New Hampshire	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Jersey	0.00	0.00	850.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	1,350.00
New Mexico	864.68	5.29	1,227.00	2,248.93	116.26	1,121.93	107.56	179.66	10.57	10.57	10.57	10.57	5,913.59
New York	0.00	0.00	46,932.00	8,750.00	0.00	52.00	0.00	0.00	0.00	0.00	0.00	0.00	55,734.02
North Carolina	33,623.85	73.53	1,205,888.33	646,653.34	4,194.42	314,135.12	7,327.22	11,631.20	168.56	165.15	171.97	1,047.33	2,225,280.02
Northeast Associatio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Northwest Associatio	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
Ohio	17,339.59	93.43	123,048.45	124,940.10	2,725.22	31,853.16	1,428.80	12,729.66	192.18	191.30	193.08	193.43	314,927.60
Oklahoma	89,091.87	534.40	1,026,845.66	248,032.78	11,972.67	92,119.27	7,143.10	23,547.04	1,070.56	1,070.27	1,070.84	1,070.98	1,503,569.42
Oregon	1,222.50	7.52	300.00	1,380.32	165.17	303.77	67.58	255.26	15.02	15.02	15.02	15.02	3,766.20
Pennsylvania	0.00	0.00	12,650.00	5,290.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	18,490.00
Rhode Island	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
South Carolina	5,136.56	3,000.84	426,369.61	103,487.52	6,552.27	142,445.08	107.44	8,063.32	5.79	5.11	6.49	6.76	689,299.79
South Dakota	0.00	0.00	3,522.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,522.00
Tennessee	32,218.17	158.52	1,228,776.20	534,111.61	3,944.39	1,180,128.88	21,876.08	35,934.30	314.78	314.30	565.25	300.44	3,038,643.92
Texas	2,107.34	11.67	198,246.04	73,581.35	431.87	15,060.25	1,354.96	2,550.72	24.70	24.46	24.93	25.02	293,452.31
Utah	0.00	0.00	1,550.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,550.00
Virginia	2,060.66	4.49	204,015.58	129,653.50	298.41	28,256.78	3,501.12	1,383.24	10.57	10.32	10.84	10.95	369,216.46
Washington	0.00	0.00	11,940.60	5,649.67	0.00	2,274.00	600.00	0.00	0.00	0.00	0.00	0.00	20,464.27
West Virginia	1,283.95	7.85	124,643.46	41,662.09	172.64	7,333.12	1,282.76	1,561.79	15.71	15.71	15.71	15.71	178,010.50
Wisconsin	0.00	0.00	16,400.00	840.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00	18,740.00
Wyoming	0.00	0.00	6,640.00	760.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,400.00
Puerto Rico	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Virgin Islands	342.94	2.09	6,795.86	48,903.40	46.11	1,393.76	18.87	71.25	4.19	4.19	4.19	4.19	57,591.04
Other	24,000.00	4,000.00	1,138,807.69	383,978.78	0.00	0.00	6,546.81	1,694.00	0.00	0.00	0.00	0.00	1,550,027.28
Foundation	0.00	0.00	230,875.00	125,349.85	0.00	102,405.81	47,000.00	10,000.00	0.00	0.00	0.00	0.00	515,630.66
WNAC	0.00	0.00	370.00	7,121.00	0.00	733.00	0.00	9.00	9.00	9.00	9.00	9.00	8,224.00
2024 TOTALS	\$487,603.54	\$9,537.51	\$10,046,085.82 *	\$4,262,470.36 *	\$61,713.87 *	\$2,818,352.80	\$147,237.61	\$224,255.97 *	\$5,114.57	\$5,107.31	\$5,371.94	\$5,983.87	\$18,078,835.17
2023 Comparisons	\$471,640.80	\$8,766.00	\$9,119,527.32	\$4,020,462.24	\$66,351.38	\$3,446,678.75	**	\$216,471.69	\$5,331.58	\$5,324.59	\$5,348.68	\$6,325.34	\$17,372,228.37

\*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.

\*\*\*Richland Ave Financial—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.

\*\*\*\*\*D6 Family Ministry—added to report in 2024



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

### **Independent Auditors' Report**

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

***Report on the Audit of the Financial Statements***  
***Opinion***

We have audited the accompanying financial statements of the Building Services Fund of the National Association of Free Will Baptists, Inc. - a nonprofit organization (hereafter Building Services) which comprise the statements of financial position as of December 31, 2024 and 2023 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then, 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, 2024 and 2023, 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 there is a substantial likelihood that individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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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 8, 2025



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

**Statements of Financial Position**

**December 31, 2024 and 2023**

<u>Assets</u>	<u>2024</u>	<u>2023</u>
<b>Current assets:</b>		
Cash and cash equivalents:		
Cash in bank	\$ 58,306	22,360
Funds held by Free Will Baptist Foundation	127,209	150,579
	<u>185,515</u>	<u>172,939</u>
Accounts receivable - denominational agencies	31,192	79,320
Accounts receivable - ERC	48,372	-
Investment in funds held by Richland Avenue Financial	354,295	310,425
Prepaid expenses	-	13,639
<b>Total current assets</b>	<u>619,374</u>	<u>576,323</u>
<b>Property, plant and equipment:</b>		
Land and land improvements	243,428	238,728
Building	1,844,022	1,758,797
Building services equipment	119,125	115,925
Departmental workstations	77,228	77,228
	<u>2,283,803</u>	<u>2,190,678</u>
Less accumulated depreciation	1,882,339	1,859,058
<b>Net property, plant and equipment</b>	<u>401,464</u>	<u>331,620</u>
<b>Right of use asset</b>	20,348	27,802
<b>Deposit - elevator</b>	-	19,950
	<u>\$ 1,041,186</u>	<u>955,695</u>
<b><u>Liabilities and Net Assets</u></b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 26,875	11,198
Lease obligations - current portion	7,835	7,454
Funds held in connection with other Free Will Baptist departments:		
Stewardship promotion	41,251	40,955
Security training	-	6,959
Employee health insurance	58,256	79,448
<b>Total funds held in connection with other Free Will Baptist departments</b>	<u>99,507</u>	<u>127,362</u>
<b>Total current liabilities</b>	<u>134,217</u>	<u>146,014</u>
<b>Lease obligations, net of current portion</b>	12,512	20,348
<b>Total liabilities</b>	<u>146,729</u>	<u>166,362</u>
<b>Net assets:</b>		
<b>Net assets without donor restrictions:</b>		
Operations	427,143	427,144
Net investment in property, plant and equipment	401,464	331,620
Designated for maintenance; building and equipment replacement	65,851	30,569
<b>Total net assets without donor restrictions</b>	<u>894,457</u>	<u>789,333</u>
	<u>\$ 1,041,186</u>	<u>955,695</u>

See accompanying notes to financial statements.



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

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

**For the years ended December 31, 2024 and 2023**

	2024			2023		
	Net Assets Without Donor Restrictions			Net Assets Without Donor Restrictions		
	Operations	Designations	Total	Operations	Designations	Total
<b>Revenues:</b>						
Building rental	\$ 373,953	-	373,953	361,890	-	361,890
Leadership conference	59,719	-	59,719	44,971	-	44,971
Interest income	6,201	-	6,201	5,909	-	5,909
Other	9,968	-	9,968	3,649	-	3,649
<b>Total revenues</b>	<b>449,841</b>	<b>-</b>	<b>449,841</b>	<b>416,419</b>	<b>-</b>	<b>416,419</b>
<b>Expenses:</b>						
<b>Program services</b>						
Building operations	339,640	-	339,640	307,604	-	307,604
Leadership conference	56,346	-	56,346	53,924	-	53,924
	395,986	-	395,986	361,528	-	361,528
<b>Supportive services</b>						
Administration	41,033	-	41,033	39,683	-	39,683
<b>Total expenses</b>	<b>437,019</b>	<b>-</b>	<b>437,019</b>	<b>401,211</b>	<b>-</b>	<b>401,211</b>
<b>Change in net assets from operating activities</b>	<b>12,822</b>	<b>-</b>	<b>12,822</b>	<b>15,208</b>	<b>-</b>	<b>15,208</b>
<b>Non-operating activities:</b>						
Unrealized gain (loss) from investment activities	43,871	-	43,871	48,935	13	48,935
ERC grant	45,121	-	45,121	-	-	-
Net change from inter-departmental billings for shared costs	3,310	-	3,310	(2,655)	-	(2,655)
Provision for replacements	(12,000)	12,000	-	(4,500)	4,500	-
Replacement reserve used	-	-	-	66,178	(66,178)	-
Funding depreciation	(23,282)	23,282	-	(17,486)	17,486	-
<b>Change in net assets from non-operating activities</b>	<b>57,020</b>	<b>35,282</b>	<b>92,302</b>	<b>90,472</b>	<b>(44,192)</b>	<b>46,280</b>
<b>Change in net assets</b>	<b>69,842</b>	<b>35,282</b>	<b>105,124</b>	<b>105,680</b>	<b>(44,192)</b>	<b>61,488</b>
<b>Net assets:</b>						
<b>Beginning of year</b>	<b>758,765</b>	<b>30,569</b>	<b>789,333</b>	<b>653,085</b>	<b>74,760</b>	<b>727,845</b>
<b>End of year</b>	<b>\$ 828,607</b>	<b>65,851</b>	<b>894,457</b>	<b>758,765</b>	<b>30,569</b>	<b>789,333</b>

See accompanying notes to financial statements.

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

**Statements of Functional Expenses**

**For the years ended December 31, 2024 and 2023**

<b>2024</b>					
	<b>Program Services</b>			<b>Supporting Services</b>	<b>Totals</b>
	<b><u>Building Operations</u></b>	<b><u>Leadership Conference</u></b>	<b><u>Totals</u></b>		
<b>Employee compensation:</b>					
Salaries	\$ 88,326	-	88,326	25,946	114,271
Payroll taxes	6,559	-	6,559	1,985	8,544
Retirement	5,706	-	5,706	1,297	7,003
Employer provided insurance	21,810	-	21,810	6,238	28,048
	122,401	-	122,401	35,465	157,866
<b>Operating expenses:</b>					
Utilities / telephone	42,211	-	42,211	-	42,211
Janitorial services	30,041	-	30,041	-	30,041
General insurance	61,574	-	61,574	-	61,574
Repairs and maintenance	17,178	-	17,178	-	17,178
Supplies and office expense	27,261	-	27,261	-	27,261
Audit and legal	-	-	-	5,568	5,568
Depreciation	23,282	-	23,282	-	23,282
Conferences	-	56,346	56,346	-	56,346
Mailroom and other	15,692	-	15,692	-	15,692
	217,239	56,346	273,585	5,568	279,153
<b>Total expenses</b>	<b>\$ 339,640</b>	<b>56,346</b>	<b>395,986</b>	<b>41,033</b>	<b>437,019</b>
<b>2023</b>					
	<b>Program Services</b>			<b>Supporting Services</b>	<b>Totals</b>
	<b><u>Building Operations</u></b>	<b><u>Leadership Conference</u></b>	<b><u>Totals</u></b>		
<b>Employee compensation:</b>					
Salaries	\$ 80,965	-	80,965	25,593	106,558
Payroll taxes	5,946	-	5,946	1,958	7,904
Retirement	5,160	-	5,160	1,280	6,440
Employer provided insurance	33,308	-	33,308	5,233	38,541
	125,379	-	125,379	34,064	159,443
<b>Operating expenses:</b>					
Utilities / telephone	36,079	-	36,079	-	36,079
Janitorial services	32,736	-	32,736	-	32,736
General insurance	43,334	-	43,334	-	43,334
Repairs and maintenance	13,699	-	13,699	-	13,699
Supplies and office expense	22,619	-	22,619	-	22,619
Audit and legal	-	-	-	5,619	5,619
Depreciation	17,486	-	17,486	-	17,486
Conferences	-	53,924	53,924	-	53,924
Mailroom and other	16,272	-	16,272	-	16,272
	182,225	53,924	236,149	5,619	241,768
<b>Total expenses</b>	<b>\$ 307,604</b>	<b>53,924</b>	<b>361,528</b>	<b>39,683</b>	<b>401,211</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, 2024 and 2023**

	<u><b>2024</b></u>	<u><b>2023</b></u>
<b><u>Cash Flows from Operating Activities</u></b>		
Change in net assets	\$ 105,124	61,487
Adjustments to reconcile change in net assets to net operating activities:		
Depreciation	23,282	17,486
Unrealized return on investment	(43,871)	(48,935)
(Increase) decrease in:		
Receivables	(245)	(50,041)
Prepaid expenses	13,639	(13,639)
Deposits	19,950	14,250
Increase (decrease) in:		
Funds held for other Free Will Baptist departments	(27,855)	(4,065)
Accounts payable	15,677	10,127
Net operating activities	<u>105,701</u>	<u>(13,330)</u>
<b><u>Cash Flows from Investing Activities</u></b>		
Purchase of property and equipment	<u>(93,125)</u>	<u>(90,008)</u>
Net investing activities	<u>(93,125)</u>	<u>(90,008)</u>
<b>Change in cash and cash equivalents</b>	12,576	(103,338)
<b>Cash and cash equivalents, at beginning of year</b>	<u>172,939</u>	<u>276,277</u>
<b>Cash and cash equivalents, at end of year</b>	\$ <u><u>185,515</u></u>	<u><u>172,939</u></u>
<b>Cash and cash equivalents consists of:</b>		
Cash in bank	\$ 58,306	22,360
Funds held by Free Will Baptist Foundation	<u>127,209</u>	<u>150,579</u>
	\$ <u><u>185,515</u></u>	<u><u>172,939</u></u>
<b>Non cash transactions:</b>		
Amortization of right-of-use assets and change in decrease in lease obligations	\$ <u><u>7,454</u></u>	<u><u>7,091</u></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, 2024 and 2023**

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 2024 and 2023. 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.

**(2) Subsequent Events**

Subsequent events have been evaluated for potential recognition and disclosure through April 8, 2025 the date these financial statements were available to be issued.

**(3) 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.

	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Financial assets at end of year:</b>		
Cash in bank	\$ 58,306	22,360
Funds held by Free Will Baptist Foundation	127,209	150,579
Investment in funds held by Richland Avenue Financial	354,295	310,425
Accounts receivable	31,192	79,320
	<u>571,002</u>	<u>562,684</u>
<b>Financial assets available to meet general expenditures the next twelve months</b>	<u>571,002</u>	<u>562,684</u>
<b>Less amount not available to be used within one year:</b>		
Net assets designated for maintenance and building and equipment replacement	65,851	30,569
Funds held in connection with other Free Will Baptist departments	99,507	127,362
	<u>165,358</u>	<u>157,931</u>
Amounts not available to be used within one year	<u>165,358</u>	<u>157,931</u>
Net financial assets available for expenditure within one year	<u>\$ 405,645</u>	<u>404,754</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 4.

**(4) Investments**

Investments are held by the Richland Avenue Financial - a Free Will Baptist entity in grouped investment funds. The following summarized the investment activity and return on investments.

	<b><u>2024</u></b>	<b><u>2023</u></b>
Cost of investment	\$ 250,000	250,000
Market value of investment	\$ 354,295	310,425
Unrealized gain on investments	\$ 43,871	48,935

**(5) Concentration of Credit Risk**

Building Services holds real property which is used to house certain departments and agencies of the National Association of Free Will Baptists, Inc. Further, Building Services provides group 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**

**(6) 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>2024</u>	<u>2023</u>
<b>Stewardship promotion</b>		
Accumulated funds to provide material to foster special giving offerings for various other Free Will Baptist organizations	\$ 41,251	40,955
<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
<b>Employee health insurance</b>		
Excess billings of monthly premium amounts to departments housed in the National Office Facility to fund health insurance deductibles	58,256	79,448
	<u>\$ 99,507</u>	<u>127,362</u>

**(7) 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 liabilities are presented at present values calculated using Building Service' incremental borrowing rate of 6% in the year of the calculation.

	<u>2024</u>	<u>2023</u>
Right of use assets as long lived assets, net of amortization	\$ 20,348	27,802
Amortization of right to use assets	\$ 7,454	7,091
Current portion of right to use liability	\$ 7,835	7,454
Long term portion of right to use liability	\$ 12,512	20,348

Maturities of operating lease liabilities are as follows:

	<u>Required Payments</u>	<u>Interest Amount</u>	<u>Lease Maturities</u>
2025	\$ 8,675	840	7,835
2026	8,675	439	8,236
2027	4,336	59	4,277
	<u>\$ 21,686</u>	<u>1,338</u>	<u>20,348</u>

The above leases are recorded as lease expense in the amount of \$8,675 in 2024 and 2023.

**(8) Related Party Transactions**

**Pension**

Building Services participates in the master pension plan of the Richland Avenue Financial - a Free Will Baptist entity. The plan is contributory and a contribution of 5% of compensation is matched by Building Services. Employees may participate at date of employment. Pension expense amounted to \$7,003 in 2024 and \$6,440 in 2023. the plan is a defined contribution plan. Under the plan, an account is an account is maintained for each participate and upon retirement the participant can either receive a lump-sum distribution or purchase one of several types of annuity contracts.



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

**Notes to Financial Statements, continued**

**(8) Related Party Transactions, continued**

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 \$373,953 in 2024 and 361,890 in 2023; rental income for 2025 will approximate \$386,000.

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 4, investments for operations are held by the Richland Avenue Financial and had a marker value of \$354,295 at 2024 and \$310.425 at 2023.

Free Will Baptist Foundation holds interest bearing funds for Building Services amounting to \$127,209 in 2024 and \$150,579 in 2023.

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.

**(9) Employee Retention Credit (ERC) under the CARES Act**

A refundable credit against payroll taxes paid is available to incentivize employers to retain employees during the pandemic under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) which was enacted March 27, 2020. When conditions of the program have been substantially met, the credit is accounted for as a grant in accordance with FASB Accounting Standards 958-605.

Building Services engaged an outside specialist to gather and file the appropriate documents with the Internal Revenue Service. This specialist has provided information that Building Services is eligible to receive these credits in the amount of \$45,121, including interest and net of fees.

The following summarizes transactions relating to this Employee Retention Credit:

	<b><u>Revenue Collected</u></b>
Credits earned due based on eligibility	\$ 39,545
Interest earned	9,645
Commission paid to Specialist	<u>(4,069)</u>
Net revenues collected	\$ <u>45,121</u>



**2026  
BUILDING SERVICES  
BUDGET**

<b>PROJECTED INCOME</b>	<b>2024 Budget</b>	<b>2024 Actuals*</b>	<b>2025 Budget</b>	<b>2026 Budget</b>
Square Footage (20,105 @ \$ 1.65 = \$ 33173.25 mo.)	\$373,953.00	\$373,953.00	\$386,016.00	\$398,079.00
Building Security Reimbursement	\$3,000.00	\$9,958.52	\$3,000.00	\$3,000.00
Other Income	<u>0.00</u>	<u>6,210.38</u>	<u>0.00</u>	<u>1,800.00</u>
Total Income	\$376,953.00	\$390,121.90	\$389,016.00	\$402,879.00

**PROJECTED EXPENSES**

Audit & Legal	\$6,500.00	\$5,568.00	\$6,500.00	\$6,500.00
Replacement Reserve	14,400.00	0.00	18,000.00	0.00
Building Security	3,600.00	3,683.85	3,600.00	3,600.00
Insurance (Employee)	41,000.00	28,048.08	32,175.10	33,804.06
Insurance (Plant)	36,000.00	61,574.38	45,000.00	61,574.38
Janitorial Services	37,000.00	30,040.80	37,000.00	37,000.00
Janitorial Supplies	4,000.00	2,198.41	4,000.00	4,000.00
Mail Room	7,000.00	2,392.07	7,000.00	3,000.00
Mail Machine Lease	8,000.00	8,836.75	9,000.00	9,000.00
Maintenance/Contingency Fund	32,000.00	17,147.97	32,000.00	43,051.79
Network Expense	11,500.00	11,820.00	12,000.00	12,000.00
Payroll Taxes (Employer's S.S.)	8,491.64	8,543.68	8,763.08	8,912.22
Postage Meter/UPS	1,200.00	496.00	1,200.00	1,200.00
Retirement	5,266.69	7,002.77	5,444.10	5,536.98
Salaries	111,001.86	114,270.72	114,550.07	116,499.57
General Supplies	8,000.00	12,746.77	8,000.00	12,000.00
Telephone	1,200.00	360.00	1,200.00	1,200.00
Utilities	40,000.00	41,850.92	40,000.00	42,000.00
Other	<u>2,792.81</u>	<u>778.91</u>	<u>3,583.65</u>	<u>2,000.00</u>
Total Expenses	\$378,953.00	\$357,360.08	\$389,016.00	\$402,879.00

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

**2026  
BUILDING SERVICES  
BUDGET  
SALARY BREAKDOWN**

	2024	2025	2026
Maintenance Superintendent/ Mail Room Supervisor			
Salary	\$41,606.35	\$39,780.00	\$40,973.40
Social Security	3,182.89	3,043.17	3,134.47
Insurance (Dental/Health/Life)	24,281.53	12,932.17	14,225.39
Disability + Travel Insurance	266.28	276.82	284.46
Retirement	2,080.32	1,989.00	2,048.67
	71,417.36	58,021.16	60,666.38
Receptionist/Phone System Administrator/Assistant Bookkeeper			
Salary	37,623.05	40,375.51	41,586.78
Social Security	2,878.16	3,088.73	3,181.39
Insurance (Dental/Health/Life)	12,209.87	12,625.92	13,888.51
Disability + Travel Insurance	240.79	280.63	288.39
Retirement	1,881.15	2,018.78	2,079.34
	54,833.02	58,389.57	61,024.40
Accounting Administrator			
Salary	26,104.47	27,358.63	28,179.39
Social Security	1,996.99	2,092.94	2,155.72
Insurance (Dental/Health/Life)	5,334.38	5,172.87	5,690.16
Disability + Travel Insurance	167.07	183.99	189.24
Retirement	1,305.22	1,367.93	1,408.97
	34,908.13	36,176.35	37,623.48
Part-time Worker			
Salary	5,668.00	5,668.00	5,760.00
Social Security	<u>433.60</u>	<u>433.60</u>	<u>440.64</u>
	6,101.60	6,101.60	6,200.64
			3%
		Salaries	116,499.57
		SSI	8,912.22
		<b>Insurance</b>	33,804.06
		Disability	762.09
		Retirement	<u>5,536.98</u>
			165,514.90



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

**Independent Auditors' Report**

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

***Report on the Financial Statements***

***Opinion***

We have audited the accompanying financial statements of One Magazine of the National Association of Free Will Baptists, Inc. - a nonprofit organization (hereafter One Magazine) which comprise the statements of financial position as of December 31, 2024 and 2023 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then, 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, 2024 and 2023, and the changes in 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 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 there is a substantial likelihood that individually or in the aggregate, they would influence the judgement made by a reasonable user based on the 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 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 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.

*Hill Harper & Associates*

A Professional Limited Liability Company  
Franklin, Tennessee  
April 8, 2025



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

**Statements of Financial Position**

**December 31, 2024 and 2023**

	<u>Assets</u>	<u>2024</u>	<u>2023</u>
<b>Current assets:</b>			
Cash and interest bearing deposits	\$	97,059	123,295
Accounts receivable		40,757	4,182
Investment in funds held by Richland Avenue Financial - a Free Will Baptist Entity		482,637	390,271
<b>Total current assets</b>		620,453	517,748
<b>Other assets:</b>			
Investment in funds held by Free Will Baptist Foundation for endowment fund purposes		23,196	21,868
<b>Fixed assets:</b>			
Furniture and equipment		15,237	15,237
Less accumulated depreciation		(13,335)	(9,541)
<b>Net fixed assets</b>		1,902	5,696
<b>Right of use assets</b>		2,888	5,208
	\$	648,439	550,520
	<u><b>Liabilities and Net Assets</b></u>		
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	\$	5,565	2,701
Lease obligations - current portion		2,463	2,320
<b>Total current liabilities</b>		8,028	5,021
Lease obligations, net of current portion		425	2,888
<b>Total liabilities</b>		8,453	7,909
<b>Net assets:</b>			
Net assets without donor restriction		618,986	521,611
Net assets with donor restriction		21,000	21,000
<b>Total net assets</b>		639,986	542,611
	\$	648,439	550,520

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, 2024 and 2023**

	2024			2023		
	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	\$ 467,488	-	467,488	457,254	-	457,254
Gifts	985	-	985	1,000	-	1,000
Endowment earnings	-	1,328	1,328	-	1,095	1,095
Other	1,075	-	1,075	1,121	-	1,121
	469,548	1,328	470,876	459,375	1,095	460,470
Net assets released from restrictions	-	-	-	-	-	-
<b>Total revenues</b>	<b>469,548</b>	<b>1,328</b>	<b>470,876</b>	<b>459,375</b>	<b>1,095</b>	<b>460,470</b>
<b>Expenses:</b>						
<b>Program services</b>						
Magazine productions	483,927	-	483,927	474,381	-	474,381
<b>Supportive services</b>						
Administration	14,427	-	14,427	9,045	-	9,045
<b>Total expenses</b>	<b>498,354</b>	<b>-</b>	<b>498,354</b>	<b>483,426</b>	<b>-</b>	<b>483,426</b>
<b>Change in net assets from operating activities</b>	<b>(28,806)</b>	<b>1,328</b>	<b>(27,478)</b>	<b>(24,051)</b>	<b>1,095</b>	<b>(22,956)</b>
<b>Non-operating activities:</b>						
ERC grant	32,487	-	32,487	-	-	-
Endowment distributions	1,328	(1,328)	-	1,095	(1,095)	-
Investment gain	92,366	-	92,366	103,238	-	103,238
<b>Change in net assets from non-operating activities</b>	<b>126,181</b>	<b>(1,328)</b>	<b>124,853</b>	<b>104,333</b>	<b>(1,095)</b>	<b>103,238</b>
<b>Change in net assets</b>	<b>97,375</b>	<b>-</b>	<b>97,375</b>	<b>80,282</b>	<b>-</b>	<b>80,282</b>
<b>Net assets:</b>						
Beginning of year	521,611	21,000	542,611	441,329	21,000	462,329
End of year	\$ 618,986	21,000	639,986	521,611	21,000	542,611

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, 2024 and 2023**

	2024			2023		
	Program Services	Supporting Services	Totals	Program Services	Supporting Services	Totals
	Magazine Production	Adminis- tration		Magazine Production	Adminis- tration	
<b>Employee compensation:</b>						
Salary	\$ 81,029	-	81,029	79,558	-	79,558
Payroll Taxes	6,091	-	6,091	5,980	-	5,980
Retirement	5,096	-	5,096	4,996	-	4,996
Other employee benefits	12,753	-	12,753	11,975	-	11,975
	104,969	-	104,969	102,509	-	102,509
<b>Expenses:</b>						
<b>Direct cost of publication:</b>						
Printing	165,698	-	165,698	168,402	-	168,402
Postage and mailing services	124,200	-	124,200	119,554	-	119,554
Design	43,848	-	43,848	43,418	-	43,418
Graphics expense	11,061	-	11,061	6,412	-	6,412
Writer's fees	3,505	-	3,505	2,846	-	2,846
	348,312	-	348,312	340,632	-	340,632
<b>Operating expenses:</b>						
Supplies	3,955	-	3,955	3,182	-	3,182
Computer services	8,304	-	8,304	6,629	-	6,629
Promotion	4,186	-	4,186	2,371	-	2,371
Website	1,219	-	1,219	817	-	817
Travel	9,188	-	9,188	13,941	-	13,941
Audit and professional Books, dues and registration	-	6,168	6,168	-	5,619	5,619
Other	-	4,004	4,004	-	1,022	1,022
Depreciation	-	4,255	4,255	-	2,404	2,404
	3,794	-	3,794	4,300	-	4,300
<b>Total operating expenses</b>	30,646	14,427	45,073	31,240	9,045	40,285
<b>Total expenses</b>	\$ 483,927	14,427	498,354	474,381	9,045	483,426

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, 2024 and 2023**

	<u><b>2024</b></u>	<u><b>2023</b></u>
<b><u>Cash Flows from Operating Activities</u></b>		
Change in net assets	\$ 97,375	80,282
Adjustments to reconcile increase in net assets to net operating activities:		
Depreciation	3,794	4,300
Gain from investments	(92,366)	(103,238)
Distributions from endowment funds held by Free Will Baptist Foundation	(1,328)	(1,095)
(Increase) decrease in:		
Accounts receivable	(36,575)	(4,132)
Increase (decrease) in accounts payable	<u>2,864</u>	<u>2,701</u>
<b>Net operating activities</b>	<u>(26,236)</u>	<u>(21,182)</u>
<b>Decrease in cash and cash equivalents</b>	(26,236)	(21,182)
<b>Cash and cash equivalents, at beginning of year</b>	<u>123,295</u>	<u>144,477</u>
<b>Cash and cash equivalents, at end of year</b>	<u><u>\$ 97,059</u></u>	<u><u>123,295</u></u>
<b>Non-cash transactions:</b>		
Lease assets obtained in exchange for lease obligations	\$ <u>-</u>	<u>5,208</u>
Amortization of right-of-use assets	\$ <u>2,320</u>	<u>1,830</u>

See accompanying notes to financial statements.



**ONE MAGAZINE  
OF THE NATIONAL ASSOCIATION OF  
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**Notes to Financial Statements**

**December 31, 2024 and 2023**

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  
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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 2024 and 2023. 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.

**(2) Subsequent Events**

Subsequent events have been evaluated for potential recognition and disclosure through April 8, 2025 the date these financial statements were available to be issued.

**(3) 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.

	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Financial assets at end of year:</b>		
Cash in bank	\$ 97,059	123,295
Investment in funds held by Richland Avenue Financial	482,637	390,271
Funds held by Free Will Baptist Foundation for endowment	23,196	21,868
Accounts receivable	40,757	4,182
	<hr/>	<hr/>
Financial assets available to meet general expenditures the next twelve months	643,649	539,616
	<hr/>	<hr/>
<b>Less amount not available to be used within one year:</b>		
Net assets with donor restrictions	21,000	21,000
	<hr/>	<hr/>
	\$ 622,649	518,616

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 5.

**(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 One Magazine. As required by generally accepted accounting principles, net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

One Magazine is subject to the State Prudent Management of Institutional Funds Act (SPMICA) and, therefore, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions until appropriated for expenditure. The 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



**ONE MAGAZINE  
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FREE WILL BAPTISTS, INC.**

**Notes to Financial Statements, continued**

**(4) Endowment Funds, continued**

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>2024</u>	<u>2023</u>
Original donor investment (corpus)	\$ 21,000	21,000
Accumulated gains on endowment funds	\$ 2,196	868
Funds held by Free Will Baptist Foundation for Endowment and net assets with donor restriction	\$ 23,196	21,868
Amount of endowment accumulated losses (underwater balance) which was covered by transfer among net asset groups	\$ -	-

**(5) Investments**

The following is summary of investments:

	<u>2024</u>			<u>2023</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	23,196	2,196	21,000	21,868	868
<b>Operations</b>	\$ 250,000	482,637	232,637	250,000	390,271	140,271

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

Endowment - Free Will Baptist Foundation

Operations - Richland Avenue Financial

	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>Endowment</u>		<u>Operations</u>	
Change in annual gain market value to cost	\$ 1,328	1,095	92,366	103,238
Income distributions	(1,328)	(1,095)	-	-
	\$ -	-	92,366	103,238

**(6) Net Assets**

Net assets are as follows for each of the years follows:

	<u>2024</u>	<u>2023</u>
<b>Net assets with donor restrictions:</b>		
<b>Endowment funds:</b>		
Fund corpus	\$ 21,000	21,000
Accumulated gains (losses)	-	-
Transfer among net asset group	-	-
	\$ 21,000	21,000
<b>Net assets without donor restrictions:</b>		
Undesignated funds	\$ 618,986	521,611



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

## Notes to Financial Statements, continued

(7) **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.:

Executive Office:

	<u>2024</u>	<u>2023</u>
Administrative budget	\$ 107,675	104,539
Convention budget	19,380	18,816
Free Will Baptist Foundation	51,687	50,182
Welch College	41,306	47,623
North American Ministries	78,818	76,522
IM, Inc.	67,836	65,860
Master's Men	9,302	9,031
D6 Family Ministry	51,687	50,182
Richland Avenue Financial	25,844	25,091
Women Nationally Active for Christ	13,953	9,408
	<u>\$ 467,488</u>	<u>457,254</u>

Revenues from these assessments are budgeted to approximate \$481,000 in 2025, a 3% increase.

(8) **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.

(9) **Related Party Transactions**

**Pension**

One Magazine participates in the master pension plan of the Richland Avenue Financial - a Free Will Baptist entity. The plan is contributory and a contribution of 5% of compensation is matched by One Magazine. Employees may participate at date of employment. Pension expense amounted to \$5,096 in 2024 and \$4,996 in 2023. The 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.

**Transactions with other Free Will Baptist entities**

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 7.

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 4 and 5 above.

Investments for operations are held by the Richland Avenue Financial which were valued at \$482,637 and \$390,271 at December 31, 2024 and 2023, respectively.

D 6 Family Ministries provides printing and related services to One Magazine. For these services, One Magazine expended \$239,303 in 2024 and \$242,018 in 2023.

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

**(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 liabilities are presented at present values calculated using One Magazine's incremental borrowing rate of 6% in the year of the calculation.

	<u>2024</u>	<u>2023</u>
Right of use assets as long lived assets, net of amortization	\$ 2,888	5,208
Amortization of right to use assets	\$ 1,830	2,320
Current portion of right to use liability	\$ 2,463	2,320
Long term portion of right to use liability	\$ 425	2,888

Maturities of operating lease liabilities are as follows:

	<u>Required Payments</u>	<u>Interest Amount</u>	<u>Lease Maturities</u>
2025	\$ 2,569	106	2,463
2026	428	3	425
	\$ 2,997	109	2,888

The above leases are recorded in graphic expense in the amount of \$2,569 in 2024 and 2023.

**(11) Employee Retention Credit (ERC) under the CARES Act**

A refundable credit against payroll taxes paid is available to incentivize employers to retain employees during the pandemic under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) which was enacted March 27, 2020. When conditions of the program have been substantially met, the credit is accounted for as a grant in accordance with FASB Accounting Standards 958-605.

One Magazine engaged an outside specialist to gather and file the appropriate documents with the Internal Revenue Service. This specialist has provided information that One Magazine is eligible to receive these credits in the amount of \$32,487, including interest and net of fees.

The following summarizes transactions relating to this Employee Retention Credit:

	<u>Revenue Collected</u>
Credits earned due based on eligibility	\$ 28,472
Interest earned	6,945
Commission paid to Specialist	(2,930)
Net revenues collected	\$ 32,487

**2026  
ONE MAGAZINE  
BUDGET**

3%

<b>REVENUE</b>	<b>2024 Budget</b>	<b>2024 Actuals*</b>	<b>2025 Budget</b>	<b>2026 Budget</b>
Convention	\$19,380.32	\$19,380.36	\$19,961.73	\$20,560.58
Executive Office	107,675.40	107,675.40	110,905.66	114,232.83
Free Will Baptist Foundation	51,687.38	51,687.36	53,238.00	54,835.14
IM, Inc.	67,836.04	67,836.00	69,871.12	71,967.25
Master's Men	9,302.15	9,302.16	9,581.21	9,868.65
North American Ministries	78,817.85	78,817.80	81,182.39	83,617.86
D6 Family Ministry	51,687.38	51,687.36	53,238.00	54,835.14
Richland Ave Financial	25,843.70	25,843.68	26,619.01	27,417.58
Welch College	51,632.87	41,306.16	42,545.35	43,821.71
WNAC	9,302.13	13,953.24	14,371.84	14,803.00
FWB Foundation Grant/Trust	8,000.00	1,327.76	8,000.00	0.00
Reimbursements	500.00	1,585.00	500.00	500.00
Subscription Revenue/Gifts	<u>0.00</u>	<u>475.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Revenue</b>	<b>\$481,665.22</b>	<b>\$470,877.28</b>	<b>\$490,014.32</b>	<b>\$496,459.74</b>
<b>EXPENSES</b>				
Salary & Benefits	\$96,158.34	\$98,969.47	\$98,461.63	\$102,258.34
Auto/Cell Phone Allowance	6,000.00	6,000.00	6,000.00	6,000.00
Audit & Legal	6,250.00	6,168.00	6,000.00	6,250.00
Books, Dues & Registrations	1,900.00	4,004.44	2,000.00	2,000.00
Computer Software/Services	5,000.00	8,304.18	5,000.00	5,500.00
Design	44,000.00	43,848.43	45,000.00	46,000.00
Graphics	6,250.00	11,061.26	6,250.00	6,500.00
Mail Services	1,750.00	0.00	2,000.00	1,500.00
Postage	110,000.00	124,200.44	120,000.00	125,000.00
Postal Returns	1,200.00	0.00	1,200.00	1,200.00
Printing	172,000.00	165,698.27	173,000.00	170,000.00
Promotion	2,500.00	4,185.87	2,500.00	2,500.00
<i>Pulpit Issue</i>	8,000.00	0.00	0.00	0.00
Supplies	4,000.00	3,954.81	4,000.00	4,000.00
Travel	8,800.00	9,188.26	10,702.69	9,751.40
Website	900.00	1,218.91	900.00	1,000.00
Writer's Fees	3,950.00	3,504.96	4,000.00	3,600.00
Other	<u>3,006.85</u>	<u>4,255.11</u>	<u>3,000.00</u>	<u>3,400.00</u>
<b>Total Expenses</b>	<b>\$481,665.19</b>	<b>\$494,562.41</b>	<b>\$490,014.32</b>	<b>\$496,459.74</b>

\*Budget comparison does not include depreciation expense.

**2026  
ONE MAGAZINE  
BUDGET  
SALARY BREAKDOWN**

	<b>2024</b>	<b>2025</b>	<b>2026</b>
Salary	\$73,613.68	\$75,085.95	\$77,338.53
Auto/Cell Phone Allowance	6,000.00	6,000.00	6,000.00
Social Security	6,090.45	6,203.08	6,375.40
Retirement	3,680.68	3,754.30	3,866.93
Insurance			
Medical/Dental/Life/HRA	12,090.00	12,725.35	13,997.89
Disability	509.53	518.95	533.37
Worker's Compensation	124.00	124.00	124.00
Travel Insurance	<u>50.00</u>	<u>22.23</u>	<u>22.23</u>
	\$102,158.34	\$104,433.86	\$108,258.34



## 2025 President's Report Welch College

Welch has been blessed by God this past year as we continue to emphasize our mission of vitally Christian higher education. Welch is a unique community that brings together academic excellence with a unique combination of spiritual formation and mentoring. Kaylen Hagan, a member of the Class of 2025 from Chipley, Florida, recently shared some thoughts that reflect this emphasis:

I asked the Lord that I might grow,  
In faith, and love, and every grace;  
Might more of His salvation know,  
And seek, more earnestly, His face.

This verse of the famous hymn by John Newton summarizes the prayers I've prayed since coming to Welch—earnest prayers that I would grow spiritually and intellectually in my time here, desperate prayers that I would have what it takes to persevere, even when life was difficult, thankful prayers when I looked back and realized that I wasn't the same person who walked through the doors of Coffman Hall my first year here.

Though I came to Welch with doubts about my own faith, my experience here has been a catalyst of spiritual growth. I've found leaders here whom I look up to as human beings, who are willing to share their mistakes and vulnerabilities. I've found myself wanting to become one of those people—someone who was there and relatable, someone who was nothing less than a reflection of Christ and His love.

This bringing together of serious Christian faith with mentoring and discipleship is what we're all about. It remains at the heart of a Welch education.

God has richly blessed Welch College this past year with gains in every area related to mission and excellence. Yet college finances have suffered acutely.

While headcount increased by 3 percent, traditional (dorm and commuter) enrollment was down by 10 percent owing to the federal government's extremely delayed rollout of the FAFSA (Free Application for Federal Student Aid). This caused families not to be able to make timely college decisions, resulting in more applicants staying home and commuting to low-cost state schools. This situation joined with the languishing economy's general effect on enrollment and giving, as well as a spike in costs over the past few years in the expenses necessary to run a college (for example, food, fuel, utilities, travel, and insurance premiums).

Yet there is a silver lining in the enrollment picture. Ministry enrollment soared to 100 this year, with 23% more students studying pastoral and youth and family ministry than the previous year. Furthermore, the future looks great: the number of admitted students for this coming fall is among the highest in my 23-year presidency.

### **Mission**

The spiritual, emotional, and intellectual maturity on campus has risen over the past four years. This is augmented by the presence of more ministry students and more students studying in combined bachelor's-master's degree programs. The burgeoning student involvement in our eight student societies, student government, the arts, athletics, Christian service, and Wednesday evening campus church is exciting.

The increase in ministry students, when other areas of student enrollment have suffered, points to the college's continued commitment to spiritual formation and a focus on every student's involvement in the Great Commission. Yet this commitment is not limited to ministry students but extends to the preparation of lay leaders in the more than fifty programs of study we offer.

Our unique mission also manifests itself in our commitment to integrate the teaching of Holy Scripture and the historic Christian faith—the Christian worldview—with everything we teach. We are teaching and modeling before our students how to take every thought captive to the obedience of Christ (2 Corinthians 10:5). We emphasize how important it is for that process to overflow into their families and churches and communities, to help human beings flourish, now and forever.

Our survey of recent graduates demonstrates our success in fulfilling our mission *to educate leaders to serve Christ, His Church, and His world through biblical thought and life*. It shows, for example, that 94 percent of our recent graduates regularly attend church and 42 percent of our male graduates are actively engaged in preaching ministry. Eighty-nine percent of recent graduates—both in ministry and other career fields—feel they were adequately prepared at Welch for ministry in the local church.

## Quality

Quality and excellence are at an all-time high at Welch. The marks of excellence in the higher education industry are reflected in the metrics measured in the *U.S. News and World Report's Best Colleges* rankings. This year, for only the second time, we were ranked in the top ten: #10 out of the 97 colleges in the Regional Colleges–South category.

To put our ranking in perspective, the other top ten institutions in our category have an average enrollment more than 5 times higher than Welch's and an average endowment more than 30 times higher than Welch's. Welch ranked #1 in social mobility (graduation rate for students from economically difficult backgrounds), #2 in graduation rate, #1 in student-faculty ratio, #4 in ACT/SAT scores, and 5th lowest among private colleges in student debt after graduation.

This ranking also shows the progress we've made in quality and excellence. Thirteen years ago, the year we were first numerically ranked in the first tier by *U.S. News*, we ranked 27th highest in average ACT/SAT scores; we have risen to 4th. Thirteen years ago, we were ranked 18th in graduation rate; we have risen to 2nd. These sorts of increases are frankly unheard of among small institutions with a low resource base such as Welch.

Along these same lines, in March we were ranked #3 out of 33 colleges and universities in Tennessee for teacher education by the Tennessee State Department of Education's Teacher Preparation Report Card. Furthermore, 54 percent of our recent graduates are enrolled in graduate school.

Many other new developments show our commitment to excellence and growth, but here I'll name only three more. Our new M.A. degree in Organizational Leadership is going well, and the Southern Association of Colleges and Schools (SACS) Commission on Colleges has approved our new M.A. in Psychology, which will begin this fall. Doctorates among our full teaching faculty are now up to 79%, and in the next year or so, they should be up to 89%. This is extremely high for small Christian colleges.

Another measure of excellence in the higher education industry is the alumni giving rate, which has always been extremely high for a non-elite institution. We also remain extremely strong in our recruitment of children of

alumni. This year our percentage of students who are children of alumni was more than twice the average enrollment of children of alumni in most Christian colleges.

### **A Difficult Time for Small Christian Colleges**

As I mentioned in my report last year, these are unusually difficult times for small Christian colleges, especially those affiliated with denominations that have declining membership. Even before COVID and the ailing economy after the pandemic, many small Christian colleges were experiencing grave difficulty. To explain this, let's look at what has changed over the past 25 years.

Twenty-five years ago, private colleges were not faced with (1) free community college, (2) state lottery education scholarships making state university tuition nearly free, (3) free or nearly free online education for 18-year-olds, (4) a smaller population of college-age students, and (5) a movement away from college toward trade school and other alternative forms of career preparation.

These shifts are why around 75 private, faith-based colleges and universities have closed since COVID—an unprecedented number not seen even after the Great Depression or during World War II. In addition to these societal shifts in the higher education market, Welch is in a denomination that has lost 50% of its membership over this same time period.

Then COVID hit, and we have had even rougher economic waters since then. This has hurt the college in the areas most important to our financial health: (1) Our donors can't give as much as we need them to, especially on our capital campaign to fund the new campus. (2) Not as many families can afford the tuition to send their students to a private college. (3) Costs for providing education to students has sky-rocketed in the inflationary economy since COVID. And this is at just the time when we needed to cut expenses, not increase them. (4) In my 23-year tenure as Welch's president, reported membership in the National Association of Free Will Baptists has gone from 198,795 to 101,353 in the most recent reporting period.

This unprecedented set of circumstances has made it very difficult for small denominational Christian colleges to survive, especially those that are regionally accredited, given the cost of regional accreditation. So we had one of the most difficult financial years in Welch's 82-year history.

The FAFSA issue I mentioned earlier cost us more than \$500,000 in lost tuition, room, and board income. Many parents decided not to send their children off to college because they didn't know until too late how much financial aid they were eligible for. Even though *annual gifts have gone up every year since COVID*, they have not been as high as we need them to be to cover the entirety of the nearly \$2 million we have to pay each year in debt service and depreciation on the new campus.

Still, we're so thankful for God's providential, miraculous blessing of putting us on this new campus at just the right time. Most of the colleges that have closed were on older, poorly maintained campuses that students did not want to attend, in mediocre or rough neighborhoods, with few Christian students in the area who could afford their tuition.

Things at Welch are just the opposite. This new campus with which God has blessed us has put us on a solid foundation for weathering this storm and being on a firm footing for the future. We have a beautiful new campus that parents and students love. We're in the 2nd fastest growing suburb in Tennessee—31st fastest growing in America—and have thousands of Christian students who live within a few miles of our campus and never knew Welch existed until now.



We also have 67 acres of rapidly appreciating investment property (in addition to the 50 acres we're sitting on) that has increased in value sevenfold since we bought it during the relocation process. In previous reports I have mentioned that we are attempting to sell a small portion of this acreage to create more financial opportunities for Welch. Such a sale will help the college weather the current financial storm and provide financial security for the future. Yet we do not want to sell too much property at too low a price. We desire to be good stewards of the gifts God has blessed us with.

## Finances

At print time, we are a month out from the end of our fiscal year. So we do not know exactly how things are looking for the fiscal year-end audit on May 31, 2025. Yet we are praying, working with developers on a land deal, and working feverishly with large and small donors to encourage them to give more gifts. May is always the largest month of giving for Welch, and we hope to have the greatest year ever for May giving. Most of all, we are asking our supporters to pray that God will do “exceedingly abundantly above all that we ask or think” for Welch’s financial picture so that we will make it through what could be one of the most difficult summers we have ever experienced financially.

But there’s good news quantitatively and financially: the number of admitted applicants is trending to be among the highest years in my presidency. There is light at the end of the tunnel!

The situation we’re in right now reminds me of 2013. We had just come through the worst post-Great Recession year. We were out of money with no equity and no borrowing power, with a dismal enrollment and decreased giving, on an old campus that students didn’t want to come to and pay \$100,000-plus to get a four-year degree. We had just borrowed several million dollars to bail out our fifty-year-old defined benefit pension plan.

But in the spring of 2013, our admitted student number was very high, and I got a deep sense that the 2013–14 academic year would be the year we would turn the corner and get back on the upswing. That is precisely what happened, and the next seven years before COVID turned out to be the most accelerated years of growth in our history. Welch not only reached a 36-year record high in enrollment the fall before COVID, but we also relocated the entire campus to a beautiful new site, raising more money than in the entire history of the denomination, and tripling the net assets of the college.

It feels like that again. I sense that the 2025–26 academic year will be the year we begin our ascent back up and out of the economic pit since COVID. That is not surprising, because I have been saying in my reports the last few years that I believed 2025 would be a year when we would start bouncing back.

In addition to enrollment looking so much better for this fall, there’s another bright spot that provides light at the end of the tunnel: prospects for an improving economy. When this occurs, we anticipate not only that our typical donors will be able finally to make pledges but also that a couple of large donors who want to pay off our debt and kickstart a major new building campaign will be financially able to do so.

Still, our “bread and butter” will be continuing to have solid freshman classes, and our first year of applications after doubling the number of admissions counselors last summer is showing that this can be a possibility. If we can bring in an additional \$400,000 to \$500,000 each successive year in new student revenue over the next 2–3 years, we will be in a solid financial position again and be experiencing financial surpluses, as we were before COVID.

Despite our financial woes, God has continued to bless Welch richly in terms of our mission of spiritual and ministry formation. Ministry enrollment has grown where other areas have been stagnant. Both the spiritual and



ministry areas at Welch have prospered, as have other qualitative measures of higher education excellence, which continue to break records. And, even in the midst of financial difficulty, God always meets our needs at just the right time, and for that I cannot thank Him enough.

### **Thank You**

You—our faithful Welch supporters, alumni, friends, parents, denominational partners—you are the ones God is using to sustain this Christian community of faith and learning. You are the ones who are making it possible for us to bring precious students into “these halls we love so well.” And here they will have their lives changed so that they can go out and help change the lives of others, extending the rule and reign of Christ over people’s hearts, minds, worldviews, and cultures. For this I can never thank you enough.

Sincerely,

J. Matthew Pinson  
President

## Registration Report 2024-2025

### ENROLLMENT 454

#### States

Alabama .....	21	Louisiana .....	1	Rhode Island .....	2
Arizona .....	1	Michigan .....	2	South Carolina .....	3
Arkansas .....	1	Mississippi .....	7	South Dakota .....	1
California .....	6	Missouri .....	6	Tennessee .....	283
Colorado .....	1	Montana .....	1	Texas .....	1
Florida .....	21	New York .....	1	Virginia .....	7
Georgia .....	4	North Carolina .....	16	West Virginia .....	1
Illinois .....	11	Ohio .....	4	US Virgin Islands .....	2
Indiana .....	5	Oklahoma .....	10	International .....	27
Kentucky .....	8				

The student body represents twenty-six states, one territory (USA), and ten other countries (Bulgaria, Canada, Dominican Republic, Ecuador, Indonesia, Japan, Mexico, Panama, Spain, and Sweden).

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#### Classification\*

Freshman .....	63
Sophomore .....	68
Junior .....	48
Senior .....	44
Graduate (Degree-seeking) .....	56
Non-degree Part-time .....	32
Dual Enrollment .....	153

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#### Academic Vocation\*

Christian Ministry (Grad) .....	33	Exercise Science .....	19	Music .....	12
Christian Ministry (Bach) .....	42	General Studies .....	2	Psychology .....	16
Christian Ministry (Assoc) .....	17	History .....	7	Science/Nursing .....	14
Missions .....	8	Humanities .....	9	Teacher Education .....	39
Biology .....	11	Leadership .....	4	Non-degree Part-time .....	32
Business .....	37	Mathematics .....	6	Dual Enrollment .....	153
English .....	11				

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#### Other Categories

Full-Time .....	179	Undergraduate Dorm .....	134	New .....	79
Part-Time .....	275	Commuter .....	34	Transfer .....	16
		Graduate Dorm .....	13	Continuing .....	206
Male .....	225	Non-residential Graduate .....	45	Dual Enrollment .....	153
Female .....	229	Adult Studies .....	47		
		Spanish Institute .....	28	Free Will Baptist .....	179
Single .....	368	Dual Enrollment .....	153	Other .....	275
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.

## **Synopsis of Minutes**

### **Board of Trustees**

### **May 2024–December 2024**

#### **May 1-2, 2024**

At its regular meeting on the campus of Welch College, the Board of Trustees received reports and conducted routine business. It also approved motions to adopt the provisions of the Gramm-Leach-Bliley Act Compliance Report, to offer an M.A. degree in Organizational Leadership, and to award full faculty status to Daniel Webster, naming him Instructor of Music and Theology.

#### **July 11-13, 2024**

The Board of Trustees voted by email to award full faculty status to Dr. Martin Sheldon, naming him Associate Professor of New Testament.

#### **July 22, 2024**

The Board of Trustees, in a meeting at the annual session of the National Association, voted to approve the annual financial report for the 2024 fiscal year.

#### **November 18, 2024**

The Board met via video conference to approve the 2023–2024 financial audit and to forward it to the Executive Committee of the National Association.

#### **December 11, 2024**

At its regular meeting on the campus of Welch College, the Board of Trustees received reports and conducted routine business. It also approved motions authorizing the administration to diversify investments by investing a portion of College-held funds in real estate and to offer M.A. degrees in Biblical Studies and Psychology.

## **Salary Breakdowns**

Salary Breakdowns report is not included owing to the due date of Digest materials occurring before the annual May Board of Trustees meeting.

**WELCH COLLEGE**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**MAY 31, 2024 AND 2023**



## WELCH COLLEGE

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## 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, 2024 and 2023, 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, 2024 and 2023, 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 10, 2024

WELCH COLLEGE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	May 31,	
	2024	2023
<u>ASSETS</u>		
Cash and cash equivalents	\$ 318,911	\$ 502,918
Restricted cash for student loans	282,205	447,277
Accounts receivable, net of allowance of \$39,288 and \$29,984, respectively	47,946	27,693
Prepaid expenses and other	154,939	179,787
Investments	1,676,689	1,625,493
Beneficial interests in perpetual trusts	2,284,013	2,226,996
Campaign pledges receivable, net of allowance of \$23,334 and \$6,249, respectively	1,006,275	200,564
Other notes receivable	3,855,080	2,800,000
Operating right of use assets, net	14,145	17,714
Property and equipment, net	32,387,841	32,981,841
Total assets	<u>\$ 42,028,044</u>	<u>\$ 41,010,283</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 556,251	\$ 595,370
Lines-of-credit	3,081,343	2,470,062
Operating right of use liabilities	14,145	17,714
Financing lease liabilities	147,180	94,674
Notes payable	14,527,235	14,807,561
Student deposits and agency funds	173,318	158,621
Deferred revenues	43,680	70,044
Total liabilities	<u>18,543,152</u>	<u>18,214,046</u>
Net assets:		
Net assets without donor restrictions:		
Attributable to College	15,240,989	15,708,676
Attributable to noncontrolling interests	1,719,200	1,719,508
Total net assets without donor restrictions	<u>16,960,189</u>	<u>17,428,184</u>
Net assets with donor restrictions:		
Purpose restrictions	1,934,583	958,760
Invested in perpetuity	4,590,120	4,409,293
Total net assets with donor restrictions	<u>6,524,703</u>	<u>5,368,053</u>
Total net assets	<u>23,484,892</u>	<u>22,796,237</u>
Total liabilities and net assets	<u>\$ 42,028,044</u>	<u>\$ 41,010,283</u>

See accompanying notes to consolidated financial statements.



WELCH COLLEGE  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED MAY 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues, gains and other support:			
Tuition and fees, net of student aid discounts of \$2,134,478	\$ 2,140,880	\$ -	\$ 2,140,880
Private gifts and grants	2,422,070	2,212,665	4,634,735
Government grants and contracts	96	11,331	11,427
Investment income	71,294	64,372	135,666
Other income	53,461	-	53,461
Auxiliary enterprises	1,235,416	-	1,235,416
	<u>5,923,217</u>	<u>2,288,368</u>	<u>8,211,585</u>
Net assets released from operating restrictions and reclassifications	<u>1,268,068</u>	<u>(1,268,068)</u>	<u>-</u>
Total operating revenues, gains and other support	<u>7,191,285</u>	<u>1,020,300</u>	<u>8,211,585</u>
Operating expenses and losses:			
Academic and general:			
Instruction	1,699,212	-	1,699,212
Institutional support	2,023,252	-	2,023,252
Academic support	632,356	-	632,356
Student services	657,500	-	657,500
Plant maintenance	735,962	-	735,962
Interest expense	908,564	-	908,564
Auxiliary enterprises	972,705	-	972,705
Total operating expenses and losses	<u>7,629,551</u>	<u>-</u>	<u>7,629,551</u>
Total changes in net assets from operating activity	<u>(438,266)</u>	<u>1,020,300</u>	<u>582,034</u>
Nonoperating activity:			
Contributions	-	56,298	56,298
Realized and unrealized gains	-	82,975	82,975
Change in value of beneficial interests in perpetual trusts	-	44,178	44,178
Loss on disposition of property and equipment	(470)	-	(470)
Relocation expenses	(16,808)	-	(16,808)
Other	(59,552)	-	(59,552)
	<u>(76,830)</u>	<u>183,451</u>	<u>106,621</u>
Net assets released from nonoperating restrictions and reclassifications	<u>47,101</u>	<u>(47,101)</u>	<u>-</u>
Total changes in net assets from nonoperating activity	<u>(29,729)</u>	<u>136,350</u>	<u>106,621</u>
Change in net assets	<u>(467,995)</u>	<u>1,156,650</u>	<u>688,655</u>
Change in net assets attributable to noncontrolling interests	<u>(308)</u>	<u>-</u>	<u>(308)</u>
Change in net assets attributable to college	<u>(467,687)</u>	<u>1,156,650</u>	<u>688,963</u>
Net assets, beginning of year	<u>17,428,184</u>	<u>5,368,053</u>	<u>22,796,237</u>
Net assets, end of year	<u>\$ 16,960,189</u>	<u>\$ 6,524,703</u>	<u>\$ 23,484,892</u>

See accompanying notes to consolidated financial statements.

WELCH COLLEGE  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED MAY 31, 2023

	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
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 losses	-	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	<u>(5,266)</u>	<u>-</u>	<u>(5,266)</u>
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  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED MAY 31, 2024

	Instruction	Institutional Support	Academic Support	Student Services	Plant Maintenance	Interest Expense	Auxiliary Enterprises	Total
Employee compensation	\$ 1,519,212	\$ 820,011	\$ 387,443	\$ 443,680	\$ 129,201	\$ -	\$ 154,266	\$ 3,453,813
Professional services	-	100,427	-	-	-	-	2,482	102,909
Advertising	1,299	73,559	-	19,663	-	-	-	94,521
Office expenses	16,984	142,734	8,198	60,342	32,712	-	-	260,970
Information technology	-	32,323	133,553	28	-	-	-	165,904
Utilities and maintenance	-	600	-	-	503,575	-	121,412	625,587
Travel	9,600	371,720	11,241	16,444	-	-	-	409,005
Interest	-	-	-	-	-	908,564	-	908,564
Depreciation	96,804	180,831	60,383	87,374	19,181	-	246,971	691,544
Insurance	-	60,992	-	-	48,929	-	-	109,921
Athletics equipment and fees	-	103,596	-	-	-	-	-	103,596
Instruction assistance	36,003	222	2,437	-	-	-	-	38,662
Other expenses	19,310	56,810	18,483	7,288	2,364	-	1,843	106,098
Campus store	-	-	-	-	-	-	35,441	35,441
Food services	-	-	-	-	-	-	410,290	410,290
On-campus events	-	32,851	10,618	22,681	-	-	-	66,150
Student accounts write-offs	-	46,576	-	-	-	-	-	46,576
	<u>\$ 1,699,212</u>	<u>\$ 2,023,252</u>	<u>\$ 632,356</u>	<u>\$ 657,500</u>	<u>\$ 735,962</u>	<u>\$ 908,564</u>	<u>\$ 972,705</u>	<u>\$ 7,629,551</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	721,066
Insurance	-	19,360	-	-	86,472	-	-	105,832
Athletics equipment and fees	-	90,749	-	-	-	-	-	90,749
Instruction assistance	37,924	615	4,822	-	-	-	-	43,361
Other expenses	249,365	83,989	25,427	3,309	2,381	-	2,956	367,427
Campus store	-	-	-	-	-	-	39,047	39,047
Food services	-	-	-	-	-	-	403,667	403,667
On-campus events	-	49,562	11,935	43,991	-	-	-	105,488
Student accounts write-offs	-	31,529	-	-	-	-	-	31,529
	<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  
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended May 31,	
	2024	2023
Operating activities:		
Change in net assets before attribution of noncontrolling interests	\$ 688,655	\$ (2,852,679)
Change in net assets attributable to noncontrolling interests	(5,574)	(5,266)
Change in net assets attributable to the College	694,229	(2,847,413)
Items not requiring providing cash:		
Depreciation and amortization	691,544	721,066
Loss on disposition of property and equipment	470	918,786
Realized and unrealized losses (gains)	(82,975)	238,580
Change in value of beneficial interests in perpetual trusts	(44,178)	430,336
Contributions restricted for acquisition of long-lived assets	(233,311)	(532,374)
Contributions restricted for long-term investment	(136,022)	(74,345)
Changes in:		
Noncontrolling interests	(5,574)	(5,266)
Accounts receivable, net of allowance	(20,253)	21,954
Accounts payable and accrued expenses	(39,119)	239,777
Other assets and liabilities	(792,530)	99,790
Net cash provided by (used in) operating activities	32,281	(789,109)
Investing activities:		
Purchases of property and equipment	(150,419)	(289,206)
Notes issued from sale of land	(1,100,000)	(2,800,000)
Proceeds from notes receivable	44,920	-
Proceeds from sale of equipment, net of expenses	52,404	2,954,978
Purchases of securities	(152,248)	(811,639)
Proceeds from sale of investments	171,187	894,967
Net cash used in investing activities	(1,134,156)	(50,900)
Financing activities:		
Proceeds from contributions restricted for acquisition of long-lived assets	233,311	532,374
Proceeds from contributions restricted for long-term investment	136,022	74,345
Borrowings on line-of-credit agreement	611,282	1,650,000
Principal payments on line-of-credit agreement	-	(1,112,625)
Borrowings on notes payable	3,703	99,500
Principal payments on notes payable	(284,029)	(362,241)
Borrowings under financing lease obligations	92,412	20,142
Principal payments under financing lease obligations	(39,905)	(52,588)
Net cash provided by financing activities	752,796	848,907
Net (decrease) increase in cash, cash equivalents, and restricted cash	(349,079)	8,898
Cash, cash equivalents, and restricted cash, beginning of year	950,195	941,297
Cash, cash equivalents and restricted cash, end of year	\$ 601,116	\$ 950,195
Supplemental cash flows information:		
Interest paid, net of capitalized interest	\$ 908,564	\$ 847,669
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases (i.e. interest)	\$ 2,768	\$ 1,537
Financing cash flows from finance leases (i.e. principal portion)	\$ 62,454	\$ 52,588
Operating cash flows from operating leases	\$ 4,066	\$ 2,372
ROU assets obtained in exchange for new finance lease liabilities	\$ 122,341	\$ 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, 2024 AND 2023

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 25 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, 2024 AND 2023

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, 2024 AND 2023

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, 2024 and 2023, 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, 2024 and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Restricted Cash for Student Loans	\$282,205	\$447,277

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, 2024 AND 2023

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 Allowance for Credit Losses

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 receivable. The College evaluates the need for an allowance for credit losses based upon factors surrounding the credit risk of the specific students, historical trends, macroeconomic data, supportable forecasts, 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, 2024 or 2023.

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2024 AND 2023

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, 2024 and 2023 were \$2,134,478 and \$1,860,066, respectively.

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2024 AND 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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 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 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.



WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 \$356,349 and \$408,007 for the years ended May 31, 2024 and 2023, respectively.

Newly Adopted Accounting Standards

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13" or "ASC 326"). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected.

On June 1, 2023, the College adopted the new accounting standard and all of the applicable related amendments using the modified retrospective method. The adoption did not have an impact on the College's statement of financial position and, therefore, a cumulative effect adjustment to retained earnings was not recorded. The College does not expect ASC 326 to have a significant impact on its financial condition or results of operations on an ongoing basis.



WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2024 AND 2023

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

The table below represents financial assets available for general expenditures within one year at May 31, 2024 and 2023:

Financial assets at year-end:	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 601,116	\$ 950,195
Accounts and pledges receivable, net	1,054,221	228,257
Investments, at fair value	1,676,689	1,625,493
Other notes receivable	<u>3,855,080</u>	<u>2,800,000</u>
Total financial assets	<u>7,187,106</u>	<u>5,603,945</u>
Less amounts not available to be used for general expenditures within one year:		
Subject to donor restrictions	1,934,583	1,104,951
Long-term portion of notes receivables	3,636,941	2,600,000
Endowments	<u>2,306,107</u>	<u>2,182,295</u>
Total financial assets not available to be used within one year	<u>7,877,631</u>	<u>5,887,246</u>
Deficit of financial assets available to be used within one year	<u>\$ ( 690,565)</u>	<u>\$ ( 283,301)</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, 2024 AND 2023

C. INVESTMENTS AND INVESTMENT RETURN

Investments at May 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
In-house securities	\$ 3,723	\$ 3,724
Investments held with FirstBank	680,638	682,757
Investments held with the Free Will Baptist Foundation	<u>992,328</u>	<u>939,012</u>
	<u>\$1,676,689</u>	<u>\$1,625,493</u>

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. As of May 31, 2024, investments held with the Free Will Baptist Foundation consisted of 3% cash and cash equivalents, 54% equities, and 43% fixed income. Investments held by FirstBank as of May 31, 2023 consisted of 62% cash and cash equivalents, 11% equities, and 27% fixed income. Investments held by FirstBank as of May 31, 2024 consisted of 44% cash and cash equivalents, 43% equities, and 13% fixed income.

D. CAMPAIGN PLEDGES RECEIVABLE

Campaign pledges receivable consisted of the following at May 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Due within one year	\$ 294,501	\$ 73,797
Due within five years	<u>839,797</u>	<u>146,191</u>
	<u>1,134,298</u>	<u>219,988</u>
Less		
Allowance for uncollectible receivables	23,334	6,249
Unamortized discount	<u>104,689</u>	<u>13,175</u>
	<u>\$1,006,275</u>	<u>\$200,564</u>

A discount rate of 2.0% was applied to 2024 and 2023 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, 2024 AND 2023

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 was 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, 2024 and 2023 was \$2,764,448 and \$2,800,000, respectively.

On September 15, 2023, the College received a donation, including cash and the assignment of a note receivable, from Eastside Free Will Baptist Church (“the Donor”) for the sale of the Donor’s church campus in Houston, Texas, to City On A Hill Church (“the Borrower”). The note calls for the Borrower to pay Welch College monthly principal and interest payments of \$5,905 on the first day of each month, beginning November 1, 2023, and continuing monthly thereafter for sixty months, when all unpaid principal and accrued principal is due and payable to the College in full. The interest rate on the note is fixed at 5.00% per annum. As of May 31, 2024, the note receivable balance was \$1,090,632, and the Borrower is current with all payments due.

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 \$2,284,013 and \$2,226,996, which represents the fair value of the trust assets at May 31, 2024 and 2023, respectively. The change in value of beneficial interests in perpetual trusts for 2024 and 2023 was \$44,178 and \$(430,336), respectively.

G. PROPERTY, BUILDINGS, AND EQUIPMENT

Property, buildings, and equipment at May 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Land and land improvements	\$ 6,434,957	\$ 6,549,514
Buildings and building improvements	28,619,362	28,504,806
Library books and periodicals	1,116,118	1,105,042
Furniture and equipment	3,208,313	3,159,281
Construction in progress	<u>-</u>	<u>114,557</u>
Total plant facilities	39,378,750	39,433,200
Less accumulated depreciation and amortization	<u>6,990,909</u>	<u>6,451,359</u>
Net property, buildings, and equipment	<u>\$32,387,841</u>	<u>\$32,981,841</u>

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2024 AND 2023

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 expires on March 30, 2027. At May 31, 2024 and 2023, there was \$1,281,343 and \$1,270,062 borrowed against this line, respectively. The line is secured by an endowment fund held by the Free Will Baptist Foundation. The interest rate is 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 expires in September 2024. At May 31, 2024 and 2023, there was \$600,000 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 the prime plus 1% (9.50% and 9.25% at May 31, 2024 and 2023, 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, 2026. At May 31, 2024 and 2023, there was \$1,200,000 borrowed against this line. 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>2024</u>	<u>2023</u>
Notes payable (A)	\$ 174,277	\$ 170,574
Construction line-of-credit note (B)	<u>14,352,958</u>	<u>14,636,987</u>
	<u>\$14,527,235</u>	<u>\$14,807,561</u>

(A) The balance of \$174,277 and \$170,574 at May 31, 2024 and 2023, respectively, represents various notes payable to individuals. These notes are due upon demand with annual interest rates of 4.00%.



WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2024 AND 2023

I. NOTES PAYABLE - Continued

- (B) 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. In December 2023, the Board of the Free Will Baptist Foundation voted to approve an amendment to the loan with a fixed interest rate of 6.25% amortized over 31 years with the balance due December 1, 2026. This note is collateralized by a portion of the College's real property.

Aggregate annual maturities of notes payable at May 31, 2024 are:

	<u>Notes Payable</u>
2025	\$ 161,177
2026	171,544
2027	341,626
2028	412,849
2029	432,892
Thereafter	<u>13,007,147</u>
	<u>\$14,527,235</u>

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2024 AND 2023

J. NET ASSETS WITH DONOR RESTRICTIONS

Net assets at May 31, 2024 and 2023 have been restricted by the donors as follows:

	<u>2024</u>	<u>2023</u>
Subject to purpose restrictions:		
Scholarships, endowed	\$ 266,185	\$ 221,853
Scholarships, time restricted	219,683	253,377
Campus relocation	1,192,486	244,327
Accelerated pastoral degree program	163,000	175,846
Other	<u>93,229</u>	<u>63,357</u>
Total subject to purpose restrictions	<u>1,934,583</u>	<u>958,760</u>
Endowments and perpetual trusts:		
Perpetual trusts	2,284,013	2,226,996
Endowments	2,009,313	1,886,221
Loans to students	<u>296,794</u>	<u>296,076</u>
Total endowments and perpetual trusts	<u>4,590,120</u>	<u>4,409,293</u>
Total net assets with donor restrictions	<u>\$6,524,703</u>	<u>\$5,368,053</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>2024</u>	<u>2023</u>
Purpose restrictions accomplished		
Scholarship	\$1,160,728	\$ 443,101
Campus construction	47,101	622,133
Other	<u>107,340</u>	<u>283,875</u>
	<u>\$1,315,169</u>	<u>\$1,349,109</u>

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2024 AND 2023

J. NET ASSETS WITH DONOR RESTRICTIONS - Continued

Net Asset Transactions With Noncontrolling Interests

For the years ended May 31, 2024 and 2023, 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	\$ 19,506,120	\$ 17,781,346	\$ 1,724,774
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>
Change in net assets without donor restrictions	<u>( 467,995)</u>	<u>( 467,687)</u>	<u>( 308)</u>
Balance, May 31, 2024	<u>\$ 16,960,189</u>	<u>\$ 15,240,989</u>	<u>\$ 1,719,200</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 the College in a manner consistent with the standard of prudence prescribed by USPMIFA.

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2024 AND 2023

K. ENDOWMENT – Continued

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, 2024 and 2023 was as follows:

	Without Donor Restrictions	<u>With Donor Restrictions</u>		
		<u>Temporary In Nature</u>	<u>Perpetual In Nature</u>	<u>Total</u>
<u>May 31, 2024</u>				
Donor-restricted endowment funds	<u>\$4,684</u>	<u>\$266,184</u>	<u>\$4,296,420</u>	<u>\$4,567,288</u>
<u>May 31, 2023</u>				
Donor-restricted endowment funds	<u>\$3,623</u>	<u>\$221,853</u>	<u>\$4,113,218</u>	<u>\$4,338,694</u>



WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2024 AND 2023

K. ENDOWMENT - Continued

Changes in endowment net assets for the years ended May 31, 2024 and 2023 were:

	Without Donor <u>Restrictions</u>	<u>With Donor Restrictions</u>		
		<u>Temporary In Nature</u>	<u>Perpetual In Nature</u>	<u>Total</u>
Endowment net assets, June 1, 2022	\$ 26,449	\$ 443,731	\$ 4,469,207	\$ 4,939,387
Investment return				
Change in beneficial interests in perpetual trusts	-	-	( 430,336)	( 430,336)
Investment income (loss)	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>4,113,218</u>	<u>4,338,694</u>
Investment return				
Change in beneficial interests in perpetual trusts	-	-	44,178	44,178
Investment income	39,754	147,347	-	187,101
Contributions	-	-	139,024	139,024
Appropriation of endowment assets for expenditure	<u>(38,693)</u>	<u>(103,016)</u>	<u>-</u>	<u>( 141,709)</u>
Endowment net assets, May 31, 2024	<u>\$ 4,684</u>	<u>\$ 266,184</u>	<u>\$ 4,296,420</u>	<u>\$ 4,567,288</u>

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2024 AND 2023

K. ENDOWMENT - Continued

Amounts of donor-restricted endowment funds classified as net assets with donor restrictions at May 31, 2024 and 2023 consisted of:

	<u>2024</u>	<u>2023</u>
Permanently restricted net assets - portion of perpetual endowment funds required to be retained permanently by explicit donor stipulation or USPMIFA	\$4,296,420	\$4,113,218
Temporarily restricted net assets - portion of perpetual endowment under USPMIFA		
With purpose restriction	<u>266,184</u>	<u>221,853</u>
	<u>\$4,562,604</u>	<u>\$4,335,071</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, 2024 AND 2023

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 2024.

*Disaggregation of revenues*

A summary of revenue from contracts with customers related to tuition and education fees, net of student aid discounts, for the years ended May 31, 2024 and 2023 disaggregated by the major classification of student type is as follows:

<u>Student Classification</u>	<u>Tuition and Education Fees, Net</u>	
	<u>2024</u>	<u>2023</u>
Undergraduate tuition	\$1,751,221	\$1,839,130
Graduate tuition	135,065	131,642
Non-traditional tuition	<u>254,594</u>	<u>252,388</u>
Total	<u>\$2,140,880</u>	<u>\$2,223,160</u>

A summary of revenue from contracts with customers related to auxiliary enterprises revenue for the years ended May 31, 2024 and 2023 disaggregated by type is as follows:

<u>Revenue Classification</u>	<u>Amount</u>	
	<u>2024</u>	<u>2023</u>
Housing	\$ 460,272	\$ 422,764
Food Service	682,642	634,790
Other	<u>92,502</u>	<u>101,072</u>
Total	<u>\$1,235,416</u>	<u>\$1,158,626</u>

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2024 AND 2023

L. REVENUES - Continued

*Contract balances*

A summary of receivables and contract liabilities from contracts with customers is as follows at May 31, 2024, 2023 and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Student accounts receivable, net	\$ 47,946	\$ 27,693	\$ 49,647
Other notes receivable	3,855,080	2,800,000	-
Student accounts and deposits collected in advance	173,318	158,621	143,347
Deferred revenue	43,680	70,044	83,821

Substantially all of the deferred revenue at June 1, 2023 and 2022 was recognized as revenue during fiscal years 2024 and 2023, 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, 2024 represent cash received from students during fiscal year 2024 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, 2024 AND 2023

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, 2024 and 2023:

	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, 2024:</u>				
Equity securities	\$ 3,723	\$ 3,723	\$ -	\$ -
Investments held with FirstBank	680,638	680,638	-	-
Investments held with the Free Will Baptist Foundation (1)	<u>992,328</u>	<u>-</u>	<u>-</u>	<u>992,328</u>
Total investments	1,676,689	684,361	-	992,328
Beneficial interests in perpetual trusts	2,284,013	-	-	2,284,013
<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

(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, 2024 AND 2023

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, 2024. 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, 2024 AND 2023

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, 2022	\$ 1,209,886	\$ 2,657,332
Transfers into Level 3	-	-
Total gains 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	<u>-</u>	<u>-</u>
Closing balance -May 31, 2023	<u>939,012</u>	<u>2,226,996</u>
Transfers into Level 3	-	-
Total gains or (losses) for the period included in change in net assets	53,316	138,767
Purchases, issues, sales and settlements		
Purchases	-	9,839
Issues	-	-
Sales	-	( 94,589)
Settlements	-	-
Other	<u>-</u>	<u>3,000</u>
Closing balance -May 31, 2024	<u>\$ 992,328</u>	<u>\$ 2,284,013</u>

WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2024 AND 2023

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 \$723,877 and \$528,571, respectively, at May 31, 2024, and \$609,077 and \$480,906, respectively, at May 31, 2023.

The components of lease expense for May 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Operating lease expense	\$ 4,066	\$ 2,372
Finance lease expense		
Amortization of ROU assets	63,283	51,235
Interest on lease liabilities	<u>2,768</u>	<u>1,537</u>
	<u>\$70,117</u>	<u>\$55,144</u>



WELCH COLLEGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MAY 31, 2024 AND 2023

O. LEASES - Continued

Additional supplemental information regarding assumptions for leases is as follows for May 31, 2024 and 2023:

Weighted-average remaining lease term (years)	<u>2024</u>	<u>2023</u>
Operating leases	3.67	4.67
Finance leases	3.59	2.88
Weighted-average discount rate		
Operating leases	2.93%	2.93%
Finance leases	1.67%	1.61%

As of May 31, 2024, the maturity of the lease liabilities is as follows:

<u>Maturity</u>	<u>Operating</u>	<u>Finance</u>
2025	\$ 4,066	\$ 49,892
2026	4,066	46,392
2027	4,066	31,267
2028	2,711	20,206
2029	<u>-</u>	<u>4,490</u>
Total undiscounted cash flows	14,909	152,247
Less: present value discount	<u>( 764)</u>	<u>( 5,067)</u>
Total lease liabilities	<u>\$ 14,145</u>	<u>\$ 147,180</u>

P. RELATED PARTY

For the year ended May 31, 2024 and 2023, 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 10, 2024, the date the financial statements were available for issuance, and has determined that there are no subsequent events requiring disclosure.



## FFWB Women's Ministries

WNAC is 90 years old!

Six months before the National Association of Free Will Baptists came into being, WNAC was organized in 1935. To God be the glory for all He has done through FFWB women over the past 90 years.

The sun never sets on FFWB Women's Ministries. In the past year, FFWB women have contributed \$482,605 to missions, church planting, and other ministries worldwide. They also rallied to sponsor two national projects: a Shine! event at the Gethsemane Children's Home in Mexico and two women's retreats for our sisters in Cuba.

Here in the United States, we are challenging women of all ages to join the mission of women discipling women. We are experiencing a surge in interest and participation across the nation as we focus on including every FFWB woman, regardless of membership in a traditional WAC.

A highlight of this past year was the Shine Simulcast on February 1, 2025. God exceeded our expectations by allowing us to livestream to 29 locations across the US and its territories. Over 1100 girls ages 12-18 met for worship and encouragement as they focused on the theme of "Know Your Worth" according to God's Word. This was made possible by the cooperative efforts of many FFWB Departments, the Media Commission, and an army of volunteers. The Shine! event not only encouraged our youngest ladies but also gave women of all ages the opportunity to engage in generational discipleship. Our prayer is to develop a discipleship movement by expanding our social media presence and emphasizing Bible studies and small discipleship groups.

We want to help women grow as disciples and as disciple makers. Our small but dedicated staff and volunteers are diligently working to produce resources for FFWB women. These include:

*Treasure*, a quarterly Bible Study magazine available online and in print, [www.wnac.org/treasure/treasure-magazine/](http://www.wnac.org/treasure/treasure-magazine/).

AsYouGo is a podcast made by women for women. Follow the podcasts at <https://www.podcastics.com/podcast/as-you-go/>. Click the follow tab to stay informed when a new episode is released.

Shine! Bible studies for teen girls are available at [www.shineffb.com/](http://www.shineffb.com/).

Growing Together is a monthly virtual affinity group for women. It is available at [www.naffwb.org/grow/](http://www.naffwb.org/grow/).

Scholarships for young women and international students. Learn more at [www.wnac.org/ministries/scholarships/](http://www.wnac.org/ministries/scholarships/).

The Steward Provision Closet. Find a current list of needed items at [www.wnac.org/ministries/closet-2/](http://www.wnac.org/ministries/closet-2/).

As we review this past year, we are humbly grateful for the growth we have experienced. We believe that true growth is “not by might, nor by power” but by God’s Spirit, and we praise Him, not just for this year, but for the 90 years He has led our organization.

As we move toward the end of our first century, we are praying for more individuals and groups to give generously to our ongoing ministry. Never have the women of our world needed biblical truth more than they do now. Join us in celebrating our 90th year by giving a gift of \$9, \$90, \$900, or \$9000 to enable us to “help every FWB woman find and fulfil her role in the Great Commission.”

Sincerely,

*Ruth*

Ruth McDonald  
Director of FWB Women’s Ministries/WNAC

#### WNAC 2024 SYNOPSIS OF BOARD MEETINGS

MARCH 17, 2024: Majority Vote: Election of Officers (by email vote) Chair: Jonda Patton; Vice Chair: Tracy Payne; Secretary: Lee Ann Wilfong

JULY 16, 2024: M/S/C to move \$600.00 from the revocable trust fund with FWB Foundation to the Purcell Scholarship Fund, for the purposed of contributing \$500.00 per year per student for three students in India studying at Kolkata Bible College.

DECEMBER 11, 2024: M/S/C to accept the resignation of Chair and Board Member, Jonda Patton, to be effective at the end of Nationals in July, 2025.



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

**Independent Auditors' Report**

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

***Report on the Financial Statements***

***Opinion***

We have audited the accompanying financial statements of One Magazine of the National Association of Free Will Baptists, Inc. - a nonprofit organization (hereafter One Magazine) which comprise the statements of financial position as of December 31, 2024 and 2023 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then, 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, 2024 and 2023, and the changes in 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 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 there is a substantial likelihood that individually or in the aggregate, they would influence the judgement made by a reasonable user based on the 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 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.

*Hill Harper & Associates*

A Professional Limited Liability Company  
Franklin, Tennessee  
April 2, 2025

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

**Statements of Financial Position**

**December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b><u>Assets</u></b>		
<b>Current assets:</b>		
Cash and cash equivalents:		
Cash in bank	\$ 77,464	106,449
Funds held by Free Will Baptist Foundation (including \$30,297 in 2024 and \$30,264 in 2023 of funds with donor restrictions)	56,932	56,802
	134,396	163,251
Investments for operations with Free Will Baptist entities	182,623	138,262
Accounts receivable	-	420
Inventory and prepaid expenses	12,515	7,126
<b>Total current assets</b>	329,534	309,059
<b>Long lived assets:</b>		
Depreciable assets:		
Vehicle	23,740	23,740
Office equipment and furniture	33,260	33,260
	57,000	57,000
Less accumulated depreciation	55,773	54,435
	1,227	2,565
Right of use assets, net of amortization	5,026	7,464
Investments for operations with Free Will Baptist entities	80,335	68,700
<b>Total long lived assets</b>	86,588	78,729
	\$ 416,122	387,788
<b><u>Liabilities and Net Assets</u></b>		
<b>Current liabilities:</b>		
Accounts payable and accrued payroll withholdings	\$ 11,851	10,525
Deferred revenues	3,978	-
Current portion of right of use liability	2,562	2,438
<b>Total current liabilities</b>	18,391	12,963
<b>Long term right of use liability, less current maturities</b>	2,464	5,026
<b>Total liabilities</b>	20,855	17,989
<b>Net assets:</b>		
Net assets without donor restrictions	75,267	139,123
Net assets with donor restrictions	320,000	230,676
<b>Total net assets</b>	395,267	369,799
	\$ 416,122	387,788

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, 2024 and 2023**

	<b>2024</b>			<b>2023</b>		
	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>2024 Total</b>	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>2023 Total</b>
<b>Revenue and Support:</b>						
<b>Funds for other agencies and departments:</b>						
Amount received	\$ 32,520	-	32,520	14,782	-	14,782
Amount incurred	(32,520)	-	(32,520)	(14,782)	-	(14,782)
<b>Operations:</b>						
Gifts, grants and offerings	116,142	77,652	193,794	106,092	22,836	128,928
Together Way Plan distribution	92,384	-	92,384	96,860	-	96,860
Interest income	2,496	114	2,610	1,575	143	1,718
Other revenue	675	-	675	27	-	27
<b>Convention and retreats:</b>						
Convention revenues	22,720	-	22,720	24,871	-	24,871
Retreat revenues	-	-	-	299	-	299
<b>Total revenue and support</b>	<b>234,417</b>	<b>77,766</b>	<b>312,183</b>	<b>229,724</b>	<b>22,979</b>	<b>252,703</b>
<b>Net assets released from restrictions</b>	<b>16,061</b>	<b>(16,061)</b>	<b>-</b>	<b>21,416</b>	<b>(21,416)</b>	<b>-</b>
<b>Net revenue and support</b>	<b>250,478</b>	<b>61,705</b>	<b>312,183</b>	<b>251,140</b>	<b>1,563</b>	<b>252,703</b>
<b>Operating expenses:</b>						
Program services	287,854	-	287,854	251,334	-	251,334
Supporting service	34,925	-	34,925	38,156	-	38,156
	<b>322,779</b>	<b>-</b>	<b>322,779</b>	<b>289,490</b>	<b>-</b>	<b>289,490</b>
<b>Net change - operating activities</b>	<b>(72,301)</b>	<b>61,705</b>	<b>(10,596)</b>	<b>(38,350)</b>	<b>1,563</b>	<b>(36,787)</b>
<b>Non-operating activities:</b>						
Gain from investment assets	8,445	27,619	36,064	9,580	30,653	40,233
<b>Net change - non-operating activities</b>	<b>8,445</b>	<b>27,619</b>	<b>36,064</b>	<b>9,580</b>	<b>30,653</b>	<b>40,233</b>
<b>Change in net assets</b>	<b>(63,856)</b>	<b>89,324</b>	<b>25,468</b>	<b>(28,770)</b>	<b>32,216</b>	<b>3,446</b>
<b>Net assets:</b>						
Beginning of year	139,123	230,676	369,799	167,893	198,460	366,353
End of year	\$ 75,267	320,000	395,267	139,123	230,676	369,799

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, 2024 and 2023**

	2024			2023		
	<u>Program Services</u>	<u>Supporting Services</u>	<u>Totals</u>	<u>Program Services</u>	<u>Supporting Services</u>	<u>Totals</u>
<b>Operations:</b>						
Salaries	\$ 112,609	15,566	128,175	100,183	13,116	113,299
Employee benefits, payroll taxes, and health insurance	25,699	6,205	31,904	29,017	5,211	34,228
Rent	33,945	-	33,945	32,850	-	32,850
Travel	11,444	-	11,444	12,433	-	12,433
Office expense and other	31,718	-	31,718	16,311	-	16,311
Vehicle expense	3,368	-	3,368	3,588	-	3,588
Legal and audit	-	6,250	6,250	-	6,358	6,358
Postage and shipping	864	-	864	769	-	769
WNAC Board of Trustees	-	6,585	6,585	-	6,558	6,558
Promotion	4,169	-	4,169	1,359	-	1,359
Dues, subscriptions and continuing education	-	319	319	-	6,913	6,913
Depreciation	1,338	-	1,338	5,394	-	5,394
Support for One Magazine	13,953	-	13,953	9,408	-	9,408
Restricted expenditures:						
C. Pursell Foreign Scholarship	1,500	-	1,500	1,000	-	1,000
Mary Wisheart Student Scholarship	5,000	-	5,000	8,000	-	8,000
Steward Provision Closet	9,561	-	9,561	11,239	-	11,239
Update of office furnishings	-	-	-	1,177	-	1,177
Total expenses of operations	255,168	34,925	290,093	232,728	38,156	270,884
<b>Convention:</b>						
Annual convention	24,496	-	24,496	17,415	-	17,415
<b>Retreats</b>	8,190	-	8,190	1,191	-	1,191
Total expenses	\$ 287,854	34,925	322,779	251,334	38,156	289,490

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, 2024 and 2023**

	<b><u>2024</u></b>	<b><u>2023</u></b>
<b><u>Cash Flows from Operating Activities</u></b>		
Change in net assets	\$ 25,468	3,446
Adjustments to reconcile change in net assets to net operating activities:		
Depreciation	1,338	5,394
Gain on endowment funds held by FWB entities	(11,506)	(13,127)
Gain on operating investments with FWB entities	(24,558)	(27,222)
(Increase) decrease in:		
Receivables	420	(420)
Inventory and prepaid expenses	(5,389)	(1,720)
Increase (decrease) in:		
Deferred revenues	3,978	-
Funds held for other denominational agencies and organizations	-	(3,683)
Accounts payable and accrued expenses	1,328	5,618
Net operating activities	<u>(8,921)</u>	<u>(31,714)</u>
<b><u>Cash Flows from Investing Activities</u></b>		
Investments held by Richland Avenue Financial	(25,000)	-
Proceeds from withdrawal of investment held by Richland Avenue Financial	5,066	-
Purchase of office furnishings	-	(2,570)
Net investing activities	<u>(19,934)</u>	<u>(2,570)</u>
<b>Decrease in cash and cash equivalents</b>	<b>(28,855)</b>	<b>(34,284)</b>
<b>Cash and cash equivalents:</b>		
<b>Beginning of year</b>	<u>163,251</u>	<u>197,535</u>
<b>End of year</b>	<u><u>\$ 134,396</u></u>	<u><u>163,251</u></u>
<b>Cash and cash equivalents consist of:</b>		
Cash in bank	\$ 77,464	106,449
Funds held by Free Will Baptist Foundation	<u>56,932</u>	<u>56,802</u>
	<u><u>\$ 134,396</u></u>	<u><u>163,251</u></u>
<b>Non cash transactions:</b>		
Lease assets obtained in exchange for lease obligations	\$ -	<u>9,784</u>
Amortization of right-of-use assets	<u>\$ 2,438</u>	<u>2,320</u>

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, 2024 and 2023**

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 2024 and 2023. Further, management believes that WNAC has no activities which will lead to income taxes being levied.

**Leases**

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 Richland Avenue Financial. Further, bank balances in excess of the amount of FDIC insurance and subject to risk of accounting loss. Management does not anticipate nonperformance by the financial institutions has not experienced, nor does it anticipate, any losses with respect to such accounts.

**(2) Subsequent Events**

Subsequent events have been evaluated for potential recognition and disclosure through April 2, 2025, the date these financial statements were available to be issued.

**(3) 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>2024</u></b>	<b><u>2023</u></b>
Financial assets:		
Cash and cash equivalents	\$ 134,396	163,251
Gift cards included in inventory and prepaid assets	2,750	3,625
Investments with Richland Avenue Financial		
(net of endowment investment of \$78,029 in 2024 and \$66,527 in 2023)	182,623	138,262
Accounts receivable	-	420
	<u>319,769</u>	<u>305,558</u>
Donor restricted net assets included in financial assets above		
Mary Wisheart Student Scholarship Fund	102,651	90,699
C. Pursell Foreign Scholarship Fund	276	1,372
Steward Provision Closet (providing supplies and other benefit to missionaries)	86,077	69,905
Shine 2025	50,661	-
	<u>239,665</u>	<u>161,976</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 80,104</u>	<u>143,582</u>

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**

**(4) Investments**

The following is summary of investments:

	<b>2024</b>			<b>2023</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	80,335	28,172	52,163	68,700	16,537
<b>Operations</b>	\$ 132,725	182,623	49,898	112,795	138,262	25,467
<b>Totals</b>	\$ 184,888	262,958	78,070	164,958	206,962	42,004

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

	<b>2024</b>	<b>2023</b>
Endowment:		
Free Will Baptist Foundation	\$ 2,306	2,174
Richland Avenue Financial	78,029	66,526
	<u>\$ 80,335</u>	<u>68,700</u>
Operations - Richland Avenue Financial	<u>\$ 182,623</u>	<u>138,262</u>
	<b>2024</b>	<b>2023</b>
Change in investment balances:		
Change in market value to cost	\$ 36,066	40,233
Additions - Shine 2025	25,000	-
Withdrawals	(5,070)	-
Gifts to funds	-	115
Change in investments	<u>\$ 55,996</u>	<u>40,348</u>

**(5) 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**

**(5) Endowment Funds, continued**

The balances relating to endowment funds are as follows:

	<u>2024</u>	<u>2023</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	\$ 16,562	3,435
Investment earnings, including investment gains and losses	11,635	13,127
Distributions of earnings	-	-
	<u>\$ 28,197</u>	<u>16,562</u>
<b>Total invested funds with Free Will Baptist entities as endowment</b>	<u>\$ 80,335</u>	<u>68,700</u>

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

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

	<u>2024</u>	<u>2023</u>
<b>Specific purposes:</b>		
Mary Wischart Student Scholarship Fund	\$ 102,651	90,699
C. Pursell Foreign Scholarship Fund	276	1,372
Steward Provision Closet	86,077	69,905
Shine grant from FWB Foundation	50,661	-
	<u>239,665</u>	<u>161,976</u>
<b>Endowment fund components:</b>		
Undesignated funds invested in perpetuity	52,138	52,138
Funds available for distributions	28,197	16,562
	<u>80,335</u>	<u>68,700</u>
<b>Total net assets with donor restrictions</b>	<u>\$ 320,000</u>	<u>230,676</u>

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

Net assets were released from donor restrictions during the year ended December 31, 2024 by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors:

Cleo Pursell Foreign Student Scholarship Fund	\$ 1,500
Mary Wischart Student Scholarship Fund	5,000
Steward Provision Closet	9,561
<b>Net assets released</b>	<u>\$ 16,061</u>

**(8) Leases**

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

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>2024</u>	<u>2023</u>
Right of use assets as long lived assets	\$ 5,026	7,464
Amortization of right to use assets	\$ 2,438	2,320
Current portion of right of use liability	\$ 2,562	2,438
Long term right of use liability, less current maturities	\$ 2,464	5,026

Maturities of operating lease liabilities are as follows:

	<u>Required Payments</u>	<u>Interest Amount</u>	<u>Lease Maturities</u>
2025	\$ 2,756	194	2,562
2026	2,525	61	2,464
	\$ 5,281	255	5,026

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 \$33,945 in 2024, and \$32,850 in 2023. Further, rental expense for the office equipment capitalized above amounted to \$2,756 in 2024 and 2023.

**(9) Related Party Transactions**

**Operating Leases**

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

**Pension**

WNAC participates in the master pension plan of the Richland Avenue Financial. 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 \$15,724 in 2024 and \$14,230 in 2023. 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.

**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 \$13,953 in 2024 and \$9,408 in 2023.

**Larger 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>2024</u>	<u>2023</u>
Cooperative giving through the Together Way Plan (including \$4,978 in 2024 and \$5,191 in 2023 from the Executive Office of NAFWB)	\$ 92,384	96,860
Free Will Baptist Foundation		
Unrestricted grant	10,000	-
Shine	50,000	-
North American Ministries	15,757	16,559
International Missions	3,747	3,636

**WOMEN NATIONALLY ACTIVE FOR CHRIST**  
**2026 Proposed Budget**

<b>Projected Revenue</b>	<b>2024 Proposed</b>	<b>2024 Actuals</b>	<b>2025 Proposed</b>	<b>2026 Proposed</b>
Gifts, dues, and offerings	126,000	106,142	126,000	156,000
Together Way Funds	100,000	92,384	100,000	100,000
Foundation Gift		10,000	10,000	
Shine Restricted Grant Released			50,000	
Other Revenue	2,000	675	2,000	2,000
Convention and Retreats	29,000	22,720	25,000	20,000
Interest Income	1,500	2,496	1,500	1,500
Endowment Income	1,500		200	1,500
Gain from investment assets			2,000	2,000
Restricted Revenue		77,766		50,000
<b>Total</b>	<b>260,000</b>	<b>312,183</b>	<b>316,700</b>	<b>333,000</b>
<b>Projected Operating Expenses</b>				
Salaries and Wages	108,762	128,175	134,369	143,762.88
Payroll Taxes and Employee Benefits	37,858	31,904	32,387	36,271.64
Rent	33,945	33,945	34,931	35,000
Travel	7,000	11,444	8,000	7,000
Special Projects			1,000	
Auto Expense	8,000	3,368	8,000	6,000
Promotion	2,000	4,169	2,000	2,000
Office Expense	14,000	32,037	20,000	20,000
Professional Service	6,500	6,250	6,500	6,500
Postage and shipping	1,100	864	1,000	1,000
WNAC Board	6,000	6,585	7,000	6,000
Conventions & Retreats	19,433	24,496	20,000	20,000
Support for One Magazine	9,302	13,953	9,600	13,953
Depreciation		1,338		1,412.48
Shine	1,500	8,190	26,150	20,000
Flourish	1,500	-	2,663	1,000
PushPay	3,100		3,100	3,100
Scholarships		6,500		5,000
Provision Closet		9,561		5,000
<b>Total</b>	<b>260,000</b>	<b>322,779</b>	<b>316,700</b>	<b>333,000</b>
<b>WNAC SALARIES AND BENEFITS BREAKDOWN</b>				
<b>Executive Director</b>	<b>2024</b>	<b>2,025</b>	<b>2026</b>	
Salary	57,120.00	58,833.60	58,833.60	
Social Security/Medicare	4,370.00	4,500.77	4,500.77	
Retirement	8,568.00	8,825.04	8,825.04	
Insurance (Travel/Key Man,Health/Life)	1,000.00	1,000.00	3,806.68	
Christmas Bonus	1,000.00	1,000.00	1,000.00	
<b>Total Salary and Benefits</b>	<b>72,058.00</b>	<b>74,159.41</b>	<b>76,966.09</b>	
<b>Administrative Assistant</b>				
Salary	39,642.00	47,969.88	48,929.28	
Social Security/Medicare	3,035.00	3,669.69	3,743.08	
Retirement	5,946.00	7,195.48	7,339.39	
Insurance (Health & Life)	11,300.00	3,556.68	3,556.68	
Christmas Bonus	1,000.00	1,000.00	1,000.00	
<b>Total Salary and Benefits</b>	<b>60,923.00</b>	<b>63,391.73</b>	<b>64,568.43</b>	
<b>Office Staff (part time)</b>				
Salary	12,000.00	27,566.00	36,000.00	
Social Security/Medicare	1,339.00	1,339.00	2,000.00	
Christmas Bonus	300.00	300.00	500.00	
<b>Total Salary and Benefits</b>	<b>13,639.00</b>	<b>29,205.00</b>	<b>38,500.00</b>	
<b>Grand Total of Salaries and Benefits</b>	<b>146,620.00</b>	<b>166,756.14</b>	<b>180,034.52</b>	



WNAC Receipts 2024

		FWB Foundation Accts.											
	Gen Fund	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
State													
AL	2,369	539.27	585.00	765.00									4,258.27
AR	8,304	16,574.67	350.00	2,575.00									27,803.67
AZ	850		115.00										965.00
CA	971	330.12											1,301.12
CN		0.88											0.88
CO													-
DE		65.45											65.45
FL	14,637	1,716.76											16,353.76
GA	7,334	3,798.22	380.00	435.00		198.00	151.00	11,727.00	6,896.00	600.00	920.00	767.00	33,206.22
HI													-
IL	2,268	2,751.70	100.00	690.00				720.00					6,529.70
IN				750.00									750.00
KS		31.72											31.72
KY	3,900	630.53		1,490.00									6,020.53
MD													-
MI	2,097	343.54	1,305.00	4,400.00									8,145.54
MO	2,305	27,726.65	200.00	575.00				150.00					30,956.65
MS	2,025	1,178.83											3,203.83
NC	7,726	2,507.64	100.00	50.00		50.00	50.00				50.00		10,533.64
NH													-
NM		179.66											179.66
NJ													-
OH	9,450	3,176.39	250.00	100.00									12,976.39
OK	4,781	19,634.15	195.00	562.00		20.00							25,192.15
OR		255.26											255.26
PAINY	50												50.00
SC	6,858	28.08	980.00	1,320.00				10,050.00	520.00				19,756.08
TN	28,404	5,048.70	375.00	1,794.00		1,250.00	200.00						37,071.70
TX	2,360	396.48		500.00									3,256.48
UT													-
VA	570	152.60		600.00									1,322.60
VI		71.25											71.25
WA													-
WV	1,295	266.79						120.00	40.00				1,721.79
Gift	10,000												10,000.00
1% Exe Off		4,978.56											4,978.56
Other	20,308		275.00										20,583.00
	138,862	\$ 92,384	5,210	16,606	-	1,518	401	22,767	7,456	600	920	817	287,541
Together Way Other: 1% Coop from Executive Office		General Fund Other: anonymous donations , Provision Closet rent, Misc. Income											

REPORTED DIRECT GIVING FROM WNAC January - December 2024

STATE	State Missions	International Missions	Home Missions	Colleges	Children's Homes	Youth Camps	Other Mission Objectives	Total
AL	11,930.26	15,231.33	4,000.00	3,736.45	8,811.43	2,000.00		45,709.47
AR	1,494.88	17,657.00	4,700.00	70.00	2,535.80	345.00	3,467.00	30,269.68
AZ								
CA								
CANADA								
DE								
FL	1,195.00	1,840.00			710.00		219.99	3,964.99
GA	7,400.57		200.00					7,600.57
IL		420.00	380.00	60.00				860.00
IN	1,500.00				750.00			2,250.00
KS								
KY		3,931.58	2,425.00		7,502.00	2,360.00	400.00	16,618.58
MD								
MI								
MS								
MO		150.00					15.00	165.00
NM		186.00	186.00		186.00			558.00
NJ								
NC	210.00	16,876.50	12,629.00	10,314.00	241.33		14,877.75	55,148.58
OH	131.75	2,945.00	1,495.00		500.00		200.00	5,271.75
OK	1,497.00	6,523.70	656.00	4,304.48			280.00	13,261.18
OR								
PA/NY								
SC								0.00
TN		5,150.00	1,458.75	100.00	7,971.19		625.00	15,304.94
TX								
UT								
VA								
VI								
WA								
WV								0.00
Foundation Gift								
1% Exe. Office								
Other								
Total	25,359	70,911	28,130	18,585	29,208	4,705	20,085	196,983

TOTAL 2024 GIVING

Pass Through Money	WNAC RECEIPTS	Together Way Receipts	Provision Closet Gift Cards	Provision Closet Non-cash gifts	DIRECT GIVING	Grand Total
	2,369.00	539.27	585.00	765.00	45,709.47	49,967.74
	8,304.00	16,574.67	350.00	2,575.00	30,269.68	58,073.35
	850.00		115.00			965.00
	971.00	330.12				1,301.12
		0.88				0.88
		65.45				65.45
	14,637.00	1,716.76			3,964.99	20,318.75
20,910.00	7,334.00	3,798.22	380.00	435.00	7,600.57	40,457.79
720.00	2,268.00	2,751.70	100.00	690.00	860.00	7,389.70
				750.00	2,250.00	3,000.00
		31.72				31.72
	3,900.00	630.53		1,490.00	16,618.58	22,639.11
						0.00
	2,097.00	343.54	1,305.00	4,400.00		8,145.54
	2,025.00	1,178.83				3,203.83
150.00	2,305.00	27,726.65	200.00	575.00	165.00	31,121.65
		179.66			558.00	737.66
						0.00
50.00	7,726.00	2,507.64	100.00	50.00	55,148.58	65,582.22
	9,450.00	3,176.39	250.00	100.00	5,271.75	18,248.14
	4,781.00	19,634.15	195.00	562.00	13,261.18	38,433.33
		255.26				255.26
	50.00					50.00
10,570.00	6,858.00	28.08	980.00	1,320.00		19,756.08
	28,404.00	5,048.70	375.00	1,794.00	15,304.94	50,926.64
	2,360.00	396.48		500.00		3,256.48
						0.00
	570.00	152.60		600.00		1,322.60
		71.25				71.25
						0.00
160.00	1,295.00	266.79				1,721.79
	10,000.00					10,000.00
		4,978.58				4,978.58
	20,308.00		275.00			20,583.00
32,560	138,862	92,384	5,210	16,606	196,983	482,605

2024 WNAC Statistics

Total Giving Through WNAC	
1 North Carolina	5,210.00
2 Arkansas	16,606.00
3 Tennessee	12,712.00
4 Alabama	34,528.00
5 Georgia	
6 Oklahoma	
7 Missouri	
8 Kentucky	
9 Florida	
10 South Carolina	
Provision Closet Gifts	
Gift Cards	5,210.00
Cash Gifts	16,606.00
Non-cash gifts	12,712.00
Total Gifts	34,528.00



2025 National Association of Free Will Baptists  
D6 Family Ministry Report

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FAITHFUL RESPONSE AND URGENT NEXT STEPS

**Executive Summary**

Last July, during the 2024 National Convention in Tampa, D6 Family Ministry shared a transparent report with our Free Will Baptist family. D6 Family Ministry urgently called for stronger financial support to secure its future. Thanks to the faithful response of pastors, churches, and individuals and significant internal restructuring, D6 has achieved greater financial stability and strengthened key ministry areas. For D6 to sustain its stability and strength, expansion toward more donors and support is necessary. Major advances include a fully launched, world-class customer relationship management (CRM) system, stabilized curriculum sales, and expanded publishing efforts. **However, long-term sustainability requires moving from one-time gifts to regular, budgeted support by churches and leaders.** Our goal is to secure 10–20% of D6's operating budget through Free Will Baptist partnerships. As we look to the future, D6 Family Ministry remains committed to equipping churches and homes for biblical, generational discipleship, partnering together with those who invest prayerfully and generously in this mission.

"After a faithful response to last year's challenge, D6 Family Ministry shares the next steps needed to build a sustainable future for generational discipleship among Free Will Baptists."

**Introduction**

In our report to the denomination in July 2024, we said plainly—**D6 is at a crossroads**. We asked you to move beyond appreciation and into **active financial partnership**. You listened. You prayed. You purchased. You gave.

Because of your faithful response, along with significant operational changes inside D6 Family Ministry, we have seen meaningful progress:

- Stabilized curriculum sales
- Healthier cash flow
- Completion of critical technology upgrades (CRM, accounting systems)
- Increased donor participation

We are profoundly grateful for every gift, every prayer, every word of encouragement. **You made a difference.** But as we stated last July, **this is only the first step**. Now, we must **finish what we started**. Let me share what has happened since the last report in Tampa.

## HARD CHOICES, STRENGTHENED FOUNDATIONS

Following the July appeal for support, the D6 leadership team acted swiftly and decisively by making over **\$800,000 in budget adjustments** through expense reductions and modest revenue changes.

- Staff consolidation and delayed hiring to conserve funds
- Careful restructuring to reduce costs without reducing ministry impact
- Streamlined operations across every department
- Increased the price of certain products or events as appropriate

We know the people and churches in our Free Will Baptist denomination require solid stewardship, and we never want to violate your trust. Our concentrated effort resulted in stronger internal systems and ministry health. The Covid pandemic was harsh and long, creating a deep financial hole from which it will take time and consistent support to recover.

Yet even with these efforts—and results—true sustainability requires deeper, broader, and ongoing support.

## STRATEGIC MINISTRY ADVANCES

Despite financial challenges, D6 Family Ministry has not stopped. Through careful stewardship and with tremendous departmental leadership, we advanced key areas critical to future growth: new strategic CRM software, new websites, acquisitions, and continued development of new and powerful discipleship curriculum.

### Customer Relationship Management (CRM) Launch

After two years of significant investment, our new customer relationship management (CRM) system, Salesforce, was fully implemented in 2024. This world-class platform allows D6 to connect personally and meaningfully with pastors, leaders, and families like never before.

Every interaction—website visits, emails, QR scans, and more—feeds into a system that helps us nurture relationships, respond quickly to needs, and share resources tailored to people's interests.

Because of the CRM:

- We know when a church shows interest in D6 curriculum
- We can connect pastors to free samples, training, and encouragement
- We can guide families toward discipleship resources specific to their stage of life

This CRM software is no small shift; it transforms D6 from a broad publisher into a highly relational ministry partner.

### Curriculum Expansion and Stabilization

Curriculum sales leveled and even grew in key areas, thanks to events like the D6 Conference, strategic marketing, curriculum block model, and strong coaching efforts. D6 Family Ministry remains a reliable, biblical guide for churches committed to family ministry in a generation drifting from intentional discipleship. Yet our research confirms that **when pastors personally engage** with a discipleship vision, churches flourish across generations. Our curriculum supports that vision better than ever before, providing solid, biblical resources for every age group—from cradle to college and into every adulting season of life.



## Book Publishing and Strategic Projects

Our editorial team continues to equip leaders and families with sound biblical resources while purging older titles and sharpening focus on the most needed works. Every book is another seed planted for generational discipleship, theology, leadership, or Christian living.

## Financial Update: Encouragement and Caution

We knew 2024 would be a second devastating year with a loss of significant assets, placing D6 Family Ministry in a concerning category related to our balance sheet and audit. Our appeal in Tampa in July 2024 was not a false cry to manipulate or gain undue emotional and financial support; we truly are at a point where sustainability is at stake. However, we celebrate positive developments in giving during 2024:

- **48 new one-time gifts** totaling \$12,246.09
- **14 new monthly donors** totaling \$651.51 a month
- **Total giving for 2024** (not counting grants): **\$100,237.51**

These steady gains are real wins. **But the numbers are not enough for a sustained, growing ministry.** We pray that the few D6 Heroes become many, and the limited generous gifts become a **broad movement** of consistent, cheerful, intentional giving.

## WHAT MUST HAPPEN NEXT

Friends, D6 Family Ministry has walked through lean years with integrity and discipline. We have stretched every dollar, sacrificed deeply, and carefully innovated. If D6 Family Ministry is to stabilize and grow fully, we must transition from temporary generosity to **systematic, consistent budgeted support.**

To build a ministry that can thrive—not just survive—we need faithful churches and individuals who recognize how much their church, family, and denomination benefit from the work of D6 Family Ministry.

We respectfully ask every Free Will Baptist pastor and church to:

- **Add D6 Family Ministry** to your annual church budget
- Encourage your people **to invest in generational discipleship**
- Lead by personal example through **regular financial support**

D6 Family Ministry remains committed to helping churches and homes build believers through intentional, biblical discipleship. Together, through prayerful giving and church partnerships, we can secure a sustainable future for generational faith.

**Jesus reminds us:** "For where your treasure is, there your heart will be also" — *Matthew 6:21*. If you believe in what D6 Family Ministry stands for—biblical, generational discipleship—**then let your heart be visible through your financial support.** Your gifts don't merely fund an organization. They **fuel a movement** that equips the next generation to love and serve Christ faithfully.

As Charles Spurgeon once said, "Let us give as we would receive, cheerfully, quickly, and without hesitation; for there is no grace in a gift that sticks to the fingers." John Wesley, a pioneer of faith and stewardship, urged believers, "Earn all you can, give all you can, save all you can." And Martin Luther poignantly reminded us, "I have held many things in my hands, and I have lost them all; but whatever I have placed in God's hands, that I still possess."

### Setting a Reachable Goal Together

We prayerfully set the following goal: *Achieve 10–20% of D6’s operating budget through Free Will Baptist church and individual support.*

We are not asking for burdensome gifts. We are asking for committed, cheerful giving that invests in eternity. Gifts from Free Will Baptist churches and individuals that support 10–20% of D6 Family Ministry’s operating budget would create a firm foundation for decades of fruitful ministry ahead. God entrusts ministries like D6 to the stewardship of His people. Your faithful giving can help build an enduring foundation for discipleship across future generations.

If every Free Will Baptist church designates a portion of its budget both to purchase curriculum and give a gift—even a small one—and if every pastor models regular personal support, we will reach this goal together. Our aspirations are less about meeting token monetary goals; they are about passing faith from generation to generation (Psalm 78:1-7; Deuteronomy 6:5-7) and building believers in the church and home.

### GRATITUDE, RESOLVE, AND VISION

We are deeply committed to serving Free Will Baptists and the broader body of Christ with excellence. Your partnership makes this possible. Together, we can ensure that D6 continues leading the discipleship conversation well into the future.

To every pastor, lay leader, and friend who responded to last year’s challenge: **Thank you.**

You showed what is possible when we move beyond appreciation to investment. But we must not grow complacent. If you love what D6 represents, please:

- Add or keep D6 Family Ministry in your church’s annual budget
- Challenge your people (and small groups) to support D6 Family Ministry
- Give personally, leading by example (it is sometimes easier to give your church’s funds than your own)

Now, let’s finish the task.

Let’s build D6 Family Ministry into a sustainable force for biblical generational discipleship.

Let’s place this ministry firmly in God’s hands—because what we give to Him, we never lose.

Leading is serving,

A handwritten signature in black ink, reading "Ron Hunter Jr." with a stylized flourish at the end.

Ron Hunter Jr., Ph.D.  
Executive Director & CEO



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

## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
D6 Family Ministry

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of D6 Family Ministry (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of D6 Family Ministry as of December 31, 2024 and 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**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Emphasis of Matter**

D6 Family Ministry has suffered recurring significant losses from operations, uses of operational cash flows, and has a deficit in net assets. Management's evaluation of these conditions and management's plan regarding these matters are described in Note 11.

#### **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 that 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 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, 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 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 judgment, 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

March 27, 2025



**D6 FAMILY MINISTRY**  
**Statements of Financial Position**  
**December 31, 2024 and 2023**

<u>Assets</u>	<u>2024</u>	<u>2023</u>
<b>Current assets:</b>		
Cash and cash equivalents:		
Cash and interest bearing deposits	\$ 183,959	430,921
Cash invested with the Free Will Baptist Foundation	8,430	8,063
<b>Total cash and cash equivalents</b>	192,389	438,984
Accounts receivable - trade, net of allowance for doubtful accounts and returns	186,377	501,728
Inventory	510,790	546,639
Prepaid expenses	167,542	136,348
<b>Total current assets</b>	1,057,098	1,623,699
<b>Property, plant and equipment, at cost:</b>		
Land	72,983	72,983
Building	861,809	847,460
Printing service equipment	754,047	726,918
Office and administrative equipment	463,926	460,601
Automobiles and trucks	66,820	66,820
	2,219,585	2,174,782
Less accumulated depreciation and amortization	1,650,252	1,515,964
<b>Net property, plant and equipment</b>	569,333	658,818
<b>Other assets:</b>		
Certificate of deposit, maturing January 2026, 3.87% stated interest	400,000	-
Right-of-use assets, net of amortization	367,090	142,308
	767,090	142,308
	<b>\$ 2,393,521</b>	<b>2,424,825</b>
<b><u>Liabilities and Net Assets</u></b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 270,699	363,564
Line of credit advances	367,493	-
Deferred revenues	121,234	125,433
Current portion of right-of-use lease obligations	67,091	43,622
Accrued expenses	78,929	75,384
<b>Total current liabilities</b>	905,446	608,003
<b>Long term liabilities:</b>		
Line of credit advances	1,343,400	1,286,345
Long term portion of right-of-use lease obligations	299,999	98,686
<b>Total long term liabilities</b>	1,643,399	1,385,031
<b>Total liabilities</b>	2,548,845	1,993,034
<b>Net assets (deficit):</b>		
Without donor restrictions	(155,324)	431,791
With donor restrictions	-	-
<b>Total net assets</b>	(155,324)	431,791
	<b>\$ 2,393,521</b>	<b>2,424,825</b>
<b>Commitments</b>		

See auditors report and notes to financial statements.

**D6 FAMILY MINISTRY**  
**Statements of Activities and Changes in Net Assets**  
For the year ended December 31, 2024 and 2023

	<b>2024</b>		<b>2023</b>	
	<u>Net Assets</u>	<u>Net Assets</u>	<u>Net Assets</u>	
	<u>Without</u>	<u>Without</u>	<u>With</u>	
	<u>Donor</u>	<u>Donor</u>	<u>Donor</u>	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>	<u>Totals</u>
<b>Revenues:</b>				
<b>Sales:</b>				
RHP product lines (including curriculum)	\$ 3,030,399	2,851,020	-	2,851,020
RHP books	222,983	292,691	-	292,691
National Convention and other events	30,531	19,834	-	19,834
Printing sales	496,219	543,232	-	543,232
Third party sales	3,800	18,784	-	18,784
Freight and handling	234,883	221,733	-	221,733
<b>Total sales</b>	4,018,815	3,947,294	-	3,947,294
<b>Events:</b>				
D6 Conference	221,891	234,009	-	234,009
Vertical 3	388,231	375,902	-	375,902
<b>Total events</b>	610,122	609,911	-	609,911
<b>Other operating revenues:</b>				
Commissions	47,993	44,857	-	44,857
Development / Donor gifts	115,480	95,413	-	95,413
Grants	47,000	-	-	-
Interest income	15,042	15,118	-	15,118
Miscellaneous revenues	8,180	19,546	-	19,546
<b>Total other operating revenues</b>	233,695	174,934	-	174,934
<b>Net assets released</b>	-	18,000	(18,000)	-
<b>Total revenues</b>	4,862,632	4,732,139	-	4,732,139
<b>Expenses:</b>				
<b>Program services:</b>				
Cost of production	2,054,578	2,189,452	-	2,189,452
Distribution center	498,679	474,939	-	474,939
Events and Development	528,191	488,997	-	488,997
Vertical 3 (Youth)	592,957	519,873	-	519,873
Customer service	389,935	321,509	-	321,509
	4,064,340	3,994,770	-	3,994,770
<b>Supporting services</b>				
Administrative	1,385,407	1,379,066	-	1,379,066
<b>Total expenses</b>	5,449,747	5,373,836	-	5,373,836
<b>Decrease in net assets from operations</b>	(587,115)	(641,697)		(641,697)
<b>Net assets (deficit):</b>				
<b>Beginning of year</b>	431,791	1,073,488	-	1,073,488
<b>End of year</b>	\$ (155,324)	431,791	-	431,791

See auditors report and notes to financial statements.

## D6 FAMILY MINISTRY

### Statements of Functional Expenses

For the year ended December 31, 2024

	Costs of Production	Program Services					Adminis- trative	Totals
		Distribution Center	Events and Development	Vertical 3	Customer Services	Program Service Totals		
<b>Employee costs:</b>								
Salaries and wages	\$ 705,613	134,972	41,509	56,887	206,811	1,145,792	490,953	1,636,745
Ministers housing allowance	13,800	-	28,390	-	24,168	66,358	60,000	126,358
Payroll taxes	41,566	8,058	2,468	2,499	10,500	65,091	22,753	87,844
Retirement	29,082	259	2,122	2,122	4,919	38,504	21,175	59,679
Health insurance	139,257	20,048	6,426	20,091	37,362	223,184	64,314	287,498
	929,318	163,337	80,915	81,599	283,760	1,538,929	659,195	2,198,124
<b>Operating expenses:</b>								
Finished products purchased, net of change in inventory	184,250	-	-	-	-	184,250	-	184,250
Raw materials	127,224	-	-	-	-	127,224	-	127,224
Expenses of D6 conferences	-	-	411,294	-	-	411,294	-	411,294
Outside services	509,632	-	-	-	-	509,632	3,627	513,259
Writers fees	59,900	-	-	-	-	59,900	-	59,900
Travel, entertainment, conventions and conferences	14,546	794	26,593	505,922	32,242	580,097	59,366	639,463
Travel for Board of Directors	-	-	-	-	-	-	22,504	22,504
Royalties	21,370	-	-	-	-	21,370	-	21,370
Supplies	31,721	25,969	1,727	2,193	716	62,326	13,795	76,121
Equipment maintenance	106,267	-	-	-	-	106,267	-	106,267
Software	-	-	-	1,830	53,983	55,813	16,977	72,790
Postage	-	16,223	13	13	-	16,249	2,163	18,412
Equipment rental	-	8,661	-	-	-	8,661	15,988	24,649
Freight	1,096	283,662	-	-	-	284,758	4,011	288,769
Telephone	1,345	-	350	350	13,009	15,054	6,385	21,439
Legal and professional	-	-	-	-	-	-	17,215	17,215
Advertising	-	-	-	-	-	-	30,222	30,222
Promotion	-	-	603	-	-	603	90,078	90,681
Occupancy	-	-	-	-	-	-	118,554	118,554
Interest expense	-	-	-	-	-	-	92,391	92,391
Service charges	-	-	-	-	-	-	38,122	38,122
One Magazine funding	-	-	-	-	-	-	51,687	51,687
Depreciation	48,218	-	-	-	-	-	86,071	134,289
Other	19,691	33	6,696	1,050	6,225	33,695	57,056	90,751
	\$ 2,054,578	498,679	528,191	592,957	389,935	4,064,340	1,385,407	5,449,747

See auditors report and notes to financial statements.

## D6 FAMILY MINISTRY

### Statements of Functional Expenses

For the year ended December 31, 2023

	Costs of Production	Program Services				Adminis- trative	Totals
		Distribution Center	Events and Development	Vertical 3	Customer Services	Program Service Totals	
<b>Employee costs:</b>							
Salaries and wages	\$ 739,594	133,054	40,415	45,893	144,966	1,103,922	1,570,124
Ministers housing allowance	13,800	-	22,140	-	24,168	60,108	120,108
Payroll taxes	44,927	8,105	2,449	1,933	8,806	66,220	90,211
Retirement	28,985	3,083	1,403	1,403	3,758	38,632	55,312
Health insurance	160,194	27,482	8,461	21,834	27,506	245,477	318,377
	987,500	171,724	74,868	71,063	209,204	1,514,359	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	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	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	74,864
Equipment maintenance	110,523	89	-	33	-	110,645	110,645
Software	-	-	-	-	75,615	75,615	83,765
Postage	69	36,851	145	34	234	37,333	38,358
Equipment rental	1,095	7,573	-	-	1,013	9,681	28,336
Freight	9	230,275	-	-	-	230,284	232,145
Telephone	1,393	-	348	348	12,784	14,873	17,777
Legal and professional	-	-	-	-	-	18,064	18,064
Advertising	-	-	-	-	-	52,258	52,258
Promotion	-	-	146	-	-	146	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
Other	14,162	5,328	7,946	3,432	11,444	42,312	73,299
	\$ 2,189,452	474,939	488,997	519,873	321,509	3,994,770	5,373,836

See auditors report and notes to financial statements.



## D6 FAMILY MINISTRY

### Statements of Cash Flows

For the year ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b><u>Cash Flows from Operating Activities</u></b>		
Decrease in net assets	\$ (587,115)	(641,697)
Adjustments to reconcile decrease in net assets to net operating activities:		
Depreciation	134,289	121,665
(Increase) decrease in:		
Accounts receivables	315,351	(399,561)
Inventories	35,849	25,310
Prepaid expenses	(31,194)	(29,997)
Increase (decrease) in:		
Accounts payable	(92,865)	82,326
Deferred revenues	(4,199)	(33,085)
Accrued expenses	3,545	(7,869)
<b>Net operating activities</b>	<u>(226,339)</u>	<u>(882,908)</u>
<b><u>Cash Flows from Investing Activities</u></b>		
Purchase of certificate of deposit, maturing January 2026	(400,000)	-
Purchase of property, plant and equipment	(44,803)	(133,644)
<b>Net investing activities</b>	<u>(444,803)</u>	<u>(133,644)</u>
<b><u>Cash Flows from Financing Activities</u></b>		
Advances from line of credit arrangements	707,023	958,474
Repayments of lines of credit	(282,476)	(162,032)
<b>Net financing activities</b>	<u>424,547</u>	<u>796,442</u>
<b>Decrease in cash and cash equivalents</b>	<u>(246,595)</u>	<u>(220,110)</u>
<b>Cash and cash equivalents:</b>		
Beginning of year	438,984	659,094
End of year	<u>\$ 192,389</u>	<u>438,984</u>
<b>Cash and cash equivalents, as reported on statement of financial position, as follows:</b>		
Cash and interest bearing deposits	\$ 183,959	430,921
Cash invested with the Free Will Baptist Foundation	8,430	8,063
	<u>\$ 192,389</u>	<u>438,984</u>
<b>Supplemental disclosures:</b>		
Interest paid	<u>\$ 92,391</u>	<u>43,418</u>
<b>Non cash transactions:</b>		
Additions to right-of-use assets	<u>\$ 274,765</u>	<u>-</u>
Amortization of right-of-use assets	<u>\$ 49,983</u>	<u>43,020</u>

See auditors report and notes to financial statements.

## **D6 FAMILY MINISTRY**

### **Notes to Financial Statements**

**December 31, 2024 and 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.

D6 changed its name during 2023 from Randall House Publications. 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.

Certain amounts in prior-year financial statements may have been reclassified for comparative purposes to conform with the presentation of the current-year financial statements, which have no effect on net assets.

##### **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**

### **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 effects are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for credit losses (including merchandise returned subsequent to end of the year) as of December 31, 2024 and 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 amounted to \$186,377 in 2024 and \$501,728 in 2023.

##### **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 2024 and 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 \$30,222 in 2024 and \$52,258 in 2023.

##### **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 \$8,430 in 2024 and \$8,063 in 2023 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.

##### **Leases**

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.



## D6 FAMILY MINISTRY

### 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:

	<b><u>2024</u></b>	<b><u>2023</u></b>
D6 Conference	\$ 86,528	106,796
Vertical 3 (Youth)	34,706	18,637
	<u>\$ 121,234</u>	<u>125,433</u>

(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.

	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Financial assets at end of year:</b>		
Cash and interest bearing deposits	\$ 183,959	430,921
Cash invested with the Free Will Baptist Foundation	8,430	8,063
Accounts receivable	186,377	501,728
Total financial assets available	378,766	940,712
Less cash account securing line of credit	-	(385,601)
Financial assets available to meet general expenditures the next twelve months	<u>\$ 378,766</u>	<u>555,111</u>

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:

	<b><u>2024</u></b>	<b><u>2023</u></b>
Finished curriculum	\$ 135,468	168,117
Work in progress	80,907	75,864
Printing raw materials	73,628	82,712
Hymnals	30,977	14,095
Warehoused other books and merchandise	\$ 280,810	283,851
Less allowance for loss	91,000	78,000
	<u>\$ 510,790</u>	<u>\$ 546,639</u>

(4) **Lines of Credit**

D6 Family Ministry has lines of credit as follows:

**Free Will Baptist Foundation:**

Line of credit at 6%, with a maximum amount of \$1,750,000, which matures December 2026 and is secured by deed of trust on real property and other assets. Balances are reported on the Statements of Financial Position as long term debt amounting to \$1,343,400 and \$900,744 as of December 31, 2024 and 2023, respectively.

**Banking institution:**

Line of credit at 6% with a maximum amount of \$400,000, which matures August 2025 and is secured by a certificate of deposit with a balance of \$400,000 in 2024 and cash accounts in 2023 held by the banking institution. The line of credit has outstanding balance of \$367,493 and \$385,601 as of December 31, 2024 and 2023, respectively. These amounts are reported on the Statements of Financial Position in 2024 as a current liability and in 2023 as a long term liability.



## D6 FAMILY MINISTRY

### Notes to Financial Statements, continued

(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. These leases are operating leases and the adoption of this standard have no effect on reported results of operations.

These liabilities are presented at present value of future payments using D6's incremental borrowing rate of 6% for 2024 lease additions and 3.75% for previous year calculations.

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

	<b><u>2024</u></b>	<b><u>2023</u></b>
Right of use assets as long lived assets	\$ 367,090	142,308
Amortization of right to use assets	\$ 49,983	43,020
Current portion of right-of-use lease liabilities	\$ 67,091	43,622
Long term portion of right-of-use lease liabilities	\$ 299,999	98,686

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>
2025	\$ 85,718	18,627	67,091
2026	99,279	14,586	84,693
2027	93,151	10,194	82,957
2028	61,134	6,418	54,716
2029	54,247	3,271	50,976
2030	27,124	467	26,657
	<u>\$ 420,653</u>	<u>53,563</u>	<u>367,090</u>

Rental expense relating to operating leases amounted to \$85,718 in 2024 and \$56,461 in 2023.

(6) **Net Assets**

Net assets are as follows:

	<b><u>2024</u></b>	<b><u>2023</u></b>
Net assets without donor restrictions	\$ (155,324)	431,791
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	\$ -	18,000

(7) **Related Party Transactions**

**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 \$51,687 in 2024 and \$50,182 in 2023. Further, D6 Family Ministry designs, prints and provides mailing services for One Magazine, and reported revenues for these services of \$239,303 in 2024 and \$242,018 in 2023.

**Pension**

D6 Family Ministry participates in the master pension plan of Richland Avenue Financial. 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 \$59,681 in 2024 and \$55,312 in 2023. 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

### Notes to Financial Statements, continued

(7) **Related Party Transactions, continued**

**Free Will Baptist Foundation**

D6 Family Ministry maintains accounts and transactions with Free Will Baptist Foundation as follows:

	<b><u>2024</u></b>	<b><u>2023</u></b>
Interest bearing accounts	\$ 8,430	8,063
Line of credit indebtedness	\$ 1,343,400	900,744
Gifts and grants	\$ 63,868	-
Advertising revenue	\$ 24,000	22,000

**Transactions with other Free Will Baptist Entities**

Free Will Baptist North American Ministries

Gifts	\$ 10,000	10,000
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Free Will Baptist Cooperative Together Way Program

Gifts	\$ 21,823	24,723
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(8) **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.

(9) **Vertical 3**

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

	<b><u>2024</u></b>	<b><u>2023</u></b>
Revenue from conferences and related services	\$ 388,231	375,902
Expenditures:		
Conferences and related costs	505,922	441,010
Operating expenses	87,035	78,863
	<u>592,957</u>	<u>519,873</u>
Loss from activities	\$ (204,726)	(143,971)

(10) **Subsequent Events**

Subsequent events were evaluated through March 27, 2025, which is the date these financial statements were available to be issued.

(11) **Operational Concerns and Management's Plan**

D6 Family Ministry had losses of \$587,115 in 2024 and \$641,697 in 2023, and has an accumulated deficit of \$155,324 as of December 31, 2024. Cash flows used in operations totaled \$226,339 in 2024 and \$882,908 in 2023.

Management instituted price increases on their curriculum products and participant fees for the Vertical 3 program. These initiatives are expected to generate additional revenues of approximately \$470,000. Further, expenses will be reduced in the areas of salaries, conference expenses, change in health insurance provider, Vertical 3 production costs among other cost saving measures. These cuts are anticipated to reduce expenses by approximately \$475,000.

# D6 Family Ministry Comparative Budget

	Budget 2026	Budget 2025	Jan - Dec 24 ACTUAL
<b>Income</b>			
D6 Family Ministry Product Lines	\$3,300,400	\$3,316,250	\$3,030,399
D6 Books	\$230,000	\$300,000	\$222,983
Event/ Off Site Sales	\$300,000	\$390,000	\$252,414
Other Revenue	\$969,750	\$1,061,000	\$920,610
Commission Income	\$47,000	\$47,000	\$47,993
Vertical Three Revenue	\$510,500	\$416,000	\$388,231
<b>TOTAL INCOME</b>	<b>\$5,357,650</b>	<b>\$5,530,250</b>	<b>\$4,862,629</b>
<b>Cost of Goods Sold</b>			
<b>TOTAL COGS</b>	<b>\$607,000</b>	<b>\$741,850</b>	<b>\$593,924</b>
<b>Departmental Operating Expense</b>			
<b>TOTAL OPERATING EXPENSE</b>	<b>\$4,750,650</b>	<b>\$4,788,400</b>	<b>\$4,855,821</b>
<b>TOTAL EXPENSE</b>	<b>\$5,357,650</b>	<b>\$5,530,250</b>	<b>\$5,449,745</b>
<b>Annual Profit/Loss</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$587,116</b>
<b>Income</b>			
D6 Product Lines			
3003 · Dated SS Curriculum	\$3,025,000	\$3,000,000	\$2,877,268
3009 · D6 HomePoint	\$190,000	\$200,000	\$54,000
3015 · Children's Church Curriculum	\$60,000	\$70,000	\$62,712
3021 · D6 Media	\$7,500	\$10,000	\$4,358
3024 · Church Supplies	\$200	\$1,000	\$237
3027 · RHP/D6 T-Shirts/Merchandise	\$7,500	\$17,500	\$5,072
3030 · Vertical 3 Resources	\$7,500	\$10,000	\$7,526
3033 · Miscellaneous Sales	\$200	\$250	\$18,660
3036 · D6 International	\$2,500	\$7,500	\$567
Total · D6 Product Lines	\$3,300,400	\$3,316,250	\$3,030,399
D6 Books			
Total · D6 Books	\$230,000	\$300,000	\$222,983
Conferences			
3503 · D6 Conference Registration	\$120,000	\$155,000	\$88,777
3506 · D6 Conference Sponsorship	\$120,000	\$165,000	\$104,200
3509 · D6 Conference Sales	\$30,000	\$35,000	\$28,864
3515 · National Sales	\$15,000	\$20,000	\$12,917
3521 · Misc. Event Sales	\$15,000	\$15,000	\$17,656
Total · Conferences	\$300,000	\$390,000	\$252,414
Other Income			
3803 · Printing/Design Services	\$495,000	\$575,000	\$496,219
3806 · Freight and Handling Income	\$250,000	\$235,000	\$234,883
3809 · Interest Income	\$15,000	\$15,000	\$15,042
3812 · Service Charges	\$0	\$500	-\$1
3815 · Sale/Disposal of Assets	\$1,000	\$1,500	\$0
3818 · In House Vending	\$100	\$250	\$0
3821 · Gifts	\$135,000	\$135,000	\$115,480
3824 · Grants	\$60,000	\$75,000	\$47,000
3827 · Warehouse Storage Income	\$10,000	\$5,000	\$8,179
3830 · Third Party Sales	\$3,650	\$18,750	\$3,808
Total · Other Income	\$969,750	\$1,061,000	\$920,610
Commission Income			
3903 · Bulletins	\$17,500	\$18,000	\$17,025
3909 · Misc. Commission Income	\$5,000	\$4,500	\$6,968
3912 · Advertising/Other	\$24,500	\$24,500	\$24,000
Total · Commission Income	\$47,000	\$47,000	\$47,993
Verticle Three Income			
3662 · V3 Conference Income	\$155,000	\$130,000	\$127,296
3664 · Truth & Peace Fees	\$325,000	\$250,000	\$223,985
3666 · NYET Fees	\$30,000	\$35,000	\$36,745

# D6 Family Ministry Comparative Budget

	Budget 2026	Budget 2025	Jan - Dec 24
3670 · Youth Collections	\$0	\$500	\$0
3673 · Buck-A-Week Revenues	\$500	\$500	\$204
Total · Verticle Three Income	\$510,500	\$416,000	\$388,231
<b>Total Income</b>	<b>\$5,357,650</b>	<b>\$5,530,250</b>	<b>\$4,862,629</b>
<b>Cost of Goods Sold</b>			
4003 · Dated SS Curriculum	\$110,000	\$90,000	\$97,785
4009 · D6 HomePoint	\$140,000	\$140,000	-\$1,163
4015 · Children's Church Curriculum	\$500	\$6,000	\$0
4021 · D6 Media	\$1,000	\$5,000	\$700
4024 · Church Supplies	\$0	\$500	\$0
4027 · D6 T-Shirts/Merchandise	\$5,000	\$8,500	\$15,045
4030 · Vertical 3 Resources	\$2,500	\$4,000	\$1,554
4033 · Miscellaneous Sales	\$0	\$0	\$0
4039 · D6 Books	\$27,500	\$35,000	\$23,905
4503 · D6 Conf Expensees	\$265,000	\$410,000	\$399,547
4509 · D6 Conf Sales	\$12,500	\$17,500	\$10,329
4515 · National Sales	\$1,500	\$2,000	\$339
4521 · Misc. Event Sales	\$7,000	\$8,000	\$6,454
4703 · Third Party Curriculum	\$0	\$7,000	\$0
4712 · Third Party Church Supplies	\$0	\$1,000	\$0
4715 · Third Party Bibles	\$0	\$250	\$0
4718 · Third Party Books	\$2,500	\$3,500	\$2,111
4724 · Third Party Miscellaneous	\$0	\$100	-\$200
4803 · Freight COGS	\$2,000	\$3,500	\$1,671
4815 · Change In Inventory	\$30,000	\$0	\$35,849
<b>Total Cost of Goods Sold</b>	<b>\$607,000</b>	<b>\$741,850</b>	<b>\$593,924</b>
<b>Departmental Operating Expenses</b>			
6002 · Salaries	\$1,550,000	\$1,610,000	\$1,618,750
6003 · Housing Allowance	\$130,000	\$122,500	\$126,358
6004 · Travel Expense	\$90,000	\$80,000	\$85,171
6006 · Department Supplies	\$52,500	\$57,500	\$51,519
6007 · Equipment Maintenance	\$1,000	\$2,500	\$498
6008 · Equipment Rental	\$27,500	\$37,500	\$24,099
6010 · Conventions and Seminars	\$8,000	\$7,000	\$8,177
6011 · Royalty Payments	\$25,000	\$25,000	\$21,370
6012 · Dues and Subscriptions	\$57,500	\$65,000	\$56,629
6015 · CRM Software	\$55,000	\$35,000	\$54,851
6016 · Entertainment	\$16,000	\$17,500	\$14,700
6018 · Outside Printing	\$375,000	\$425,000	\$408,415
6019 · Outside Bindery	\$10,000	\$17,500	\$7,256
6020 · Postage	\$20,000	\$38,000	\$17,875
6023 · Telephone	\$18,000	\$18,000	\$17,933
60226 · FICA	\$82,500	\$97,500	\$88,763
6029 · Retirement	\$55,000	\$57,500	\$55,188
6032 · Medical Insurance	\$320,000	\$345,000	\$313,142
6034 · Advertising	\$40,000	\$57,500	\$30,222
6035 · D6 Podcast	\$5,000	\$7,500	\$12,328
6036 · Promotion	\$90,000	\$97,500	\$77,750
6038 · Pressroom Parts	\$7,500	\$6,500	\$15,264
6040 · Pressroom Stock	\$125,000	\$115,000	\$106,640
6042 · Pressroom Ink	\$5,000	\$6,500	\$3,624
6044 · Bindery Supplies	\$6,500	\$4,500	\$6,593
6046 · Bindery Maintenance	\$1,500	\$750	\$1,921
6048 · Bindery Parts	\$1,500	\$1,500	\$144
6050 · Pre-Press Supplies	\$1,500	\$1,500	\$1,519
6052 · Proofing Supplies	\$500	\$2,500	\$796
6056 · Digital Press Supplies	\$150	\$150	\$162
6062 · Plates	\$7,500	\$20,000	\$16,960
6088 · Outside Purchases - Essential Pkts.	\$1,500	\$15,000	\$0
6089 · Digital Press Operation/Maintenance	\$130,000	\$107,500	\$101,353
6090 · Miscellaneous Expense	\$2,500	\$2,500	\$0



# D6 Family Ministry Comparative Budget

	Budget 2026	Budget 2025	Jan - Dec 24
6134 · Product Development	\$10,000	\$4,250	\$8,156
6136 · Writer's Fees	\$60,000	\$57,500	\$59,900
6137 · Copyrights	\$2,000	\$0	\$2,275
6138 · Outside Editing/Proofing	\$35,000	\$45,000	\$33,128
6170 · Auto Expense	\$4,000	\$7,500	\$4,922
6214 · Art Services	\$45,000	\$60,000	\$60,765
6230 · Software Fees and Services	\$5,000	\$750	\$17,939
6240 · Freight Expense	\$320,000	\$225,000	\$288,827
6243 · Building Maintenance	\$22,500	\$20,000	\$19,008
6244 · Utilities	\$55,000	\$52,500	\$54,427
6245 · Building Insurance	\$45,000	\$37,500	\$45,120
6446 · ONE Magazine Expense	\$52,500	\$51,000	\$51,987
6534 · V3 Conf. Expense	\$175,000	\$170,000	\$235,748
6536 · Truth & Peace Expense	\$230,000	\$225,000	\$223,729
6538 · NYET Expense	\$10,000	\$30,000	\$41,877
6545 · V3 - Scholarships	\$1,500	\$1,500	\$0
6588 · Buck-A-Week Expenses	\$500	\$500	\$8
6914 · Depreciation	\$137,500	\$110,000	\$134,289
6915 · Interest Expense	\$80,000	\$45,000	\$92,391
6918 · Service Charges	\$40,000	\$40,000	\$38,122
6925 · Board Expense	\$17,500	\$20,000	\$22,504
6930 · Legal & Audit	\$17,500	\$20,000	\$17,215
6940 · Bad Debt	\$1,000	\$1,000	\$0
6945 · In House Functions	\$15,000	\$12,500	\$14,906
6950 · Taxes	\$5,000	\$7,500	\$3,463
6951 · National Expense	\$25,000	\$20,000	\$31,741
6955 · Payroll Services	\$4,500	\$4,000	\$3,627
6970 · Development Promotional Expenses	\$1,000	\$1,000	\$603
6088 · D6 International Travel/Expense	\$15,000	\$15,000	\$3,175
<b>Total Departmental Operating Expenses</b>	<b>\$4,750,650</b>	<b>\$4,788,400</b>	<b>\$4,855,821</b>

Executive Director & CEO Ronald Hunter Jr.	2025 Package	2026 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 2025 is \$16,346. An increase is projected for 2026.

\* Salary is subject to change dependent on the performance of the organization.

Curriculum Director Katie Greenwood	2025 Package	2026 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 2025 is \$20,072. An increase is projected for 2026.

\* Salary is subject to change dependent on the performance of the organization.

Director of Events & Development Derek Altom	2025 Package	2026 Projected Package*
Salary	\$35,026	\$36,427
Housing Allowance	<u>\$22,140</u>	<u>\$23,026</u>
<b>COMPENSATION TOTAL</b>	\$57,166	\$59,453
Retirement	\$2,858	\$2,973
Christmas Bonus	<u>\$857</u>	<u>\$892</u>
	\$3,716	\$3,864
<b>TOTAL PAY PACKAGE</b>	\$60,882	\$63,317

Medical, Dental, Vision and Life insurance in 2025 is \$20,072. An increase is projected for 2026.

\* Salary is subject to change dependent on the performance of the organization.

**Summary of the Minutes  
D6 Family Ministry Board  
2024-2025**

The D6 Family Ministry board convened at the Tampa Convention Center on July 24, 2024. Chairman Paul Bryant called the meeting to order; Tim York served as clerk. Financial and Vertical Three updates were discussed without actions taken. Committee appointments for Finance, Curriculum, and Vertical Three were confirmed for the upcoming year. The meeting adjourned shortly thereafter.

On December 11, 2024, the board met in Nashville, Tennessee, chaired by Paul Bryant. The session opened with devotion and prayer, including a special mention of Jay Baines's health. Dr. Ron Hunter, executive director & CEO, delivered a comprehensive report addressing budget adjustments, total asset considerations, curriculum progress, event updates, donor engagement, and marketing strategies. Several motions were passed, including governance over publishing agreements, exploration of asset relocation, and approval of Finance, Curriculum, and Vertical Three committee reports. Officers were elected for the next term. The meeting adjourned with prayer.

Chaired by Paul Bryant, the board met again on March 31, 2025, in Nashville, Tennessee. The session began with a devotion on Galatians 6:9 and prayer. Dr. Ron Hunter presented updates on financial stability, Customer Relationship Management software implementation, marketing strategy shifts, strategic partnerships, and a review of balance sheet assets. Reports on the 2026 budget, audit findings, books, and committee activities (Vertical Three, Curriculum, Finance) were presented and approved. Following detailed discussions, a motion was passed to initiate several strategic initiatives to set up D6 Family Ministry for future stability regarding all financial, fiscal, and operational health aspects. The board further leaned in to personally support and recommend that each board member be an ambassador for D6 Family Ministry and encourage individuals, pastors, and churches to support the ministry financially. The meeting adjourned with prayer.

# 2025 REPORT FROM IM

## IT'S ABOUT THE GOSPEL

For 90 years, IM missionaries and field workers have faithfully taken the Gospel to the nations. Since our founding in 1935, our legacy has been built upon an unwavering commitment to **labor with the Body of Christ to fulfill the Great Commission**. Today, we joyfully embrace this legacy and press forward with the same mission.

Psalm 145:4 reminds us of the importance of testifying to God's work: "One generation shall praise thy works to another, and shall declare thy mighty acts." This verse highlights our responsibility as believers to share God's goodness, faithfulness, and mighty deeds with future generations—ensuring that His greatness is never forgotten but continually proclaimed.

The 2024 field statistics reveal meaningful progress in spreading the Gospel worldwide. We rejoice in all that God has done through the efforts of IM missionaries, national believers, and partners.

We celebrate every soul that responded to the call to follow Christ. Last year there were **5,175 conversions**.

It is with heartfelt gratitude we share that many individuals publicly declared their new life in Christ by being baptized. There were **2,976 baptisms**.

While these milestones bring joy, our mission is not yet complete. The Gospel is for all people. Therefore, we must continue going to the places where Christ has not yet been named so that the *unreached* can become *reached*. This commitment is reflected in the growing number of outreach locations. The reports from our fields showed **312 preaching points and mission works**. These serve as the seeds of future churches, taking root and growing in communities around the world.

We rejoice in the fact that each Sunday, from sunrise to sunset, believers gather in Free Will Baptist-affiliated churches outside of North America. In 2024, these churches recorded an average attendance of **52,096** each Sunday morning.\*

*\*NOTE: This number is down over 5,000 from 2023. IM's Director of Global Partnerships, Kenneth Eagleton, explains this is absolutely due to the fact that there is great persecution in some countries toward Christians. This has led to the forced closure of many churches, and believers have dispersed. This does not mean they have abandoned the faith, but they must wait until the government reduces the pressure so they can gather again for worship.*

These stats are another powerful reminder of God's mighty works, but also of the relentless opposition by Satan to not just hinder, but completely stop the spread of the Gospel. **We must diligently pray for believers facing constant and ruthless persecution.**



As we recount the mighty works of God, we must also recognize His provision of the necessary resources to continue the mission. In 2024, God blessed IM in extraordinary financial ways. It was a record-breaking year, made possible by the faithful support of our Free Will Baptist churches and individuals. Let's collectively praise Him for:

- **Over \$10 million in income**
- **Without any subsidies, all missionary accounts ended the year in the black** (for the first time in recent IM history)

These are truly remarkable and encouraging milestones. God's faithfulness continues as 2025 began with two consecutive months of record-breaking income.

### GOD'S MIGHTY WORKS in 2024

**5,175** conversions

**2,976** baptisms

**312** preaching points and mission works

**52,096** average Sunday attendance



While we have celebrated incredible financial milestones, we must also be transparent about a significant financial concern. It's difficult to fully convey the impact the **General Fund** has on the entirety of IM's ministries. While it's true that this fund covers the needs of our stateside ministry team, its reach extends far beyond that. **The General Fund is the backbone that supports and empowers our field teams to thrive.**

## GENERAL FUND IM



**Recruiting & Vetting** – The General Fund supports the demanding process of identifying, vetting, and preparing candidates for missionary service. Our stateside ministry team walks closely with each missionary candidate, ensuring they are physically, emotionally, and, most of all, spiritually ready to serve on the field.

**Training** – Before deployment, missionaries undergo extensive training. This includes preparation to face and properly deal with cross-cultural immersion, challenging cultural differences, language acquisition, working on a team, time management, personal well-being, and much more. These efforts are undergirded by the General Fund.

**Logistics** – Getting missionaries to the field and keeping them there requires detailed logistical support. From obtaining visas and other documentation, to arranging insurance, processing donations, ensuring safety and other support actions, the General Fund makes it all possible.

**Missionary Care** – Life on the mission field can be physically, emotionally, and spiritually demanding. Through the General Fund, IM is able to offer exceptional care, counseling, and support for missionaries and their families.

**Promotion** – Communication is key. The IM stateside ministry team in Nashville sends out materials and updates that are designed to inform, inspire, and engage IM partners and our Free Will Baptist family. While all missionaries maintain their own partner relationships, the broader effort to promote the mission is funded through the General Fund.

**Partnership Development** – Another aspect of IM ministries is coming alongside and partnering with national churches in countries where IM no longer has a missionary presence. Also, God has opened doors of opportunity to partner with others in the Body of Christ that share our passion to fulfill the Great Commission. The General Fund allows IM to obtain resources, develop strategies, and execute initiatives that strengthen these vital relationships.

**Mobilization** – Inspiring the next generation to go, give, and pray is part of our calling. Through ETEAM, CMP, THP, and other mobilization efforts, we can ignite the hearts of those who will carry the Gospel forward. The General Fund fuels mobilization efforts.

When you give to the IM General Fund, you're not just sustaining the stateside ministry team—you're a part of a global impact. Every dollar you give directly strengthens the hands and hearts of those reaching people around the world with the Gospel. If you feel led to invest in this vital work, simply scan the QR code and give to the General Fund today.

Despite being a single line item on the budget, the General Fund is essential to everything we do. **It's not just an expense; it's an investment** that impacts all areas of IM and allows the mission to go forward with strength and excellence.

“It's ultimately about getting the Gospel of Jesus to the unreached peoples of the world, and I support that 100%.”

Jeff Manning, Pastor  
Unity FWB Church  
(NC)

Scan  
now!



At the April 2024 IM Board Meeting, the IM Leadership Team was challenged to set goals that could only be accomplished by the direct intervention of God. We embraced that challenge. Last year, we introduced the early draft of these ambitious goals as our *Extreme Goals*. After much prayer, discussion, and careful analysis, the Leadership Team refined and renamed these objectives. They are now known as our **HORIZON GOALS** because these are ten-year goals, stretching beyond our immediate view, calling us to walk by faith toward a future that only God can fully bring into view.

## HORIZON GOALS – 2025-2035

### #1 COMMISSION 100 NEW MISSIONARIES

We are praying and working toward the **commissioning of 100 new missionaries** before the end of 2035. We're building on a strong foundation as our short-term programs such as ETEAM, CMP, THP, and other initiatives are providing fertile ground for future missionaries. But sending out 100 new workers will require radical trust in God, as well as a significant increase in both support and resources.

It took nearly 90 years for IM to commission more than 500 missionaries. We currently have 111 missionaries. What gives us the boldness to believe we can send another 100 in just ten years?

**Because with our God, all things are possible.**



### #2 MEET THREE MAJOR FINANCIAL GOALS

To support the growth ahead, we've established three critical financial targets:

- To reach and sustain an annual total of at least \$1 million for the **World Missions Offering (WMO)**
- To provide seed money for launching new missionaries by using annual earnings from the \$3 million **GROW Endowment Fund**
- To establish long-term, sustainable income for the IM General Fund by reaching \$10 million in the **Cornerstone Endowment Fund**

Logically, these goals may seem beyond reach. The odds appear stacked against us. But we are not relying on logic, we are relying on God's provision. **These are not just financial goals; they are faith goals.**

### #3 DOUBLE THE NUMBER OF FWB BELIEVERS OUTSIDE NORTH AMERICA

Today, over 50,000 Free Will Baptists gather each Sunday in churches outside North America. Our third goal is to more than double that number to 120,000. This overarching goal includes:

- **Sharing the Gospel** with 1 million unbelievers in countries where IM missionaries or partner agencies serve
- **Planting 1,000 new churches** as a result of this Gospel outreach
- **Gathering 120,000 worshippers** each Sunday in our global churches

**These goals are not just about numbers. They are about seeing lives transformed, communities changed, and the name of Jesus being lifted high in every corner of the world where God leads us.**

I am deeply encouraged by the passionate commitment to these goals by the IM stateside ministry team and I am anticipating the momentum that will come as we share these with our field teams and partners and report God's mighty works to you. Reaching the **Horizon Goals** will require a Holy Spirit directed, all-hands-on-deck mentality. We will need to plant, water, and persevere. But ultimately, it will be God who brings the harvest. **Let us trust Him to do what only He can do.**



At the April 2025 IM Board Meeting, significant steps were taken to expand and support the work of the Gospel through **new missionary appointments and transitions**.

The board provided a pathway for **Josh Provow and his fiancée, Bea Fernandes**, to pursue ministry in Bulgaria as non-ordained missionaries, following their marriage on July 5, 2025.

In addition, six candidates were commissioned as IM missionaries/THP field workers:

- **Shane and Megan** (Dickson, TN) were commissioned to serve with The Hanna Project in France.
- **Silas Houser** (Chesterfield, VA) will be joining the IM team in Bulgaria, further strengthening the outreach in that region.
- **Robert Newton** (Ashland City, TN) is preparing to serve alongside the Hope Alive team in Tokyo, Japan, bringing his passion and gifts to one of the world's most dynamic cities.
- **Reece Rooke** (Russellville, AR) was commissioned as a missionary to Tokyo, where he will also join the Hope Alive team.
- **Lauren Williams** (Lancaster, NY) will begin her ministry alongside our current missionaries in France, contributing to a growing team of workers.
- In addition, **Bradley and Madison Mercer** (Columbia, MO) are transitioning from interns to career-status missionaries, continuing their ministry to international students at the University of Missouri.

These appointments reflect IM's ongoing commitment to developing and deploying passionate, well-prepared workers around the world. We rejoice in what God is doing through each of these individuals as they step into new areas of Kingdom service.



Shane & Megan      Silas Houser      Robert Newton      Reece Rooke      Lauren Williams      Bradley & Madison Mercer

Over the past year, we have said goodbye to eight of our beloved pioneer missionaries—faithful servants who gave their lives to the cause of Christ and left behind a legacy that continues to bear fruit. Each of them lived with a profound hope for the future and for eternity, and we honor the impact of their ministries around the world.

- **Dave Franks, Sr.** (October 5, 1932 – September 2, 2024) Dave was born and raised in Alabama. Following his call to be a missionary, he and his wife Pat served in Brazil for 43 years in evangelism and church planting. After his missionary service in Brazil, he and his family returned to Alabama and remained in pastoral ministry as long as his health permitted. Dave is remembered as a humble man of God with a passion for lost souls.
- **Florine Faulkner Coscia** (January 1, 1935 – October 19, 2024) Florine and her husband Louis (deceased) served as IM missionaries in Brazil for 28 years. She and Louis had an amazing story of how God brought their lives together and then as a successful business couple, God called them to go serve as missionaries. They are a great example of what it means to "drop your nets and follow Him."

- **Jerry Pinkerton** (January 24, 1943 – October 20, 2024) Jerry and his wonderful wife, Carol, ministered in the country of Ivory Coast, West Africa, for over 35 years. Jerry was by far a shining example of a man with a servant's heart. He and Carol ministered from the most extreme north point of Ivory Coast to the capital city on the southern coast. His passion for lost souls was evident throughout his time in Africa, during his pastoring days after returning to the states in 2008, and even his last days on this earth.
- **Sandra Payne** (February 10, 1938 – December 20, 2024) Sandra served in Côte d'Ivoire from 1964 to 1987. Alongside her husband, Eddie, she invested deeply in the lives of those she ministered to with love and grace. Eddie, her husband of over 60 years, now resides in Cookeville, Tennessee, with their daughter, Debbie (Payne) Anderson.
- **Carmel "Don" Robirds** (September 19, 1935 – March 8, 2025) Don served for seven years in Brazil as an IM missionary before taking on the role of IM Director of Public Relations, where he worked faithfully for 32 years. His legacy includes not only field ministry, but also decades of telling the story of IM with passion and excellence.
- **Bobby Hugh Aycock** (April 1, 1935 – March 11, 2025) Bobby and his wife, Sue, spent 40 years as church planters in Brazil. Their ministry was marked by perseverance and fruitfulness, resulting in the planting of seven churches that continue to impact communities for Christ.
- **Sue White Aycock** (September 3, 1937 – March 15, 2025) Sue faithfully served alongside her husband, Bobby, for four decades in Brazil. Her gentle spirit, steadfast faith, and deep love for the people she served remain an inspiration to all who knew her.
- **Herbert Lee Waid** (November 12, 1932 – April 5, 2025) Herbert and his wife, Geraldine, served as IM missionaries in Japan from 1958 to 1975. He had a good ministry focused on training leaders as well as church planting. After leaving the field, he served several years in the state of Georgia as Executive Secretary and followed this with twenty-five years in the pastorate in Moultrie. His attention to detail served him well as a missionary and pastor.

We give thanks for these faithful servants, Dave, Florine, Jerry, Sandra, Don, Bobby, Sue, and Herbert. **Their lives had an eternal impact** on those they ministered to. As we reflect on their legacy, we are reminded of the words of Psalm 116:15: "Precious in the sight of the Lord is the death of his saints." They have finished the race, and their reward is eternal.

Everything we do centers on the life-changing message of Jesus Christ. It is your prayers, your generosity, and your steadfast commitment that empowers IM. Because of your partnership, the Gospel is reaching hearts, changing lives, and transforming communities around the world. Thank you for standing with IM. In closing I want to reaffirm one thing: **IM is not about programs, strategies, or even numbers. It's about the GOSPEL.**





# REMEMBERING

## LEGACIES IN THE IM FAMILY

**Holly Petty**, grandfather of Emily Sakamoto, missionary to Japan, passed away on July 29, 2024.

**Joanne Foerste**, grandmother of Tristen White, missionary to Japan, died on August 20, 2024.

**Dave Franks, Sr.** former missionary to Brazil, went to be with the Lord on September 2, 2024.

**Florine Coscia**, former missionary to Brazil, entered heaven on October 19, 2024.

**Collins Lane**, father of board member Cameron Lane, passed away on October 17, 2024.

**Jerry Pinkerton**, former missionary to Ivory Coast, went to be with the Lord on October 20, 2024.

**Donnie Zimmerman**, father to Dana Portell, missionary to International Students, died on October 27, 2024.

**Charles Thigpen**, grandfather of Breanna Johnson, missionary to France, passed away on December 14, 2024.

**Sandra Payne**, former missionary to Ivory Coast, entered heaven on December 20, 2024.

**Jimmie Neal Pope**, grandfather of Sierra White, missionary to Japan, passed away on December 28, 2024.

**Steven Price**, stepbrother of Matt Price, missionary to France, died on January 15, 2025.

**Margaret Champion**, grandmother of Billy Champion, missionary to Japan, passed away on February 4, 2025.

**Don Robirds**, former missionary to Brazil and former Director of Communications, entered heaven on March 8, 2025.

**Bobby Aycock**, former missionary to Brazil, went to be with the Lord on March 11, 2025.

**Sue Aycock**, former missionary to Brazil, entered heaven on March 15, 2025.

**Eleanor Miller**, grandmother of Faith, THP field worker to France, passed away on March 22, 2025.

**Janice Cason**, mother of board member Rick Cason, went to be with the Lord on March 24, 2025.

**Herbert Waid**, former missionary to Japan, went to be with the Lord on April 5, 2025.

**Ruby Thigpen**, grandmother of Breanna Johnson, missionary to France, passed away on April 14, 2025.



## BOARD MEETING SUMMARY

The Board of IM met twice in person from May 1, 2024, to April 15, 2025.

Board members for the period included:

Rodney Yerby (AL, Chairman)  
Will Harmon (AR, Vice-Chairman)  
Darren Walker (NC, Secretary)  
Casey Cariker (OK)  
Rick Cason (GA)  
Paul Etterling (OH)  
Cameron Lane (AR)  
Jeff Nichols (TN)  
Chris Todd (OK)

Board actions throughout the year included:

- Accepted the resignation of Reese and Charity Brown
- Accepted the resignation of Bryson Foulks
- Accepted the resignation of Callie (Stox) Lydic
- Accepted the leave of absence for Jace Dixon
- Approved the 2025 Budget of \$17,111,154.98
- Accepted the resignation of Taylor Pate
- Accepted the resignation of Tyler Justice
- Commissioned Shane and Megan for a two-year internship in France
- Commissioned Silas Houser for a two-year internship in Bulgaria
- Commissioned Robert Newton for a two-year internship in Japan
- Commissioned Reece Rooke for a two-year internship in Japan
- Commissioned Lauren Williams for a two-year internship to France
- Approved Impact projects for Togo Child Education Sponsorship and Hope Alive Ikebukuro Church-Planting Fund
- Accepted the 2024 audit
- Adopted the 2026 framework budget of \$11.2 million
- Provided the pathway for Josh Provow and Bea Fernandes to pursue ministry in Bulgaria as non-ordained missionaries following their marriage on July 5, 2025
- Elected Cameron Lane as new Vice-Chairman



## TOP TEN STATES IN GIVING 2024

Tennessee	\$1,228,777.20
North Carolina	\$1,205,888.33
Oklahoma	\$1,026,845.66
Arkansas	\$958,318.04
Missouri	\$802,245.69
Georgia	\$527,908.43
Alabama	\$450,121.57
South Carolina	\$426,369.61
Illinois	\$381,052.89
Florida	\$205,972.33

*IT'S ABOUT THE **GOSPEL***

# 5

ways to decrease your tax liability  
and impact the kingdom of God  
by giving to the IM General Fund

1. Give a cash gift to IM
2. Transfer gifts from your IRA
3. Gift or transfer assets to IM
4. Donor Advised Funds (DAFs)
5. A zero-tax gift and sale arrangement

**GENERAL  
FUND**  
IM 

### Read the blog for more!

Learn how these five ways will help  
both your financial needs and the  
financial needs of the Kingdom  
by reading the latest IM blog.



[www.iminc.org](http://www.iminc.org)





## TOP 25 GIVING CHURCHES 2024

2024 Consolidated Unaudited Income:  
**\$10,046,085.82**

Unity FWB Church	Greenville, NC	\$ 209,968.87
The Donelson Fellowship	Nashville, TN	\$ 154,358.41
Cavanaugh FWB Church	Fort Smith, AR	\$ 112,747.06
Legacy Church	Gastonia, NC	\$ 86,894.88
Bethel FWB Church	Kinston, NC	\$ 70,365.00
Horse Branch FWB Church	Turbeville, SC	\$ 60,848.77
First FWB Church	North Little Rock, AR	\$ 55,347.90
First FWB Church	Albany, GA	\$ 53,633.20
Bethany FWB Church	Broken Arrow, OK	\$ 51,747.46
Union Grove FWB Church	Atkins, AR	\$ 51,474.00
First FWB Church	Washington, NC	\$ 48,706.50
New Hope FWB Church	Joelton, TN	\$ 47,115.37
Bethel FWB Church	Chapmansboro, TN	\$ 44,377.86
Ebenezer FWB Church	Glennville, GA	\$ 44,098.07
Connect Church	Russellville, AR	\$ 41,864.60
Hilltop FWB Church	Fuquay Varina, NC	\$ 39,750.00
Calvary Fellowship FWB Church	Fenton, MO	\$ 37,862.64
Rejoice FWB Church	Owasso, OK	\$ 37,767.30
First FWB Church	Poteau, OK	\$ 37,319.25
Limestone FWB Church	Limestone, TN	\$ 37,000.00
Good Springs FWB Church	Pleasant View, TN	\$ 34,892.49
Arnold View FWB Church	Creal Springs, IL	\$ 34,110.00
Parkers Chapel FWB Church	Greenville, NC	\$ 33,336.39
Cofer's Chapel FWB Church	Nashville, TN	\$ 33,143.64
Lebanon FWB Church	Effingham, SC	\$ 32,930.00

IT'S ABOUT THE **GOSPEL**





## World Missions Offering

In 2024, **\$792,358** of undesignated funds were disbursed from the WMO.

Below is a list of churches who gave **\$5,000 or more in 2024**.

Cavanaugh FWB Church	Fort Smith, AR	\$112,687.00
Unity FWB Church	Greenville, NC	\$56,167.73
Limestone FWB Church	Limestone, TN	\$32,825.00
Bethel FWB Church	Kinston, NC	\$30,338.00
First FWB Church	Poteau, OK	\$28,019.25
Ebenezer FWB Church	Glennville, GA	\$25,000.00
Macedonia FWB Church	Purdy, MO	\$22,000.00
Madison FWB Church	Madison, AL	\$15,524.00
Zephyr Hills FWB Church	Asheville, NC	\$14,658.81
Faith FWB Church	Lubbock, TX	\$11,685.47
Restore Church	Portsmouth, VA	\$11,505.08
Ina FWB Church	Ina, IL	\$11,262.00
Legacy Church	Gastonia, NC	\$10,000.00
Sutton FWB Church	Pocahontas, AR	\$10,000.00
Good Springs FWB Church	Pleasant View, TN	\$9,432.64
First FWB Church	Walnut Ridge, AR	\$8,624.00
Sulphur FWB Church	Sulphur, OK	\$7,726.00
First FWB Church	Pocahontas, AR	\$7,577.00
First FWB Church	Fair Grove, MO	\$7,000.00
First FWB Church	Beaufort, NC	\$6,906.00
First FWB Church	Dickson, TN	\$6,817.00
Sherwood Forest FWB Church	New Bern, NC	\$6,435.00
Ryanwood Fellowship FWB Church	Vero Beach, FL	\$6,250.00
Sherwood Forest FWB Church	El Sobrante, CA	\$5,740.00
Central Oaks Community Church	Royal Oak, MI	\$5,169.00
Turner's Chapel FWB Church	Butler, GA	\$5,062.00
Heads FWB Church	Cedar Hill, TN	\$5,026.95
First FWB Church	O'Fallon, MO	\$5,000.00
North Warren FWB Church	Warren, MI	\$5,000.00
Rejoice FWB Church	Owasso, OK	\$5,000.00

# Thank you

for making an impact on the world through the World Missions Offering.  
Together we can CONTINUE THE MISSION!

IT'S ABOUT THE **GOSPEL**



## 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, 2024 and 2023, 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, 2024 and 2023, 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 24, 2025



**IM, Inc. and Subsidiary**  
Consolidated Statements of Financial Position  
December 31, 2024 and 2023

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 1,644,143	\$ 1,277,128
Investments	2,215,569	2,380,022
Endowment investments in trusts	513,289	462,105
Prepaid expenses	291,452	234,252
Advances and receivables	618,973	656,890
Property and equipment, net	1,412,651	1,436,567
Total assets	<b>\$ 6,696,077</b>	<b>\$ 6,446,964</b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 210,316	\$ 328,441
Accrued employee benefits	68,570	68,256
Total liabilities	278,886	396,697
Net assets		
Without donor restrictions	964,090	876,433
With donor restrictions	5,453,101	5,173,834
Total net assets	6,417,191	6,050,267
Total liabilities and net assets	<b>\$ 6,696,077</b>	<b>\$ 6,446,964</b>

See notes to consolidated financial statements



**IM, Inc. and Subsidiary**  
Consolidated Statement of Activities  
For the Year Ended December 31, 2024

	Without donor restrictions	With donor restrictions	Total
<b>Revenues, Gains, and Other Support</b>			
Contributions of cash and other financial assets	\$ 1,598,457	\$ 8,205,284	\$ 9,803,741
Investment and interest income	217,805	-	217,805
Gain on disposal of property and equipment	24,541	-	24,541
Net assets released from restrictions	<u>7,926,017</u>	<u>(7,926,017)</u>	<u>-</u>
Total revenues, gains, and other support	9,766,820	279,267	10,046,087
<b>Expenses</b>			
Program services	8,489,286	-	8,489,286
Management and general	547,291	-	547,291
Fundraising	<u>642,586</u>	<u>-</u>	<u>642,586</u>
Total expenses	9,679,163	-	9,679,163
Change in net assets	87,657	279,267	366,924
Net assets, beginning of year	<u>876,433</u>	<u>5,173,834</u>	<u>6,050,267</u>
Net assets, end of year	<u>\$ 964,090</u>	<u>\$ 5,453,101</u>	<u>\$ 6,417,191</u>

See notes to consolidated financial statements

**IM, Inc. and Subsidiary**  
Consolidated Statement of Activities  
For the Year Ended December 31, 2023

	Without donor restrictions	With donor restrictions	Total
<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 Functional Expenses  
For the Year Ended December 31, 2024

		<b>Supporting services</b>		
	<b>Program services</b>	<b>Management and general</b>	<b>Fundraising</b>	<b>Total</b>
Compensation and benefits	\$ 4,424,918	\$ 255,540	\$ 403,205	\$ 5,083,663
Depreciation	173,208	99,276	5,000	277,484
Equipment and supplies	65,962	93,493	3,979	163,434
Facilities and utilities	145,292	141,693	3,239	290,224
Field housing and education	1,068,805	-	-	1,068,805
Field projects	1,203,416	-	-	1,203,416
Marketing and development	63,015	6,127	131,243	200,385
National convention	19,341	4,187	31,833	55,361
Professional services	33,986	14,602	3	48,591
Training	178,700	16	5,452	184,168
Travel	906,995	29,995	31,632	968,622
WMO campaign	-	-	27,000	27,000
Bank and credit card charges	9,761	58,267	-	68,028
Miscellaneous	33,699	6,283	-	39,982
Total expenses before allocation	8,327,098	709,479	642,586	9,679,163
Indirect missionary expense allocation	162,188	(162,188)	-	-
Total expenses	<b>\$ 8,489,286</b>	<b>\$ 547,291</b>	<b>\$ 642,586</b>	<b>\$ 9,679,163</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 Statements of Cash Flows  
For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash and cash equivalents, beginning of year	\$ 1,277,128	\$ 1,662,702
<b>Cash flows from operating activities</b>		
Change in net assets	366,924	(175,481)
Adjustments to reconcile change in net assets to net cash provided by (used) operating activities:		
Depreciation	277,484	293,920
Unrealized gain on investment	(162,704)	(125,008)
Gain on disposal of property and equipment	(24,541)	(16,358)
Contributions restricted for endowments	-	(98,506)
Change in:		
Prepaid expenses	(57,200)	(46,812)
Advances and receivables	37,917	(58,503)
Account payable and accrued expenses	(118,125)	22,195
Accrued employee benefits	314	5,785
Net cash provided by (used) operating activities	320,069	(198,768)
<b>Cash flows from investing activities</b>		
Purchases of investments	(24,027)	(348,506)
Sale of investments	300,000	300,000
Purchases of property and equipment	(311,163)	(376,619)
Proceeds from sale of property and equipment	82,136	151,463
Net cash provided (used) by investing activities	46,946	(273,662)
<b>Cash flows from financing activities</b>		
Payments on notes payable	-	(11,650)
Contributions restricted for endowments	-	98,506
Net cash provided (used) by financing activities	-	86,856
Net change in cash and cash equivalents	367,015	(385,574)
Cash and cash equivalents, end of year	<b>\$ 1,644,143</b>	<b>\$ 1,277,128</b>
<b>Supplemental disclosures of cash flow information</b>		
Cash payments for interest	\$ -	\$ 1,237

See notes to consolidated financial statements

**IM, Inc. and Subsidiary**  
Notes to Consolidated Financial Statements  
For the Years Ended December 31, 2024 and 2023

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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, 2024 and 2023

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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, 2024 and 2023

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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.

**Note 3. Liquidity and Availability**

The following represents the Organization's financial assets:

	<b>2024</b>	<b>2023</b>
Financial assets		
Cash and cash equivalents	\$ 1,644,143	\$ 1,277,128
Investments	2,215,569	2,380,022
Endowment investments in trusts	513,289	462,105
Advances and receivables	<u>618,973</u>	<u>656,890</u>
Total financial assets	4,991,974	4,776,145
Less amounts not available to be used within one year		
Advances for long-term use	(70,480)	(79,958)
Permanently restricted portion of investments	<u>(372,758)</u>	<u>(372,758)</u>
	(443,238)	(452,716)
Financial assets available to meet cash needs for general expenditures over the next 12 months	<b>\$ 4,548,736</b>	<b>\$ 4,323,429</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.

**Note 4. Investments**

The Organization's non-endowment investments consist of the following:

	<b>2024</b>	<b>2023</b>
General Reserves Trust, held by Free Will Baptist Foundation	\$ 1,890,881	\$ 2,090,140
MK Scholarship Trust, held by Free Will Baptist Foundation	3,141	3,004
Mutual funds, held by Free Will Baptist Board of Retirement	315,151	281,381
Equity securities, held with broker	<u>6,396</u>	<u>5,497</u>
	<b>\$ 2,215,569</b>	<b>\$ 2,380,022</b>

The total investment income on the non-endowment investments was \$135,547 and \$104,642 for 2024 and 2023, respectively.



**IM, Inc. and Subsidiary**  
Notes to Consolidated Financial Statements  
For the Years Ended December 31, 2024 and 2023

**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>2024</b>	<b>2023</b>
IM Cornerstone Endowment	\$ 507,627	\$ 456,767
IM Grow Endowment	<u>5,662</u>	<u>5,338</u>
	<b>\$ 513,289</b>	<b>\$ 462,105</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, 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	90,557	371,548	462,105
Contributions	22,152	-	22,152
Investment gain	<u>29,032</u>	<u>-</u>	<u>29,032</u>
December 31, 2024	<b>\$ 141,741</b>	<b>\$ 371,548</b>	<b>\$ 513,289</b>

**IM, Inc. and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**For the Years Ended December 31, 2024 and 2023**

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**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 at December 31, 2024:

	Level 1	Level 2	Level 3	Total
Non-endowment investments				
Cash funds	\$ 422,353	\$ -	\$ -	\$ 422,353
Equities	777,065	-	-	777,065
REIT	-	128,436	-	128,436
Fixed income instruments	-	486,487	-	486,487
Fixed income	<u>401,228</u>	<u>-</u>	<u>-</u>	<u>401,228</u>
	1,600,646	614,923	-	2,215,569
Endowment investments				
Cash funds	47,120	-	-	47,120
Equities	249,048	-	-	249,048
REIT	-	159,941	-	159,941
Fixed income instruments	<u>-</u>	<u>57,180</u>	<u>-</u>	<u>57,180</u>
	<u>296,168</u>	<u>217,121</u>	<u>-</u>	<u>513,289</u>
Total investments	<b>\$ 1,896,814</b>	<b>\$ 832,044</b>	<b>\$ -</b>	<b>\$ 2,728,858</b>

**IM, Inc. and Subsidiary**  
Notes to Consolidated Financial Statements  
For the Years Ended December 31, 2024 and 2023

**Note 6. Fair Value Measurements**

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 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
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	-	75,739	-	75,739
	<u>111,645</u>	<u>350,460</u>	<u>-</u>	<u>462,105</u>
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 \$617,315 and \$620,408 at December 31, 2024 and 2023, respectively, for funds advanced to missionaries. When a missionary goes to the field, they are given advance funds to establish their missionary work. These funds are normally netted with future expense reimbursements. Any funds still outstanding are due back from the missionary when the missionary resigns or retires.

**Note 8. Property and Equipment**

A summary of property and equipment is as follows:

	2024	2023
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	1,473,227	1,369,090
Computer equipment and software	<u>47,648</u>	<u>47,648</u>
	2,843,448	2,739,311
Less: accumulated depreciation	<u>(1,430,797)</u>	<u>(1,302,744)</u>
Property and equipment, net	<b>\$ 1,412,651</b>	<b>\$ 1,436,567</b>

**IM, Inc. and Subsidiary**  
Notes to Consolidated Financial Statements  
For the Years Ended December 31, 2024 and 2023

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**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. 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 \$132,115 and \$127,625 for 2024 and 2023, respectively.

**Note 11. Net Assets With Donor Restrictions**

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

	2024	2023
Subject to expenditure for mission personnel and projects	\$ 5,080,343	\$ 4,801,076
Endowment investments in perpetuity	371,548	371,548
Other investments in perpetuity	<u>1,210</u>	<u>1,210</u>
	<b>\$ 5,453,101</b>	<b>\$ 5,173,834</b>

The Organization has a policy of allocating certain indirect missionary costs to missionary/field net assets. The administrative allocation totaled \$647,072 and \$562,013 for 2024 and 2023, respectively, and is recorded as a direct transfer from net assets with donor restrictions to net assets without donor restrictions. The support allocation totaled \$162,188 and \$178,746 for 2024 and 2023, respectively, and is recorded as an increase in program services and a reduction of management and general expenses on the statements of functional expenses.

**Note 12. Designated Net Assets Without Donor Restrictions**

Included in net assets without donor restrictions 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 are as follows:

	2024	2023
Designated for missionary accounts	\$ 333,625	\$ 407,414
Endowment investments	<u>141,741</u>	<u>90,557</u>
	<b>\$ 475,366</b>	<b>\$ 497,971</b>



**IM, Inc. and Subsidiary**  
Notes to Consolidated Financial Statements  
For the Years Ended December 31, 2024 and 2023

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**Note 13. Pension Plan**

The Organization participates in the master pension plan of the Board of Retirement and Insurance of the National Association of Free Will Baptists. The Organization contributes up to 6% of gross salary for missionaries and administrative employees. Employees are allowed to contribute but are not required to contribute. Pension expenses amounted to \$137,436 and \$129,149 for 2024 and 2023, respectively. The pension plan is a defined contribution plan. Under the plan, an account is maintained for each participant and upon retirement, the participant can either receive a lump-sum distribution or purchase one of several types of annuity contracts.

**Note 14. Concentrations**

The Organization utilizes a program to sweep excess funds into money market cash equivalents. Therefore, the cash held is not in excess of federally insured limits.

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 \$972,124 and \$978,109 at December 31, 2024 and 2023, respectively.

**Note 15. 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 16. Subsequent Events**

The Organization has evaluated subsequent events through March 24, 2025, the date on which the financial statements were available for issuance.

# IM, Inc.

## 2026 Operational Budget Summary

Category	2024 Approved Budget	2024 Actuals	2025 Approved Budget	2026 Proposed Budget
Field Ministries & Projects	2,346,000.00	1,885,215.08	2,438,000.00	2,576,000.00
Missionary Compensation & Benefits	4,896,000.00	4,401,337.01	5,068,000.00	5,376,000.00
Missionary Travel/Transportation	816,000.00	691,707.95	848,000.00	896,000.00
Mobilization & Development	816,000.00	1,053,163.21	848,000.00	896,000.00
Administration	1,326,000.00	891,778.51	1,378,000.00	1,456,000.00
<b>Grand Totals</b>	<b>10,200,000.00</b>	<b>8,923,201.76</b>	<b>10,600,000.00</b>	<b>11,200,000.00</b>

## IM Directors - Compensation Proposals 2026

	2024 Actual	2025 Actual	2026 Proposed
<b>General Director - Clint Morgan</b>			
Salary	82,727.81	82,727.81	86,000.00
Housing and Utilities	24,000.00	24,000.00	24,000.00
Social Security	17,899.25	17,899.25	18,448.02
Retirement	5,336.39	5,336.39	5,500.00
Insurance	20,886.84	25,109.76	26,365.25
Christmas Bonus	2,052.46	2,052.46	2,115.38
<b>Total Cost of Employment</b>	<b>152,902.75</b>	<b>157,125.67</b>	<b>162,428.65</b>
<b>CFO/Director of Financial Operations - Robert Conley</b>			
Salary	86,376.17	86,376.17	89,000.00
Social Security	14,585.48	14,585.48	15,028.54
Retirement	4,318.81	4,318.81	4,450.00
Insurance	20,964.24	25,186.68	26,446.01
Christmas Bonus	1,661.08	1,661.08	1,711.54
<b>Total Cost of Employment</b>	<b>127,905.78</b>	<b>132,128.22</b>	<b>136,636.10</b>
<b>Director of Field Ministry Personnel - Curt Holland</b>			
Salary	56,376.17	56,376.17	59,000.00
Housing and Utilities	30,000.00	30,000.00	30,000.00
Social Security	14,486.09	14,486.09	14,926.13
Retirement	4,318.81	4,318.81	4,450.00
Insurance	27,947.16	33,513.96	35,189.66
Christmas Bonus	1,661.08	1,661.08	1,711.54
<b>Total Cost of Employment</b>	<b>134,789.31</b>	<b>140,356.11</b>	<b>145,277.32</b>
<b>Director of Development - Don Matchett</b>			
Salary	37,130.65	37,130.65	41,000.00
Housing and Utilities	45,000.00	45,000.00	45,000.00
Social Security	13,774.07	13,774.07	14,423.00
Retirement	4,106.53	4,106.53	4,300.00
Insurance	28,287.36	33,513.96	35,189.66
Christmas Bonus	1,579.44	1,579.44	1,653.85
<b>Total Cost of Employment</b>	<b>129,878.05</b>	<b>135,104.65</b>	<b>141,566.50</b>
<b>Director of THP - Danny Gasperson</b>			
Salary	56,156.88	56,156.88	59,000.00
Housing and Utilities	24,000.00	24,000.00	24,000.00
Social Security	13,443.05	13,443.05	13,919.87
Retirement	4,007.84	4,007.84	4,150.00
Insurance	20,964.24	25,186.68	26,446.01
Christmas Bonus	1,541.48	1,541.48	1,596.15
<b>Total Cost of Employment</b>	<b>120,113.50</b>	<b>124,335.94</b>	<b>129,112.04</b>
<b>Director of Mobilization - Leslie Nichols</b>			
Salary	73,645.00	73,645.00	76,000.00
Social Security	12,435.70	12,435.70	12,833.36
Retirement	3,682.25	3,682.25	3,800.00
Insurance	12,038.35	12,677.28	13,311.14
Christmas Bonus	1,416.25	1,416.25	1,461.54
<b>Total Cost of Employment</b>	<b>103,217.55</b>	<b>103,856.48</b>	<b>107,406.05</b>
<b>Director of Field Partnerships - Kenneth Eagleton</b>			
Salary	55,461.66	51,461.66	55,000.00
Housing and Utilities	24,000.00	28,000.00	28,000.00
Social Security	13,326.46	13,326.46	13,919.87
Retirement	4,767.70	4,767.70	4,980.00
Insurance	10,080.00	25,186.68	26,446.01
Christmas Bonus	1,528.11	1,528.11	1,596.15
<b>Total Cost of Employment</b>	<b>109,163.92</b>	<b>124,270.60</b>	<b>129,942.04</b>

## **FWB Foundation 2024 Report - Presented by Scott Coghill**

I ask you to recognize that today's report holds great significance, offers clarity, and strives to give purpose. Let's take a moment to reflect on our history, openly address our current position, and, most importantly, envision a hopeful and confident future together.

### **Our Past: A Foundation with Purpose**

The Free Will Baptist Foundation was not an afterthought. It was established as a separate entity for three clear reasons:

1. **The Size of the Responsibility** – As resources and opportunities grew, it became clear that the Foundation required focused leadership and specialized structure.
2. **The Uniqueness of the Mission** – We exist not just to handle money, but to steward Kingdom wealth—strategically and sacrificially—for the benefit of Free Will Baptist ministries across the world.
3. **The Potential for Impact** – From the beginning, our leaders saw the power of planned giving, long-term investments, and God-honoring financial partnerships to shape the future of our denomination.

### **Our Present Status: A Season of Challenge and Grace**

Earlier this year, credible information was brought to our Executive Committee's attention that required immediate action. We initiated a formal investigation, which revealed moral failures in the life of our director, David Brown. We addressed the situation directly and biblically. **David responded** with honesty and entered into a process of repentance and restoration—a process that is ongoing. We are not here to rehearse unnecessary details. What matters most is that the leadership of the Foundation responded with both **grace and conviction**, not sweeping issues under the rug but walking through them in a way that honors God and upholds accountability.

Our Board of Directors has demonstrated tremendous resolve and unity. They have remained steadfast, discerning, and courageous. In response, they appointed an **interim management team** tasked with: (*Scott Coghill, Brent Patrick, and John Brummit*)

- *Stabilizing the ministry*
- *Leading our staff with integrity*
- *Protecting our investors*
- *Preserving the mission of the Foundation*

### **Our Future Transition: Recasting the Vision**

As we move through this season of transition, we are not shrinking back. In fact, we are seizing this moment to strengthen our foundation—both spiritually and structurally.

We are clarifying three things:

- **Who we are**
- **What we do**

- **Why the Foundation is essential to the future of the Free Will Baptist movement**

## **1. Who We Are**

### **Mission Statement:**

*The Free Will Baptist Foundation is a financial ministry that exists to generate gifts and contributions, make investments, and use proceeds to support and further the advancement of all FWB ministries through the use of endowments, gift annuities, demand notes, and estate plans.*

**Invest Financially Today ... Impact FWB Tomorrow**

## **2. What We Do**

The Foundation provides a wide range of opportunities for individuals and ministries to grow their financial influence for the cause of Christ:

- Planned giving and estate strategies
- Endowments for long-term sustainability
- Demand notes for immediate ministry support
- Grants to help FWB ministries
- Investment tools to multiply every dollar

We don't just manage funds—we **multiply Kingdom potential**.

## **3. Why the Foundation is Essential to our FWB future**

- **Today:** Because pastors, missionaries, colleges, and ministries need **grants** and **investment partnerships** now more than ever.
- **Tomorrow:** Because the power of legacy—through **endowments** and **estate planning**—will sustain our mission for generations.

This is about more than money. It's about **ministry momentum** that outlives us all.

## **Conclusion: A Call to Engage**

We need you. Not just as donors, but as **partners**. As **prayer warriors**. As vision-casters who see what could be when we steward what God has given us. We are moving forward with **resolve and conviction**. We believe our decisions are grounded in truth, integrity, and biblical stewardship. We are aligning ourselves daily with God's Word, God's Spirit, and godly counsel.

**None of us would have chosen the challenges we've faced**—but I believe with all my heart that God has used them to refine us, to purify us, and to **position us** for a future of greater faithfulness and greater fruitfulness. The Free Will Baptist Foundation is not just surviving. We are **growing, rebuilding, and recommitting** ourselves to the mission of coming alongside our churches, colleges, missionaries, and ministries like never before.



## Synopsis of Minutes

April 16, 2024

All Members present except David Crowe, John Brummitt, and Ron Hunter

The Director's Report, Auditor's Report, Three Month Financial Report, Social Media Report, and Field Manager Report were presented and approved.

The committee reports from the Budget Committee, the Investment Committee, and the Director Evaluation Committee were presented and approved.

Our Investment Advisor, Raymond James, presented a report on our portfolio which was received as information.

The board approved a motion to set \$500,000 for the general grant pool and \$100,000 for infrastructure grants.

The full board was adjourned.

The grant committee met and approved the following grants for 2024.

Indiana Mission Board	\$10,000
IM Ivory Coast, Center for AR du Nord	\$35,000
FWB Historical Commission, Wisehart Book	\$15,000
WNAC Shine	\$50,000
IM 1040I, Student Housing	\$40,000
IM Pakistan, Vocational Training Outreach	\$10,000
Friends of India, Expand Hanna Mission School	\$20,000
Northwest Assoc. of FWB Internship Program	\$33,000
D6 Family Ministry, Discipleship Books	\$12,000
IM Spain, Ministry Center Diez 42	\$50,000
NAM/Welch College, Spanish Language Scholarships	\$20,000
D6, Vertical Three Conference	\$25,000
IM New Life Svishtov, Land Purchase	\$16,000
Southeastern College to Develop Business Major	\$40,000

IM New Life Shumen, Building Remodel	\$25,000
NAM Bridge Church, Launch Compassion Outreach	\$25,000
Lifegate FWB Church, Expand Homeschool Ministry	\$5,000
IM Perspectives Mission Conference	\$5,000
Rejoice FWB Church, Facility Expansion for Community Outreach	\$12,000
IM New Life Japan, Remodel Project	\$10,000
NAM Equip Church, Shoe Show Outreach	\$2,000
NAM Cultivate Church, Haitian Creole Outreach	\$15,000
NAM Grace City, Purchase Building	\$25,000

#### Infrastructure Grants

Executive Office Shepherding Initiative	\$9,000
Refresh Pastor Counseling Program	\$9,000
College Scholarships Pastoral Students	
Welch, Southeastern, and Randall	\$17,000
New Missionary Funding	
NAM and IM	\$40,000
Planned Giving Training for Promotional Personnel	\$5,000

#### Essential Ministries

WNAC	\$10,000
Vertical Three	\$10,000

July 22, 2024

All members were present except Lee Allen, Jonathan Locklear, David Crowe, and Ruth McDonald.

A motion was approved to make changes to the presentation of the audit to be more compatible with registration requirements in Tennessee.

December 9, 2024

All members were present except Gene Williams and Ruth McDonald

The Director Report, Social Media Report, 10-month Financial Report, and Field Director Report were presented and approved.

Our Investment Advisor from LPL reported which was received as information.

The Investment Committee report was presented and approved.

The Welch College Chairman, Jeff Crabtree, report was received as information.



**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, 2024 and 2023, 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, 2024 and 2023, 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.

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

Nashville, Tennessee  
May 14, 2025

**FREE WILL BAPTIST FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**

	<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$	6,981,030	\$ 2,414,005
Other receivables		290,043	344,536
Accrued interest receivable		74,336	-
Other assets		35,862	-
Office equipment and automobiles, net of accumulated depreciation		120,223	35,628
		<u>7,501,494</u>	<u>2,794,169</u>
Investments, at fair market value			
U.S. Government instruments		505,084	1,561,058
Common stocks		18,185,967	16,462,548
FWB Ministries Partnership		1,137,680	1,088,689
Real estate investments		2,722,604	3,274,460
Mutual funds		27,609,753	25,914,923
Corporate bonds		1,102,261	1,092,601
Municipal bonds		1,968,277	2,057,688
Richland Ave Financial investment		12,145,923	10,745,846
Total investments		<u>65,377,549</u>	<u>62,197,813</u>
Notes receivable			
Notes receivable Welch College		14,272,452	14,417,773
Notes receivable Welch College - line of credit		1,306,935	1,286,455
Notes receivable other		1,921,331	2,015,962
Total notes receivable		<u>17,500,718</u>	<u>17,720,190</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 90,379,761</u></u>	<u><u>\$ 82,712,172</u></u>

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

**FREE WILL BAPTIST FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION - CONTINUED**  
**DECEMBER 31, 2024 AND 2023**

	<b><u>2024</u></b>	<b><u>2023</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES</b>		
Operating liabilities:		
Demand notes	\$ 25,556,297	\$ 22,968,052
Collective investment fund	22,901,412	19,146,900
Gift Annuity Pool	1,440,791	1,490,049
Liabilities to beneficial owners		
Individual revocable trusts	5,650,778	6,157,307
Organizational revocable trusts	13,370,028	13,986,484
Future gifts payable - Unitrust pool	2,385,423	2,365,382
Funds held in trust - Quasi endowments	7,257,463	7,177,053
Total liabilities	<u>78,562,192</u>	<u>73,291,227</u>
<b>NET ASSETS</b>		
Without donor restrictions		
Operating	2,319,400	2,674,092
Board designated	214,830	214,830
Total net assets without donor restrictions	<u>2,534,230</u>	<u>2,888,922</u>
With donor restrictions		
Endowments	9,079,685	8,238,589
Unrealized gains and losses - unallocated	203,654	(1,706,566)
Total net assets	<u>11,817,569</u>	<u>9,420,945</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 90,379,761</u></u>	<u><u>\$ 82,712,172</u></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, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b><i>WITHOUT DONOR RESTRICTIONS</i></b>		
<b>REVENUE AND SUPPORT</b>		
Investment income:		
Interest and dividends, net of investment fees	\$ 2,547,616	\$ 2,962,278
Realized gains (losses) on sale of investments	858,271	410,422
Unrealized gains (losses) from investments	<u>1,858,002</u>	<u>1,293,456</u>
Total investment income	5,263,889	4,666,156
Support through "The Together Way"		
Plan and other contributions	12,192	11,097
Gain (loss) on sale of property and equipment	60,529	20,000
Estate planning fees	331,400	493,175
Interest income - note receivable	1,095,214	864,633
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>410,613</u>	<u>306,670</u>
Total Support and Revenue	7,173,837	6,361,731
Allocation of earnings to revocable trusts, beneficiaries and annuitants	<u>(4,813,552)</u>	<u>(3,698,986)</u>
Revenue and support after allocations	<u>2,360,285</u>	<u>2,662,745</u>
<b>EXPENSES</b>		
Operating	1,120,229	1,200,835
Grants	595,077	-
Estate Planning	589,059	712,014
Withdrawals (restrictions satisfied by payments)	<u>410,613</u>	<u>306,670</u>
	<u>2,714,978</u>	<u>2,219,519</u>
Increase (decrease) in net assets without donor restrictions	<u>(354,693)</u>	<u>443,226</u>
<b><i>WITH DONOR RESTRICTIONS</i></b>		
<b>REVENUE AND SUPPORT</b>		
Contributions	764,442	130,248
Earnings on investments	487,268	740,551
Unrealized gains (losses) from investments	1,910,220	3,152,502
Net assets released from restrictions:		
Restrictions satisfied by payments - withdrawals	<u>(410,613)</u>	<u>(306,670)</u>
Increase (decrease) in net assets with donor restrictions	<u>2,751,317</u>	<u>3,716,631</u>
Total increase (decrease) in net assets	2,396,624	4,159,857
Net assets - beginning of year	<u>9,420,945</u>	<u>5,261,088</u>
Net assets - end of year	<u><u>11,817,569</u></u>	<u><u>9,420,945</u></u>

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



**FREE WILL BAPTIST FOUNDATION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024				
	With Donor	Without Donor Restrictions			
	Restrictions	Estate			
	Withdrawals	Operating	Grants	Planning	Total
<b>EXPENSES</b>					
Salaries and benefits	\$ -	\$ 562,469	\$ -	\$ 228,458	\$ 790,927
Equipment expense	-	25,037	-	-	25,037
Travel	-	86,372	-	105,931	192,303
Promotion	-	97,553	-	3,885	101,438
Board expense	-	27,483	-	-	27,483
Office expense	-	84,466	-	-	84,466
Rent expense	-	57,753	-	-	57,753
Printing and publications	-	-	-	-	-
One magazine	-	55,103	-	-	55,103
Interest	-	-	-	-	-
Training and education	-	6,245	-	-	6,245
Legal and accounting	-	90,056	-	-	90,056
Depreciation	-	21,645	-	-	21,645
Ministry gifts	-	-	-	-	-
Grants	-	-	595,077	-	595,077
Fees	-	-	-	249,085	249,085
Cancellations	-	-	-	1,700	1,700
Miscellaneous	-	6,047	-	-	6,047
Payments to beneficiaries and annuitants	410,613	-	-	-	410,613
Total expenses	<u>\$ 410,613</u>	<u>\$1,120,229</u>	<u>\$ 595,077</u>	<u>\$ 589,059</u>	<u>\$2,714,978</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, 2024 AND 2023**

	2023				
	With Donor	Without Donor Restrictions			
	Restrictions	Estate			
	Withdrawals	Operating	Grants	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	306,670	-	-	-	306,670
Total expenses	<u>\$ 306,670</u>	<u>\$1,200,835</u>	<u>\$ -</u>	<u>\$ 712,014</u>	<u>\$2,219,519</u>

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, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received for:		
Contributions	\$ 764,442	\$ 130,248
Donations and other support	12,192	11,097
Interest and dividends	2,473,280	2,962,278
Other income	1,445,245	1,291,274
Payments to beneficiaries and annuitants	(410,613)	(306,370)
Cash paid to suppliers and employees	(2,282,720)	(1,849,240)
Allocation of earnings to revocable trusts, beneficiaries and annuitants	487,268	740,551
Allocation to unrealized gains and losses - unallocated	(4,813,552)	(6,851,487)
Net Cash Provided (Used) By Operating Activities	<u>(2,324,458)</u>	<u>(3,871,649)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of office equipment and automobiles	(120,843)	(52,052)
Proceeds from the sale of office equipment and automobiles	75,132	20,000
New loans made	(1,127,596)	(1,098,606)
Principal payments received on notes receivable	1,347,068	724,509
Proceeds from sale or call of investment securities	15,520,644	42,396,123
Purchase of investment securities	(14,073,887)	(7,016,961)
Net Cash Provided (Used) By Investing Activities	<u>1,620,518</u>	<u>34,973,013</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from additions, net of withdrawals, to future gift interest and revocable trusts	10,602,141	37,999,115
Contributions to funds held in trust	(8,855,922)	(77,425,793)
Earnings allocated to funds held in trust	(841,097)	(740,551)
Trust earnings	4,365,843	6,951,502
Proceeds from line of credit	-	12,500,000
Repayment of line of credit	-	(12,500,000)
Net Cash Provided (Used) by Financing Activities	<u>5,270,965</u>	<u>(33,215,727)</u>
<b>INCREASE (DECREASE) IN     CASH AND CASH EQUIVALENTS</b>	<b>4,567,025</b>	<b>(2,114,363)</b>
Cash and cash equivalents at beginning of years	<u>2,414,005</u>	<u>4,528,368</u>
Cash and cash equivalents at end of years	<u><u>\$ 6,981,030</u></u>	<u><u>\$ 2,414,005</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, 2024 AND 2023**

**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 2024 and 2023.

**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, 2024 AND 2023**

**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, 2024 no amounts were past due on any of the loans.

**3. INVESTMENTS**

A summary of investments at market value is as follows:

	<div>2024</div> <div>Market</div> <div>Value</div>
Investments:	
Marketable Securities:	
U.S. Government instruments	\$ 505,084
Common stocks	18,185,967
FWB Ministries Partnership	1,137,680
Mutual Funds	27,609,753
Corporate bonds	1,102,261
Municipal bonds	1,968,277
Real estate investment trust	2,722,604
Richland Ave Financial Investment	12,145,923
Total Investments	\$ 65,377,549

**FREE WILL BAPTIST FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**3. INVESTMENTS - CONTINUED**

	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
Richland Ave Financial Investment	10,745,846
	<hr/>
Total Investments	\$ 62,197,813
	<hr/>

Total investment income (loss) amounted to \$7,174,109 for 2024, consisting of investment gains (losses) of \$4,626,493 and interest and dividends of \$2,547,616 (net of investment fees of \$311,822).

Total investment income (loss) amounted to \$7,818,658 for 2023, consisting of investment gains (losses) of \$4,856,380 and interest and dividends of \$2,962,278 (net of investment fees of \$333,966).

**4. DEMAND NOTES**

The Foundation sold Notes which totaled \$25,556,297 and \$22,968,052 at December 31, 2024 and 2023, 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 \$22,901,412 and \$19,146,900 at December 31, 2024 and 2023 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 \$5,650,778 and \$6,157,307 at December 31, 2024 and 2023, 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, 2024 AND 2023**

**7. ORGANIZATIONAL REVOCABLE TRUST**

The Foundation maintains a organization revocable trust which totaled \$13,370,028 and \$13,986,484 at December 31, 2024 and 2023, 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 \$2,385,423 and \$2,365,382 and gift annuities amounting to \$1,440,791 and \$1,490,049 as of December 31, 2024 and 2023, 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, 2024 and 2023, the endowment funds totaled \$7,257,463 and \$7,177,053 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, 2024 and 2023 the Foundation's accounts exceeded the federally insured limits by approximately \$1,315,514 and \$863,303 respectively.

**11. OFFICE EQUIPMENT AND AUTOMOBILES**

A summary of office equipment and automobiles is as follows:

	2024	2023
Automobiles - four	\$ 154,680	\$ 180,139
Office equipment	47,825	47,825
Furnishings	19,463	19,463
Software	29,581	29,581
	<u>251,549</u>	<u>277,008</u>
Accumulated Depreciation	(131,326)	(241,380)
	<u><u>\$ 120,223</u></u>	<u><u>\$ 35,628</u></u>

**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 Richland Ave Financial. Total lease payments were \$57,753 and \$55,890 for the years ended December 31, 2024 and 2023, respectively.

**FREE WILL BAPTIST FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**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, 2024 and 2023 respectively. During 2024 the Foundation paid \$-0- in interest payments related to borrowings on the line of credit (\$32,283 in 2023).

**14. PENSION PLAN**

The Foundation participates in the master pension plan of Richland Ave Financial. The Foundation contributes to the plan on behalf of its employees. Pension expenses amounted to \$46,918 (\$57,042 in 2023). 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. REALIZED GAINS ON INVESTMENTS AND 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 used for operations or 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, 2024 and 2023 respectively.

During the year ended December 31, 2024 the Foundation had gains from the sale of stocks in the amount of \$971,978 (\$546,602 in 2023). These gains are included in the Realized Gains (Losses) on the Sale of Investments on the Statement of Activity.

**16. RESTRICTIONS ON NET ASSETS**

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

	<b>2024</b>	<b>2023</b>
Endowments	<u>\$ 9,079,685</u>	<u>\$ 8,238,589</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, 2024 (\$-0- at December 31, 2023).



**FREE WILL BAPTIST FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**18. CONCENTRATION**

The notes receivable from Welch College represent 17.35% of the assets of the Foundation.

**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, 2024 Using				
		Quoted Prices		
		In Active	Significant	
		Markets for	Other	Significant
		Identical	Observable	Unobservable
		Assets	Inputs	Inputs
	Fair Value	(Level 1)	(Level 2)	(Level 3)
U.S. Government instruments	\$ 505,084	\$ 505,084	\$ -	\$ -
Common stocks	18,185,967	18,185,967	-	-
FWB Ministries Partnership	1,137,680	-	1,137,680	-
Real estate investments	2,722,604	2,722,604	-	-
Mutual funds	27,609,753	27,609,753	-	-
Corporate bonds	1,102,261	-	1,102,261	-
Municipal bonds	1,968,277	-	1,968,277	-
Richland Ave Financial Invest	12,145,923	12,145,923	-	-
	<u>\$65,377,549</u>	<u>\$61,169,331</u>	<u>\$ 4,208,218</u>	<u>\$ -</u>

Fair Value Measurements at December 31, 2023 Using				
		Quoted Prices		
		In Active	Significant	
		Markets for	Other	Significant
		Identical	Observable	Unobservable
		Assets	Inputs	Inputs
	Fair Value	(Level 1)	(Level 2)	(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	-
Richland Ave Financial 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>

**FREE WILL BAPTIST FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**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:

	<u>2024</u>	<u>2023</u>
Real estate investments:		
Beginning balance	\$ 88,750	\$ 88,750
Purchases	-	-
Transfer to Level 1	-	-
Gains (losses) on value	-	-
Sales	(88,750)	-
Ending balance	<u>\$ -</u>	<u>\$ 88,750</u>
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.	<u>\$ -</u>	<u>\$ -</u>

**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, 2024, 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, 2024 AND 2023**

**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, 2024 and 2023 was \$14,272,452 and \$14,417,773.

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, 2027. 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, 2024 and 2023 was \$1,306,935 and \$1,286,455.

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 2024 amounted to \$896,618 (\$694,492 for 2023) net of interest paid on its line of credit of \$61,389 (\$60,764 for 2023).

**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 2024 being 6.00%. The balance on the note at December 31, 2024 and 2023 was \$1,343,400 and \$900,744.

**23. SUBSEQUENT EVENTS**

For the originally issued financial statements, the Foundation evaluated subsequent events through May 14, 2025, the date which the originally issued financial statements were available to be issued.

**FREE WILL BAPTIST FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**24. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Foundation'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>2024</u>	<u>2023</u>
Financial assets at year-end	\$ 89,549,340	\$ 82,676,544
Less those unavailable for general expenditures within one year due to:		
Line of credit	-	-
Reserved for beneficial owners	( 78,165,846)	( 71,584,661)
Board designated net assets	( 214,830)	( 214,830)
Net assets with donor restrictions	( 9,079,685)	( 8,238,589)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,088,979</u>	<u>\$ 2,638,464</u>

**25. NET ASSETS WITH DONOR RESTRICTIONS - UNREALIZED GAINS AND LOSSES - UNALLOCATED**

The Foundation does not allocated unrealized gains and losses to the liability accounts. The Foundation classifies these unrealized gains and losses as net assets with donor restrictions. If these net assets have a negative balance then there is a deficit in the value of the investments that support the trusts, endowments and other liability accounts. The change in this account is as follows:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ (1,706,566)	\$ (4,859,068)
Gains (losses) on value	1,310,220	3,152,502
Ending balance	<u>\$ (396,346)</u>	<u>\$ (1,706,566)</u>

**26. SUBSEQUENT EVENTS - MANAGEMENT CHANGE**

Subsequent to year end the Director was terminated and the Chief Financial Officer retired. The operations of the Foundation are being overseen by the Board of Directors until replacements can be hired.



# FREE WILL BAPTIST FOUNDATION

## Proposed 2026 Department Budget

	Operations	Estate Planning	Grants
<b>INCOME</b>			
Together Way	\$ 2,600	\$ -	\$ -
Gifts & other income	5,000	-	-
Capital gains realized	-		600,000
Gain on vehicle sales	25,000	-	-
Interest on loans	1,100,000	-	-
Net earnings less distributions	195,000		
Management fees	228,012		
Completed Estate Plans		473,000	-
<b>Total Income</b>	<b>1,555,612</b>	<b>473,000</b>	<b>600,000</b>
<b>EXPENSES</b>			
Salaries & Benefits	549,396	235,404	-
Travel	120,000	120,000	-
Promotion	85,000	-	-
ONE Magazine	56,000	-	-
Office expense	60,000	-	-
Rent	58,000	-	-
Subscriptions & publications	32,000	-	-
Training & education	8,000	-	-
Legal & accounting	165,000	-	-
Cornerstone Estate Planning	-	157,500	
Attorney fees & contractors	-	135,000	-
Estate Planning other		6,000	
Uncollectible fees	-	10,000	
Grants	-	-	600,000
Board expense	24,000	-	
Equipment & maintenance	24,000	-	-
Depreciation	20,000	-	-
<b>Total Expense</b>	<b>1,201,396</b>	<b>663,904</b>	<b>600,000</b>
<b>Surplus / (Deficit)</b>	<b>\$ 354,216</b>	<b>\$ (190,904)</b>	<b>\$ -</b>

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

	<b>Proposed 2026 Budget</b>	<b>Approved 2025 Budget</b>	<b>Approved 2024 Budget</b>	<b>2024 Actual</b>
<b>INCOME</b>				
Together Way	\$ 2,600	\$ 2,600	\$ 2,500	\$ 5,644
Gifts & other income	5,000	5,000	3,500	6,547
Capital gains realized	600,000	600,000	550,000	918,787
Gain on vehicle sales	25,000	25,000	25,000	60,529
Interest on loans	1,100,000	830,000	830,000	1,095,214
Net earnings less distributions	195,000	195,000	170,000	(716,923)
Management fees	228,012	228,012	213,012	248,476
Completed Estate Plans	473,000	473,000	540,000	331,400
<b>Total Income</b>	<b>2,628,612</b>	<b>2,358,612</b>	<b>2,334,012</b>	<b>1,949,674</b>
<b>EXPENSES</b>				
Salaries & Benefits	784,799	748,138	789,762	790,928
Travel	240,000	240,000	250,000	192,303
Promotion	85,000	65,000	15,000	97,553
ONE Magazine	56,000	52,000	53,000	55,103
Office expense	60,000	45,000	63,000	59,142
Rent	58,000	56,000	53,000	57,753
Subscriptions & publications	32,000	10,000	24,000	31,372
Training & education	8,000	13,000	26,000	6,245
Legal & accounting	165,000	165,000	175,000	90,056
Cornerstone Estate Planning	157,500	157,500	157,500	157,500
Attorney fees & contractors	135,000	115,000	157,750	91,585
Estate Planning other	6,000	6,000	6,000	3,885
Uncollectible fees	10,000	10,000	10,000	1,700
Grants and gifts	600,000	595,000	500,000	595,077
Board expense	24,000	18,000	18,000	27,483
Equipment & maintenance	24,000	24,000	20,000	25,037
Depreciation	20,000	16,000	16,000	21,645
<b>Total Expense</b>	<b>2,465,299</b>	<b>2,335,638</b>	<b>2,334,012</b>	<b>2,304,367</b>
<b>Surplus / (Deficit)</b>	<b>\$ 163,313</b>	<b>\$ 22,974</b>	<b>\$ -</b>	<b>\$ (354,693)</b>

# FREE WILL BAPTIST FOUNDATION

## Compensation Package Detail - 2026 Proposed

	<u>2026</u>			<u>2025</u>			<u>2024</u>		
<b>Director/CEO</b>									
Salary	\$	128,945	3%	\$	124,915	3%	\$	121,001	3%
Insurance replacement		9,438			9,438			9,438	
FICA/Medicare		10,586			10,278			9,979	
Retirement		13,838			13,435			13,044	
Total		162,808			158,066			153,462	
Note: Office car furnished									
<b>Chief Financial Officer</b>									
Salary	\$	105,651	3%	\$	102,574	3%	\$	99,586	3%
Insurance replacement		-			-			-	
FICA/Medicare		8,082			7,847			7,618	
Retirement		10,565			10,257			9,959	
Health Insurance		12,500			12,500			12,140	
Total		136,798			133,178			129,303	
Note: Office car furnished									
<b>Field Manager</b>									
Salary	\$	52,870	3%	\$	51,330	3%	\$	49,835	3%
Housing	\$	44,671			43,370			42,107	
Retirement		9,754			9,470			9,194	
Medicare reimbursement		4,800			4,800			4,800	
Total	\$	112,095		\$	108,970		\$	105,936	
Note: Office car furnished									
<b>Field Reps &amp; Support Staff</b>									
Salary	\$	241,485	3%	\$	225,388	3%	\$	270,445	3%
Housing		47,831			52,474			58,597	
Insurance Replacement		10,983			10,983			10,983	
FICA/Medicare		13,437			12,703			12,358	
Retirement		36,862			15,875			24,359	
Health Insurance		12,500			12,500			12,140	
Total	\$	363,098		\$	329,923		\$	388,881	
Note: Office car furnished for field reps									
<b>Total Salaries &amp; Benefits</b>	<u>\$</u>	<u>774,799</u>		<u>\$</u>	<u>730,137</u>		<u>\$</u>	<u>777,582</u>	



*“And I say unto you, Ask, and it shall be given you; seek, and ye shall find; knock, and it shall be opened unto you. For every one that asketh receiveth; and he that seeketh findeth; and to him that knocketh it shall be opened.”*  
*Luke 11:9-10*

Dear Friends of North American Ministries,

Every believer has an important role to fulfill in Christ’s mission to reach the lost with the hope of the Gospel.

You may be called to serve as a prayer partner, financial supporter, or sending agent. God may ask you to minister as a greeter, a pastor, a teacher, a missionary, or even a church planter. God will likely use you in many roles over your lifetime as a Christ-follower, each vitally important in His Gospel work. Whether you are in full-time ministry or working in a secular space, He works through it all!

Not sure what your role in the Great Commission is? We suggest you *seek*, *surrender*, and *serve*.

If we want to do great things for the Kingdom, we must continuously *seek* the Lord’s will, fully *surrender* to His calling, and faithfully *serve* where He leads.

In 2024, the Lord used your obedience to His calling to accomplish great things for the sake of the Gospel.

### **You Gave Sacrificially**

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 engagement in the mission of North American Ministries. Total gifts for 2024 exceeded \$4.2 million! Thank you for your faithful support. Listed below are the top ten states for giving this year.

North Carolina	\$646,653.54
Alabama	\$605,937.87
Tennessee	\$534,111.61
Oklahoma	\$248,032.78
Georgia	\$222,583.81
Missouri	\$172,020.63
Virginia	\$129,653.50
Ohio	\$124,940.10
Florida	\$116,822.49
Arkansas	\$115,431.06



## **You Planted Churches**

Across North America, our church planters continue to demonstrate outstanding dedication to the Lord, following His calling on their lives with faithful obedience. This year, NAM church plants saw over 200 individuals place their faith in Jesus and baptized over 150. We currently have 58 church planters serving in over 35 plants across the nation with new church plants in Hawaii, California, Montana, Colorado, and recent replants in Tennessee, Mississippi, Kentucky, and North Carolina. Cross-cultural ministry opportunities continue to expand across North America. In 2024, the NAM Hispanic Bible Institute relocated to Parkers Chapel FWB in Greenville, NC, and began classes in August. This fall, institute leaders launched a new Spanish-speaking congregation at Parkers Chapel, and we celebrated the graduation of seven institute students in December.

## **You Served Our Nation**

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 (LT, CHC) Josh Alderman, US Navy  
CH (1LT) 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 (retiring 2024)  
CH (LCDR, CHC) Mark McCraney, US Navy  
CH (LTC) Kevin Trimble, US Army  
CH (CPT) Jonathan Truett, US Army  
CH Chris Dotson, Secret Service  
Terry Austin, US Army (CH COL-Retired) Chaplain Support Officer

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

## **You Helped Those in Great Need**

Master's Men continues to serve our denomination through discipleship, service, and fellowship. Additionally, the work of Disaster Response Teams (DRT) has become an integral part of the mission of the Master's Men ministry. Through DRT and local Master's Men chapters, Master's Men has organized multiple teams across the US, equipping them with the training and resources needed to respond to natural disasters at home and around the world. In 2024, DRTs served in Tennessee, Florida, Alabama, Georgia, North Carolina, and Jamaica, and distributed truckloads of supplies and over \$200,000 in donated financial relief.

### **You Supported our Department and Denomination**

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; Josh Bennett, Chief Strategy Officer; Teresa Womack, CELF Accounting Administrator; Kyla Walker, NAM Accounting Administrators; Bethany Douglas, Publications Editor and Administrative Assistant; Mayan Bustamante, Chief Translation Specialist. 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.

The Lord has truly blessed the work of our department, our churches, and our denomination. As we enter a new year of service to Him, consider your role in reaching the lost with the Gospel. We each have a calling to fulfill.

Will you accept His mission?



Dr. H David Crowe  
Executive Director  
North American Ministries

**Free Will Baptist North American Ministries  
Synopsis of Board Minutes 2024**

**May 8, 2024**

Motion, seconded, and carried to approve Chris and Ashly Littlecreek as Church Planters in San Diego, CA.

Motion, seconded, and carried to add a clause to the Church Planter contract that paid ministry staff members must be approved by FWB North American Ministries before being hired.

**June 10, 2024**

Motion, seconded, and carried to approve the interest rate of all CELF investments be raised by one-half percent as of July 1, 2024, and that the interest rate for CELF loans remain the same.

**August 30, 2024**

Motion, seconded, and carried to add Kenneth Akers (CFO), Kylah Walker (NAM Accounting Administrator), and Teresa Womack (CELF Administrator) as authorized signers for North American Ministries.

**September 10, 2024**

Motion, seconded, and carried to approve David (and Taylor) Landers as a Church Planter, replanting Haven FWB Church in Raleigh, NC, as a partnership with The Donelson Fellowship.

**November 25, 2024**

Motion, seconded, and carried to authorize the CELF staff to negotiate a buyout of the CELF loan to Mountain View Church in San Tan Valley, AZ, with a bank in Owasso, OK, with a minimum acceptable price of \$1,350,000.

**December 11, 2024**

Motion, seconded, and carried to give Church Planters a 3% raise for 2025.

Motion, seconded, and carried to give NAM Directors a 3% raise for 2025.

Motion, seconded, and carried to put a soft cap of \$5,000,000 on CELF loans that would require an additional action by the CELF Board to approve anything higher.

Motion, seconded, and carried to approve Seth and Lacey Price as Church Planters in Bozeman, MT.

Motion, seconded, and carried to adopt the FWBNAM Reimbursement Policy as proposed by Brad Ransom.

Motion, seconded, and carried to adopt the FWBNAM Grievance Policy as proposed by Brad Ransom.

Motion, seconded, and carried to award the "I Will Build My Church" Grants of \$30,000 each to Chad Kivette, New Life FWB Church (Amory, MS), and Jim Kilgore, Quest FWB Church (Waco, TX).





**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, 2024 and 2023, 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, 2024 and 2023, 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.

*Joel D. Collum, Jr., CPA*

Nashville, Tennessee  
April 30, 2025

**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash	\$ 126,495	\$ 225,153
Investments	1,689	582
Investments in Church Extension Fund	815,660	582,025
Investments in Free Will Baptist Foundation	8,194	7,737
Endowments	704,075	695,596
Inventory	-	-
Property & equipment, at cost less accumulated less accumulated depreciation of \$263,859 (\$281,047 in 2023)	233,192	231,313
Right of use asset	<u>21,526</u>	<u>27,676</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,910,831</u></u>	<u><u>\$ 1,770,082</u></u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 7,819	\$ 53,204
Lease liability	<u>22,290</u>	<u>27,998</u>
<b>Total liabilities</b>	<u>30,109</u>	<u>81,202</u>
<b>COMMITMENTS</b>		
	<b><u>NET ASSETS</u></b>	
<b>NET ASSETS</b>		
Without donor restrictions		
Operating	468,262	226,373
<b>Total Without Donor Restrictions</b>	<u>468,262</u>	<u>226,373</u>
With donor restrictions	<u>1,412,460</u>	<u>1,462,507</u>
<b>Total net assets</b>	<u>1,880,722</u>	<u>1,688,880</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,910,831</u></u>	<u><u>\$ 1,770,082</u></u>

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, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b><i>WITHOUT DONOR RESTRICTIONS</i></b>		
<b>REVENUES</b>		
Cooperative program	\$ 190,164	\$ 195,672
Designated contributions	580,786	535,318
Fund-raising special events	11,039	19,329
Management fees	1,290,000	1,451,500
Investment income	36,028	25,532
Unrealized gain (loss) on value of investment	41,623	34,286
Gain (loss) on sale of property and equipment	9,250	15,873
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>3,505,059</u>	<u>3,420,780</u>
Total revenue	<u>5,663,949</u>	<u>5,698,290</u>
<b>EXPENSES</b>		
North American Ministries' management and general expenses	1,862,919	2,093,136
North American Ministries' missionary expenses	3,343,894	3,416,371
Master's Men management and general expenses	41,713	16,261
Master's Men fundraising expenses	12,369	16,656
Master's Men disaster relief expenses	<u>161,165</u>	<u>4,409</u>
Total expenses	<u>5,422,060</u>	<u>5,546,833</u>
Increase (decrease) in net assets without donor restrictions	<u>241,889</u>	<u>151,457</u>
<b><i>WITH DONOR RESTRICTIONS</i></b>		
<b>REVENUES</b>		
Cooperative program	284,217	318,106
Designated contributions	3,170,795	2,913,854
Net assets released from restrictions:		
Restrictions satisfied by payments		
Missionary expenses	(3,343,894)	(3,416,371)
Master's Men disaster relief fund	<u>(161,165)</u>	<u>(4,409)</u>
Increase (decrease) in net assets with donor restrictions	<u>(50,047)</u>	<u>(188,820)</u>
Total increase (decrease) in net assets	191,842	(37,363)
Net assets - beginning of year	<u>1,688,880</u>	<u>1,726,243</u>
Net assets - end of year	<u><u>\$ 1,880,722</u></u>	<u><u>\$ 1,688,880</u></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, 2024 AND 2023**

	2024					
	Master's Men		North American Ministries			
	Program services		Operations		Program services	
	Disaster Relief		Management and General		Missionaries	
						Total
Salaries and wages	\$ -	\$ -	\$ -	\$ -	\$ 2,744,459	\$ 678,443
Payroll taxes	-	-	-	-	-	31,670
Housing allowance and employee benefits	-	-	-	-	-	93,900
Retirement	-	-	-	-	76,115	17,094
Literature	-	-	-	-	213	988
Promotion expense	-	-	2,622	1,906	7,552	63,158
Utilities	-	-	-	-	-	24,844
Office expense	-	-	492	-	-	50,745
Printing and postage	-	-	-	-	11,085	44,876
Rent expense	228	4,357	-	-	-	85,897
Professional fees	-	-	-	-	-	10,480
Auto and travel expense	2,231	(50)	8,209	176,128	185,898	372,416
Board meeting expense	-	-	-	-	27,713	27,713
Conference expense	-	140	-	-	370	510
Insurance expense	95	539	-	-	61,345	248,714
Telephone	-	-	-	-	-	4,361
Scholarships	-	-	-	-	-	5,000
Flowers and gifts	146,080	100	-	-	-	261,405
Lease payments	-	-	-	-	-	6,150
Miscellaneous	12,531	8,522	2,254	108,872	107,692	239,871
One magazine	-	10,101	-	-	85,883	95,984
Missionary land and buildings	-	-	-	-	158,125	158,125
Interest expense	-	-	-	-	-	1,225
Depreciation	-	14,890	-	-	34,572	49,462
Total expenses and other deductions	\$ 161,165	\$ 41,713	\$ 12,369	\$ 3,343,894	\$ 1,862,919	\$ 5,422,060

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, 2024 AND 2023**

	2023					
	Master's Men		North American Ministries			
	Program services		Program services	Operations Management	Operations Management	Total
	Disaster Relief	Management and General	Fundraising	Missionaries	and General	
<b>EXPENSES AND OTHER DEDUCTIONS</b>						
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 CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ 191,842	\$ (37,363)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	49,462	62,016
(Gain) loss on value of investment	(41,623)	(34,286)
(Gain) loss on sale of property and equipment	(9,250)	(15,873)
Amortization of right of use asset	6,150	3,075
Amortization of lease liability	(5,708)	(2,753)
Changes in operating assets and liabilities:		
(Increase) decrease in inventories	-	8,219
Increase (decrease) in accounts payable and accrued expenses	(45,385)	21,930
Net Cash Provided (Used) By Operating Activities	<u>145,488</u>	<u>4,965</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Redemption of investments	-	54,000
Acquisition of investments	(231,471)	(24,049)
Distributions received from beneficial trust	29,416	29,402
Proceeds from the sale of property and equipment	15,000	19,000
Purchases of property and equipment	(57,091)	(47,337)
Net Cash Provided (Used) By Investing Activities	<u>(244,146)</u>	<u>31,016</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Financing lease payments made	-	(4,509)
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>(4,509)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(98,658)</b>	<b>31,472</b>
Cash and cash equivalents at beginning of years	<u>193,681</u>	<u>193,681</u>
Cash and cash equivalents at end of years	<u><u>\$ 95,023</u></u>	<u><u>\$ 225,153</u></u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid	<u><u>\$ 1,225</u></u>	<u><u>\$ 481</u></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>	<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, 2024 AND 2023**

**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 2024 or 2023.

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, 2024 and 2023.

**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**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.

**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, 2024 AND 2023**

**2. PROPERTY AND EQUIPMENT**

A summary of property and equipment is as follows:

	<b>2024</b>	<b>2023</b>
Land - Puerto Rico	\$ 105,000	\$ 105,000
Automobile	119,183	191,583
Computer equipment	1,228	1,228
Equipment	82,537	80,282
Trailers	13,640	13,640
Office furniture & equipment	175,463	120,627
	<u>497,051</u>	<u>512,360</u>
Less: Accumulated depreciation	(263,859)	(281,047)
	<u>\$ 233,192</u>	<u>\$ 231,313</u>
 Depreciation for the year	 <u>\$ 49,462</u>	 <u>\$ 62,016</u>

**3. RESTRICTIONS ON NET ASSETS**

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

	<b>2024</b>	<b>2023</b>
Missionaries	\$ 1,071,527	\$ 1,147,117
Build a House program	50,181	50,181
Disaster Relief Program	257,777	232,234
Ridge Church	(68,275)	(68,275)
Life Member endowment	101,250	101,250
	<u>\$ 1,412,460</u>	<u>\$ 1,462,507</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 2024 was an increase of \$4,825 (a increase of \$338 for 2023).

**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**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 \$1,290,000 (\$1,451,500 in 2023) 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, 2024 and 2023 was \$815,660 and \$582,025 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, 2024 and 2023, 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 \$815,660 and \$582,025 invested in a demand note of the Church Extension Loan Fund at December 31, 2024 and 2023 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 \$93,209 (\$83,051 in 2023). 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, 2024 AND 2023**

**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, 2024 and 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 Board is exempt from filing annual tax returns.

**9. FUNDRAISING EXPENSES**

Fundraising expenses amounted to \$12,369 and \$16,656 for the years ended December 31, 2024 and 2023.

**10. INVESTMENTS**

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

	December 31, 2024		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Equity securities	<u>\$ 5,685</u>	<u>\$ 1,689</u>	<u>\$ (3,996)</u>

Investment return is summarized as follows:

Net realized and unrealized income (loss)	<u>\$ 1,107</u>
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	December 31, 2023		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Equity securities	<u>\$ 5,685</u>	<u>\$ 582</u>	<u>\$ (5,103)</u>

Investment return is summarized as follows:

Net realized and unrealized income (loss)	<u>\$ (1,078)</u>
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**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**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:

	<b>2024</b>	<b>2023</b>
Build A House	\$ 7,843	\$ 7,394
Ridge Trust	351	343
East Nashville Church Endowment	595,580	590,755
Life Member Endowment	108,495	104,841
	<u>\$ 712,269</u>	<u>\$ 703,333</u>

Investment return is summarized as follows:

Net realized and unrealized income (loss)	<u>\$ 40,516</u>	<u>\$ 35,363</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, 2024</u>			
	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>
Equity securities	\$ 1,689	\$ 1,689	\$ -
Investment in the FWB Foundation	712,269	-	712,269
	<u>\$ 713,958</u>	<u>\$ 1,689</u>	<u>\$ 712,269</u>
<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>



**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**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, 2024 and 2023 amounted to \$90,482 and \$67,249.

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:

	<u>2024</u>	<u>2023</u>
Operating Lease:		
Right of use asset	\$ 21,526	\$ 27,676
Lease liability	\$ 22,290	\$ 27,998

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

	<u>2024</u>	<u>2023</u>
Operating Lease:		
Weighted average remaining lease term	3	4
Weighted average discount rate	4.8%	4.8%

**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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

The maturities of the lease liabilities at December 31, 2024 were as follows:

Year ended December 31,	Amount
2025	\$ 5,990
2026	6,286
2027	6,595
2028	3,419
2029	-
Total	<u>\$ 22,290</u>

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

	<u>2024</u>	<u>2023</u>
Operating lease cost in rent expense	<u>\$ 90,482</u>	<u>\$ 67,249</u>
Operating lease included in lease payments	<u>\$ 6,150</u>	<u>\$ 3,075</u>

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

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of measurement of lease liabilities:		
Operating cash flows from operating leases:	\$ 6,150	\$ 3,467

**14. SUBSEQUENT EVENTS**

Subsequent events have been evaluated by Management through April 30, 2025 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, 2024 AND 2023**

**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, 2024 (\$-0- at December 31, 2023).

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, 2024		
Board designated endowment funds	\$ 7,245	\$ -	\$ 7,245
Donor-restricted endowment funds	-	696,830	696,830
	<u>\$ 7,245</u>	<u>\$ 696,830</u>	<u>\$ 704,075</u>

**FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**15. ENDOWMENT - CONTINUED**

	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>

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

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Net Assets
	December 31, 2024		
Beginning balance	\$ 3,590	\$ 692,005	\$ 695,595
Total gains or losses (realized and unrealized) included in the Statement of Activities	3,655	34,241	37,896
Purchases, issuances, settlements, and transfers from unallocated to allocated (net)	-	( 29,416)	( 29,416)
Ending balance	<u>\$ 7,245</u>	<u>\$ 696,830</u>	<u>\$ 704,075</u>
	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	<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, 2024 AND 2023**

**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.

	2024	2023
Total assets	<u>\$ 99,693,550</u>	<u>\$ 101,887,579</u>
Total liabilities	<u>\$ 100,478,891</u>	<u>\$ 97,807,561</u>
Net assets	<u>\$ (785,341)</u>	<u>\$ 4,080,018</u>
Revenue	<u>\$ 5,437,281</u>	<u>\$ 6,746,248</u>
Expenses	<u>\$ 10,302,640</u>	<u>\$ 5,820,136</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.

	2024	2023
Financial assets at year-end	<u>\$ 1,656,113</u>	<u>\$ 1,511,093</u>
Less those unavailable for general expenditures within one year due to:		
Reserved for net assets with donor restrictions	<u>( 1,412,460)</u>	<u>( 1,462,507)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 243,653</u>	<u>\$ 48,586</u>

FREE WILL BAPTIST NORTH AMERICAN MINISTRIES  
Compensation Detail

	2024 Actual	2025 Approved	2026 Proposed
Chief Executive Officer: David Crowe			
Salary	\$ 97,691.00	\$ 103,400.22	\$ 106,502.23
Housing	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00
Utilities	\$ 3,111.35	\$ 5,000.00	\$ 5,000.00
Retirement	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Insurance	\$ 20,000.00	\$ 21,000.00	\$ 24,000.00
TOTALS	\$ 143,802.35	\$ 152,400.22	\$ 158,502.23

Office car furnished

Chief Training Officer: Brad Ransom			
Salary	\$ 83,347.74	\$ 85,688.46	\$ 88,259.11
Housing	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00
Utilities	\$ 2,348.34	\$ 5,000.00	\$ 5,000.00
Retirement	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Insurance	\$ 20,000.00	\$ 21,000.00	\$ 24,000.00
TOTALS	\$ 128,696.08	\$ 134,688.46	\$ 140,259.11

Office car furnished

Master's Men Director/Chief Financial Officer: Ken Akers			
Salary	\$ 76,140.62	\$ 78,593.88	\$ 80,951.70
Housing	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00
Utilities	\$ 3,065.68	\$ 5,000.00	\$ 5,000.00
Retirement	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Insurance	\$ 20,000.00	\$ 21,000.00	\$ 24,000.00
TOTALS	\$ 128,206.30	\$ 133,593.88	\$ 138,951.70

Office car furnished

Cross Cultural Officer: Rick Bowling			
Salary	\$ 75,916.62	\$ 71,393.88	\$ 73,535.70
Housing	\$ 21,600.00	\$ 21,600.00	\$ 21,600.00
Utilities	\$ -	\$ -	\$ -
Retirement	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
TOTALS	\$ 97,516.62	\$ 92,993.88	\$ 95,135.70

Office car furnished

FREE WILL BAPTIST NORTH AMERICAN MINISTRIES  
2024 Budget and Expenses

Year 2024	Adm. Budget	Actual Expenses	Missionary Budget	Actual Expenses	Total Budget	Total Expenses
Salaries/Housing	\$ 700,000.00	\$ 745,242.64	\$ 2,600,000.00	\$ 2,744,459.39	\$ 3,300,000.00	\$ 3,489,702.03
Retirement	\$ 17,000.00	\$ 16,994.17	\$ 61,000.00	\$ 76,115.08	\$ 78,000.00	\$ 93,109.25
Insurance	\$ 155,000.00	\$ 187,362.85	\$ 63,000.00	\$ 61,344.76	\$ 218,000.00	\$ 248,707.61
Auto and Travel	\$ 260,000.00	\$ 192,935.98	\$ 176,000.00	\$ 176,578.90	\$ 436,000.00	\$ 369,514.88
Postage	\$ 15,000.00	\$ 15,505.28	\$ 1,000.00	\$ 3,634.39	\$ 16,000.00	\$ 19,139.67
Printing	\$ 50,000.00	\$ 49,115.83	\$ 6,000.00	\$ 9,842.86	\$ 56,000.00	\$ 58,958.69
Promotion/Advertising	\$ 120,000.00	\$ 73,012.05	\$ 25,000.00	\$ 7,373.23	\$ 145,000.00	\$ 80,385.28
Office Supplies/Maintenance	\$ 50,000.00	\$ 107,709.28			\$ 50,000.00	\$ 107,709.28
ONE Magazine	\$ 85,000.00	\$ 95,683.59			\$ 85,000.00	\$ 95,683.59
Utilities	\$ 32,000.00	\$ 25,113.05			\$ 32,000.00	\$ 25,113.05
Board Expense	\$ 15,000.00	\$ 32,665.03			\$ 15,000.00	\$ 32,665.03
Literature	\$ 3,000.00	\$ 987.74	\$ 15,000.00	\$ 182.50	\$ 18,000.00	\$ 1,170.24
Rent	\$ 80,000.00	\$ 90,481.66			\$ 80,000.00	\$ 90,481.66
Phone and FAX	\$ 2,000.00	\$ 4,735.49			\$ 2,000.00	\$ 4,735.49
Depreciation	\$ 55,000.00	\$ 60,631.52			\$ 55,000.00	\$ 60,631.52
Payroll Taxes	\$ 15,000.00	\$ 25,666.98			\$ 15,000.00	\$ 25,666.98
Medicare Taxes	\$ 4,000.00	\$ 6,002.78			\$ 4,000.00	\$ 6,002.78
Legal and Audit	\$ 15,000.00	\$ 10,480.00			\$ 15,000.00	\$ 10,480.00
Misc.	\$ 100,000.00	\$ 170,044.92	\$ 100,000.00	\$ 89,011.03	\$ 200,000.00	\$ 259,055.95
Scholarships	\$ 5,000.00	\$ 5,000.00			\$ 5,000.00	\$ 5,000.00
Flowers/Gifts	\$ 55,000.00	\$ 261,404.69			\$ 55,000.00	\$ 261,404.69
Misc. Receipts			\$ 2,000.00	\$ -	\$ 2,000.00	\$ -
Land/Building			\$ 100,000.00	\$ 163,165.28	\$ 100,000.00	\$ 163,165.28
Foreign Missions Exchange			\$ 18,000.00	\$ 19,860.40	\$ 18,000.00	\$ 19,860.40
TOTALS	\$ 1,833,000.00	\$ 2,176,775.53	\$ 3,167,000.00	\$ 3,351,567.82	\$ 5,000,000.00	\$ 5,528,343.35

Free Will Baptist North American Ministries

State Quotas 2024

Alabama	\$605,937.87
Arizona	\$22,611.08
Arkansas	\$115,431.06
California	\$59,630.44
Canada	\$2,277.56
Colorado	\$77,982.18
Florida	\$116,822.49
Georgia	\$222,583.81
Hawaii	\$675.00
Idaho	\$1,800.11
Illinois	\$85,369.93
Indiana	\$12,726.50
Iowa	\$3,120.00
Kansas	\$22,571.71
Kentucky	\$92,719.09
Michigan	\$50,205.16
Mid-Atlantic	\$2,550.37
Mississippi	\$100,841.13
Missouri	\$172,020.63
Montana	\$2,190.00
New Mexico	\$2,248.93
New York	\$8,750.00
North Carolina	\$646,653.54
Ohio	\$124,940.10
Oklahoma	\$248,032.78
Oregon	\$1,380.32
Pennsylvania	\$5,290.00
South Carolina	\$103,497.52
Tennessee	\$534,111.61
Texas	\$73,581.35
Virgin Islands	\$48,903.40
Virginia	\$129,653.50
Washington	\$5,649.67
Wisconsin	\$840.00
West Virginia	\$41,662.09
Wyoming	\$760.00



FREE WILL BAPTIST NORTH AMERICAN MINISTRIES  
2026 Proposed Budget

	Administrative	Church Planter	Total
Salaries/Housing	\$750,000.00	\$2,750,000.00	\$3,500,000.00
Retirement	\$17,000.00	\$75,000.00	\$92,000.00
Insurance	\$185,000.00	\$63,000.00	\$248,000.00
Auto and Travel	\$200,000.00	\$165,000.00	\$365,000.00
Postage	\$15,000.00	\$25,000.00	\$40,000.00
Printing	\$50,000.00	\$6,000.00	\$56,000.00
Promotion/Adv.	\$100,000.00	\$15,000.00	\$115,000.00
Off. Supplies/Maint.	\$50,000.00		\$50,000.00
ONE Magazine	\$100,000.00		\$100,000.00
Utilities	\$25,000.00		\$25,000.00
Board Expense	\$25,000.00		\$25,000.00
Literature	\$1,000.00	\$1,000.00	\$2,000.00
Rent	\$95,000.00		\$95,000.00
Phone/Fax	\$5,000.00		\$5,000.00
Depreciation	\$61,000.00		\$61,000.00
Payroll Taxes	\$25,000.00		\$25,000.00
Medicare Taxes	\$6,000.00		\$6,000.00
Legal/Audit	\$15,000.00		\$15,000.00
Misc.	\$100,000.00	\$75,000.00	\$175,000.00
Scholarships	\$5,000.00		\$5,000.00
Flowers/Gifts	\$75,000.00		\$75,000.00
Misc. Receipts		\$2,000.00	\$2,000.00
Land/Building		\$100,000.00	\$100,000.00
FM Exchange		\$18,000.00	\$18,000.00
TOTALS	\$1,905,000.00	\$3,295,000.00	\$5,200,000.00



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

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

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

#### **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, 2024 and 2023, 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, 2024 and 2023, 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.

*Joel D. Collum, Jr., CPA*

Nashville, Tennessee  
May 2, 2025

**CHURCH EXTENSION LOAN FUND, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**

	<u><b>ASSETS</b></u>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash	\$ 8,994,875	\$ 976,692
Investment in the Free Will Baptist Foundation	4,007,541	-
Investment in the Free Will Baptist Ministries Partnership	750,000	750,000
Notes receivable, net of allowance for doubtful accounts of \$311,579 (\$34,729 in 2023)	83,970,037	98,383,303
Accrued interest receivable	420,958	563,973
Welch College line of credit	1,517,014	1,213,611
Property & equipment, at cost less accumulated depreciation of \$53,762 (\$49,387 in 2023)	33,125	-
<b>TOTAL ASSETS</b>	<b>\$ 99,693,550</b>	<b>\$ 101,887,579</b>
	<u><b>LIABILITIES AND NET ASSETS</b></u>	
<b>LIABILITIES</b>		
Irrevocable trusts	\$ 769,286	\$ 850,494
Notes payable	99,682,098	96,451,382
Line of credit payable	21,822	500,000
Other accrued liabilities	5,685	5,685
<b>Total liabilities</b>	<b>100,478,891</b>	<b>97,807,561</b>
<b>NET ASSETS</b>		
Without donor restrictions		
Operating	(785,341)	4,080,018
<b>Total Net Assets</b>	<b>(785,341)</b>	<b>4,080,018</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 99,693,550</b>	<b>\$ 101,887,579</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, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
	Without Donor Restrictions	
<b>REVENUES</b>		
Investment income	\$ 87,651	\$ 448,002
Gain (loss) on value of investment	-	161,320
Interest income on notes receivable	<u>5,349,630</u>	<u>6,136,926</u>
Total revenue	<u>5,437,281</u>	<u>6,746,248</u>
<b>EXPENSES</b>		
Program expenses		
Interest expense	5,453,530	4,182,524
Build My Church Project expense	60,000	16,216
Bad debt expense	<u>3,351,612</u>	<u>134,729</u>
Total program expenses	<u>8,865,142</u>	<u>4,333,469</u>
Operating expenses		
Office expense	1,261	3,304
Management fee - Note 4	1,290,000	1,451,500
Promotion	22,447	10,892
Professional fees	21,442	28,299
Miscellaneous	91,527	-
Depreciation	4,375	-
Unrelated Business Income Tax	<u>6,446</u>	<u>(7,328)</u>
Total operating expenses	<u>1,437,498</u>	<u>1,486,667</u>
Total expenses	<u>10,302,640</u>	<u>5,820,136</u>
Increase (decrease) in operating net assets	<u>(4,865,359)</u>	<u>926,112</u>
Net assets - beginning of year	<u>4,080,018</u>	<u>3,153,906</u>
Net assets - end of year	<u>\$ (785,341)</u>	<u>\$ 4,080,018</u>

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

**CHURCH EXTENSION LOAN FUND, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ (4,865,359)	\$ 926,112
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	4,375	-
Bad debt expense	3,351,602	134,729
(Gain) loss on value of investment	-	(161,320)
Changes in operating assets and liabilities:		
(Increase) decrease in accrued interest receivable	143,015	(135,140)
Net Cash Provided (Used) By Operating Activities	<u>(1,366,367)</u>	<u>764,381</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(37,500)	-
Collection on notes receivable	14,999,133	2,570,124
Additions to notes and bonds receivable	(3,937,469)	(19,541,108)
Redemption of Richland Ave Financial investment	-	1,027,142
Purchase of Free Will Baptist Foundation investment	(4,007,541)	-
Redemption of Free Will Baptist Foundation investment	-	24,409,972
Additions to Welch line of credit	(303,403)	(613,611)
Net Cash Provided (Used) By Investing Activities	<u>6,713,220</u>	<u>7,852,519</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Additions to trust	42,135	35,791
Terminations of trust	(123,343)	(60,425)
Proceeds from line of credit	419,369	500,000
Repayment of line of credit	(897,547)	-
Additions to notes payable	22,881,013	22,429,982
Repayment of notes payable	(19,650,297)	(40,981,877)
Net Cash Provided (Used) by Financing Activities	<u>2,671,330</u>	<u>(18,076,529)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>8,018,183</b>	<b>(9,459,629)</b>
Cash and cash equivalents at beginning of years	<u>971,692</u>	<u>10,431,321</u>
Cash and cash equivalents at end of years	<u><u>\$ 8,989,875</u></u>	<u><u>\$ 971,692</u></u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest received	<u><u>\$ 5,214,490</u></u>	<u><u>\$ 6,611,108</u></u>
Interest paid	<u><u>\$ 5,453,530</u></u>	<u><u>\$ 4,182,524</u></u>

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

**CHURCH EXTENSION LOAN FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**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 \$87,381 unrelated business income for 2024 (\$82,568 for 2023).

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

**Basis of Accounting:**

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

**Basis of Presentation:**

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

**Use of Estimates:**

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

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

**Cash equivalents**

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

**CHURCH EXTENSION LOAN FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**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>2024</b>	<b>2023</b>
Office equipment	\$ 49,387	\$ 49,387
Automobile	37,500	-
	<hr/> 86,887	<hr/> 49,387
Less: Accumulated depreciation	(53,762)	(49,387)
	<hr/> \$ 33,125	<hr/> \$ -
	<hr/> <hr/>	<hr/> <hr/>
Depreciation for the year	\$ 4,375	\$ -
	<hr/> <hr/>	<hr/> <hr/>

**3. NOTES PAYABLE**

Notes payable consist of 4.0 - 6.0% (3.5 - 5.5% in 2023) 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 \$1,290,000 (\$1,451,500 at December 31, 2023) 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, 2023).

Several directors and trustees were invested in the Church Extension Loan Fund's notes payable described in Note 3 at December 31, 2024. 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, 2024 AND 2023**

**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 \$60,000 (\$16,216 at December 31, 2023) 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, 2024 was \$187,750 (\$187,750 at December 31, 2023).

**6. CONCENTRATION OF CREDIT RISK**

The Fund maintains cash deposits in excess of the federally insured amount of \$250,000. At December 31, 2024, the excess amount over the federally insured limit was \$8,744,875 (\$726,692 in 2023). 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 Fund had \$4,007,541 (\$0.00 at December 31, 2023) invested with the Free Will Baptist Foundation, Inc. at December 31, 2024.

**7. CONCENTRATION**

Included in notes receivable at December 31, 2024 are nineteen loans which total \$54,537,560 (nineteen which total \$66,434,430 in 2023). This balance represents 64.71% (67.09% in 2023) of total notes receivable.

Notes payable include forty-four notes which total \$41,085,329 or 41.22% (forty notes which total \$39,642,001 or 41.10% in 2023) 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, 2024, 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, 2022 through 2024 are subject to examination.

**CHURCH EXTENSION LOAN FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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, 2024 amounted to \$63,031 (\$69,680 at December 31, 2023).

**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>2024</b>	<b>2023</b>
Investment in the Free Will Baptist Foundation	\$ 4,007,541	\$ -
Income earned on the trust	\$ 7,541	\$ 373,492

**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>2024</b>	<b>2023</b>
Investment in the FWB Ministries Partnership	\$ 750,000	\$ 750,000
Income earned on the partnership	\$ -	\$ -

**12. INVESTMENT - RICHLAND AVE FINANCIAL**

The Fund is invested in the institutional investment accounts of Richland Ave Financial

A summary of investments in the are as follows:

	<b>2024</b>	<b>2023</b>
Investment in Richland Ave Financial	\$ -	\$ -
Income earned on the investment	\$ -	\$ 161,320

**CHURCH EXTENSION LOAN FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**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, 2024			
	Fair Value	(Level 1)	(Level 2)
Investment in the FWB Foundation	\$ 4,007,541	\$ -	\$ 4,007,541
Invest. in the FWB Ministries Partnership	750,000	-	750,000
	<u>\$ 4,757,541</u>	<u>\$ -</u>	<u>\$ 4,757,541</u>
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
	<u>\$ 750,000</u>	<u>\$ -</u>	<u>\$ 750,000</u>

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 1 or 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% (7.0% in 2023) 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, 2024 AND 2023**

**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 \$311,579 (\$34,729 in 2023) 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>2024</b>	<b>2023</b>
Beginning balance	\$ 34,729	\$ 802,418
Loan written off	-	(802,418)
Current year provision	276,850	34,729
Ending balance	<u>\$ 311,579</u>	<u>\$ 34,729</u>

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>2024</b>	<b>2023</b>
Loans evaluated individually	<u>\$ 311,579</u>	<u>\$ 34,729</u>

The ending balance of notes evaluated individually as follows:

Loans evaluated individually	<u>\$ 41,341,163</u>	<u>\$ 36,845,217</u>
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**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>2024</b>	<b>2023</b>
Church mortgage loans	Commercial real estate	<u>\$ 41,341,163</u>	<u>\$ 36,845,217</u>



**CHURCH EXTENSION LOAN FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**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, 2024 was \$-0- (\$-0- for 2023).

The following tables provide informative data at December 31, 2024 and 2023 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, 2024			For the Year Ended December 31, 2024		
	Recorded Investment In Impaired Notes	Unpaid Principal Balance of Impaired Notes	Allowance for Doubtful Accounts on Impaired Notes	Average Recorded Investment In Impaired Notes	Interest Income Recognized While Notes Were Impaired	
Impaired loan for which an allowance for doubtful accounts has been recognized Notes receivable	\$41,341,163	\$41,341,163	\$ 311,579	\$ 1,425,557	\$ -	

	December 31, 2023			For the Year Ended December 31, 2023		
	Recorded Investment In Impaired Notes	Unpaid Principal Balance of Impaired Notes	Allowance for Doubtful Accounts on Impaired Notes	Average Recorded Investment In Impaired Notes	Interest Income Recognized While Notes Were Impaired	
Impaired loan for which an allowance for doubtful accounts has been recognized Notes receivable	\$36,845,217	\$36,845,217	\$ 34,729	\$ 1,315,901	\$ -	

CHURCH EXTENSION LOAN FUND, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

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, 2024. 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	Financing Receivables Past Due 90 Days or Greater and Still Accruing Interest
Notes receivable	\$ 42,940,453	\$ 3,473,420	\$ 5,602,744	\$ 32,264,999	\$ 41,341,163	\$ 84,281,616	\$ 30,421,100

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, 2024 AND 2023**

**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.

	<u>2024</u>	<u>2023</u>
Financial assets at year-end	\$ 99,239,467	\$ 101,323,606
Less those unavailable for general expenditures within one year due to:		
Reserved for holders of notes payable	( 99,682,098)	( 96,451,382)
Reserved for holders of irrevocable trusts	( 769,286)	( 850,494)
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	<u>(\$ 3,399,667)</u>	<u>\$ 1,833,980</u>

**19. SUBSEQUENT EVENTS**

Subsequent events have been evaluated by Management through May 2, 2025 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 2024 the balance on the account was \$1,517,014 (\$1,213,611 at December 31, 2023).

# RICHLAND AVE FINANCIAL 2025

John Brummitt, President and CEO

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Galatians 5:25 "If we live by the Spirit, let us also keep in step with the Spirit."

## RICHLAND AVE FINANCIAL

As you will have noticed, some things have changed. In January, we started switching over all our paperwork, website, and promotional materials. We have been working through rebranding without losing the work we have been doing for the last several years to get the Board of Retirement more recognizable through social media, podcasts, and newsletter updates. The website [www.richlandavefinancial.com](http://www.richlandavefinancial.com) is up and running and has an updated look and functionality. If you haven't checked it out, I would recommend taking a look. We have updated our resource and blog pages to make them more user-friendly when searching for different categories like Investing, Retirement, Finances, and our "Did you know?" and "Test Your Knowledge" questions that get posted to our social media accounts.

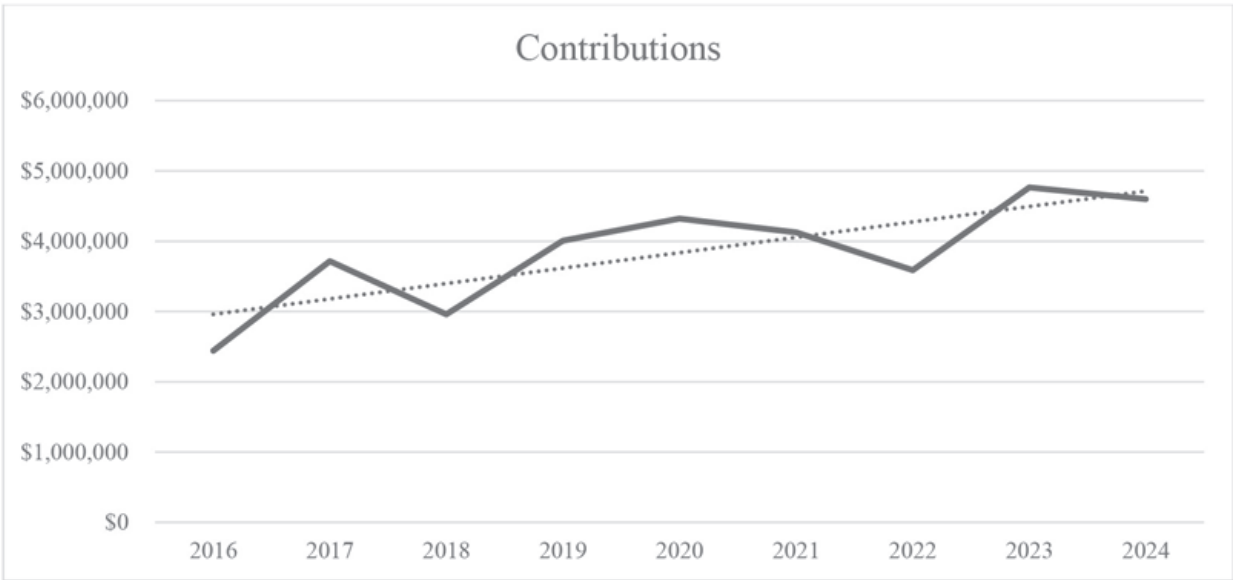


Our staff has worked hard updating forms, acquiring new supplies, printing materials, and revising text on everything we use in our daily office work to switch over to Richland Ave Financial. We have received a lot of positive feedback regarding the transition.

We decided to roll out slowly rather than make the switch right after the National, and I feel that was the right call. It gave us time to ensure we had most of our ducks in a row before flipping the switch.

## 2024 LOOK BACK

2024 was another positive year for growth for Richland Ave Financial. We saw a good number of new enrollees, with 137, pushing our average to 129 since 2016 (before 2016, our average was 49). Retirement contributions were also up, although not as high as in 2023. We still saw over \$4.5M in new retirement contributions come into the plan. Bumping our 9-year average up to \$3.8MM in retirement contributions. Markets were also good in 2024, which always helps with participants contributing to their accounts, but we have also tried to do a lot of work for our employers to contribute on behalf of their employees. If the markets are down, like in 2018 and 2022, participants will hold contributions, but when markets are up, like in 2023, we see additional contributions come into the plan with a flattening out over the next year or two if the market remains green. As you can see from the chart.



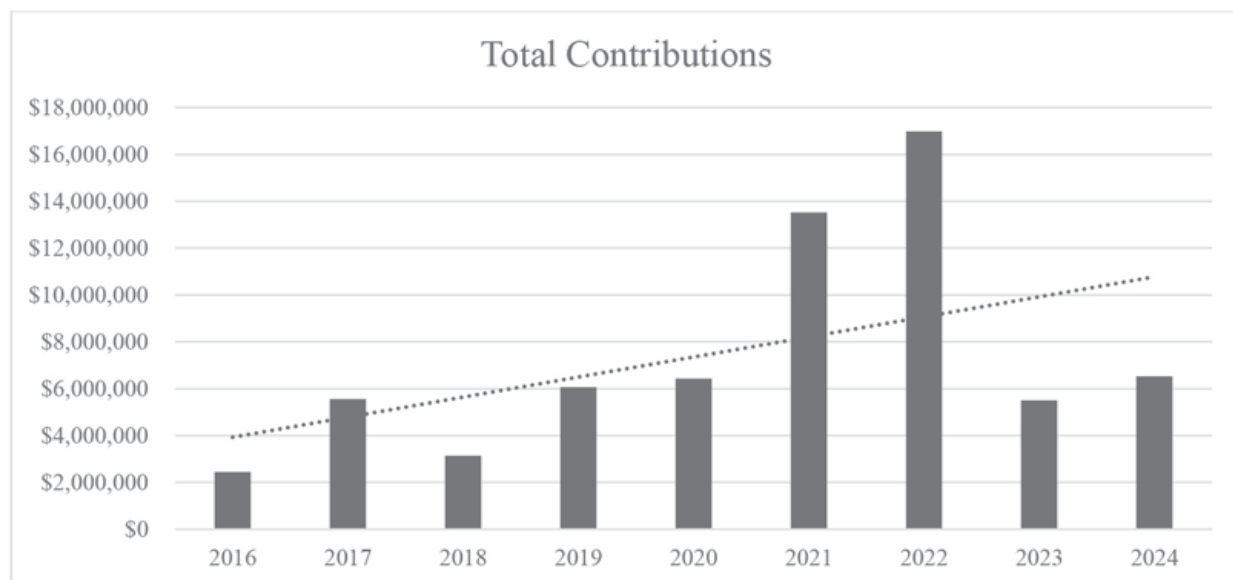
While this is counterproductive for our participants, it is out of our control regarding how participants send in contributions. We continue to educate our participants on remaining consistent with their contributions through the ups and downs in the markets, so they will average out the best return on investments rather than buying high and not purchasing when investments go on sale. We have increased our yearly average for new contributions to retirement by 57% over the last nine years, which is a 4% increase from last year's average.

We saw our third-highest year in new enrollments, with 137 in 2024, surpassing our previous third-highest year, 2022. To continue growing our participant base, we have been targeting large employer groups like schools, daycares, and large churches. We have added over 1,100 new participants in the last nine years. We

are currently looking at employer groups to service, and we have seen some interest in outside groups that would like to use our services, especially in the area of Christian Schools.

	2018	2019	2020	2021	2022	2023	2024
<i>Enrollments</i>	123	183	96	95	133	142	137
<i>Contributions</i>	\$2,961,546	\$4,008,889	\$4,321,421	\$4,123,929	3,588,293	\$4,764,976	\$4,599,999
<i>Institutional</i>	177,040	1,859,604	2,113,220	9,401,096	13,396,776	739,255	1,927,539
<i>Total</i>	3,138,587	6,060,209	6,434,642	13,525,025	16,985,059	5,504,231	6,527,538

We are not rushing into this, however, since we want to make sure that before onboarding new clients outside of our group, we have documentation on the like faith aspect of the relationship.



While total contributions were up from 2023. Thanks to a boost from our Institutional Investment Accounts. We are still seeing quite a bit of interest in our institutional investment accounts. Our performance has outpaced a lot of other options our people have, and others are taking notice. We have had multiple conversations with different churches and ministries about starting accounts for their future ministries. We are also getting several word-of-mouth referrals from ministries already benefiting from our program.

We are thankful to be building a reputation for being a trusted resource to help ministries in a positive way. For a long time, we were only looked at as the pastor's retirement fund, which is only part of our ministry for the denomination. I am thankful that the hard work of this office and this board is positively affecting our denomination.

## SETTLEMENTS

Since 2022, we have seen a flip in our settlements for retirement accounts. For 2024, we saw almost a 50/50 split between the accounts that settled out with us and those that rolled over to outside accounts or withdrew their funds. Looking at the numbers, it doesn't tell the whole picture. In 2022, the Fed increased rates so fast and to levels that hadn't been seen in a decade. Outside annuities were able to capitalize on the rate bump. We have had more conversations with individuals about rollovers simply because they can get a higher short-term rate outside of us. We try to explain the difference in housing allowance and 100% survivor guarantee that our plan offers that increases the value of our plan, but at the end of the day, looking at 5% vs 6%, most only look at the number and don't read the fine print of the fees and adjustments they will get on the outside plans.

Another change to our plan that we need to consider when looking at settlement retention is that we have shifted the needle dramatically to help our church schools, daycares, and children's homes, all of which have very high turnover rates. When a non-pastoral/ordained employee changes jobs, most likely, they are not going to another employer that we service or can service. While they can stay with us, if their new employer offers a plan, they are very likely to either rollover or withdraw funds from their accounts.

We have also adjusted our options for partial withdrawals on accounts. It has added a new option for settlement for our participants. We have participants who are still working or are in between churches who would like to take a partial withdrawal but leave their accounts active. The adjustment allows them to remain active without settling their entire account. It has been received well by those taking advantage of being eligible for a withdrawal, although they are not fully retired.

## INVESTMENTS

### 2024

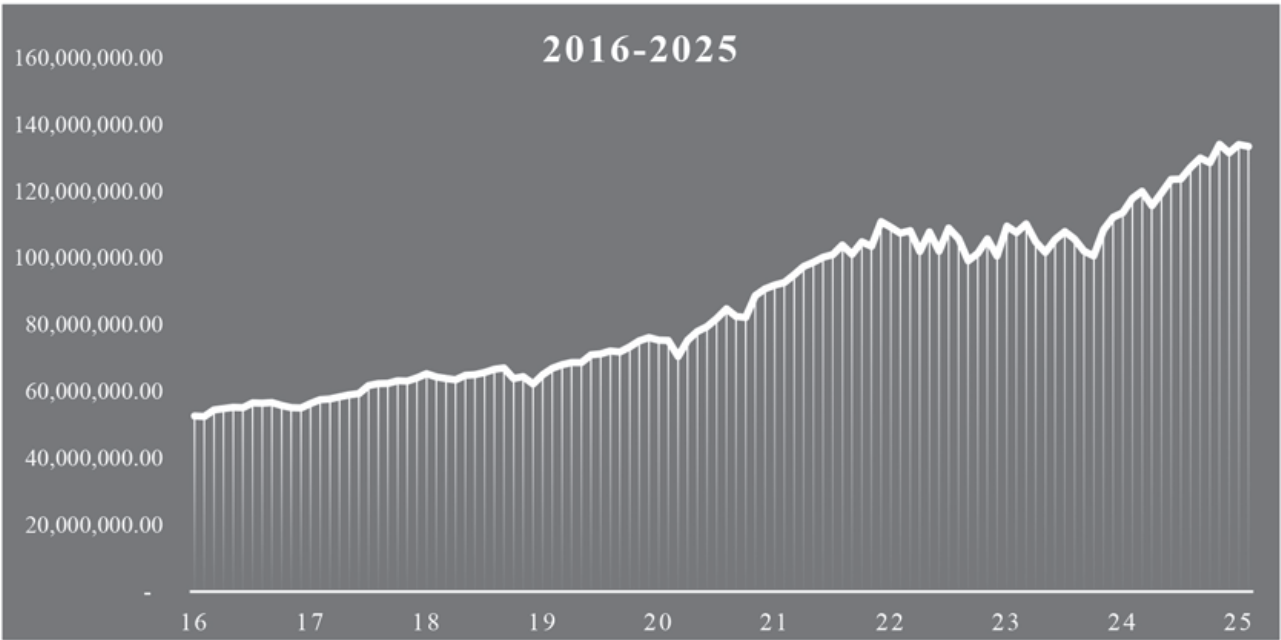
Pre Set Allocation Models	QTD	YTD	3 Year	5 Year	10 Year	20 Year	LTD
<b>Default</b>	0.620%	16.290%	8.414%	11.621%	8.159%	6.592%	7.828%
<b>Set Rate</b> <small>Current Rate 3%</small>	0.742%	3.000%	2.497%	2.197%			2.197%
<b>Moderate</b>	1.100%	14.510%	6.331%	8.772%	6.597%		6.048%
<b>Maximum</b>	3.370%	28.170%	13.095%	16.777%	12.283%		12.183%
<b>Individual Asset</b>							
<b>Large Cap Value*</b>	1.640%	26.000%	17.581%				17.581%
<b>Large Cap Growth*</b>	4.660%	32.530%	9.514%				9.514%
<b>All Cap Growth*</b>	5.280%	33.910%	21.178%				21.178%
<b>SMID Cap**</b>	-3.150%	4.650%					4.650%
<b>REIT*</b>	-7.900%	6.480%	2.528%				2.528%
<b>Intermediate Fixed*</b>	-1.610%	2.980%	-0.224%				-0.224%
<b>Short Term Fixed*</b>	-0.630%	3.900%	2.626%				2.626%

\* Beginning May 2022

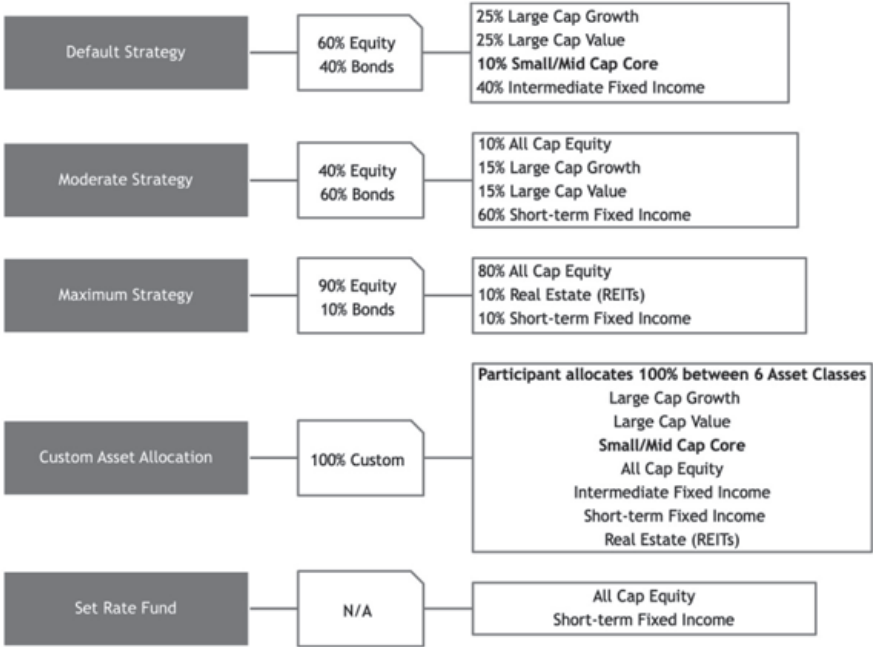
\*\*Beginning March 2024

2024 was another positive year in our investments. We saw another year of double-digit returns for our participants. Adding to the massive returns we saw in 2023. We have worked very hard building an

investment portfolio for our participants to have options that will benefit them in the long run. While having great earnings in positive years is always a plus, we also want to ensure our participants get the most protection they can in the down years as well. We know that we will have down years, which are essential to your account's overall growth. Without volatility in the markets, you would always be paying higher and higher prices for your investments, limiting the amount of growth you could capture over a long time frame.



As you can see from this nine-year chart, our assets under management have increased dramatically. While some of this is due to market return, much of this is due to new contributions coming into our participants’ accounts as well as increased participation from our FWB employees. Adding additional investment options to the plan has attracted more contributions and participants to our program. Allowing them the freedom to adjust their portfolio to meet the goals they have for their future ministry.





Here is the breakdown of the different investment options our participants can choose from. Participants are not limited to one choice, but can create a portfolio from a combination of the options available.

In 2024, we increased the rate on the Set Rate Fund from 2% to 3%. The goal is to grow and extend this fund to hold an attractive rate. Participants who are very hesitant about the volatility of the market would have an option to invest that would provide some earnings growth, but offer greater protection of their portfolio.

Anytime we look at the markets, we understand that we are not the ones that are in control but we serve a God who is. Jeremiah 29:7 tells us,

*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.*

Pray for us as we navigate the investment world and for our participants as we prepare for their future ministries.

## GROWTH, 3 FOR 30, AND OUTREACH (UPDATE)

Since 2016, we have been focused on our outreach and the growth of this department. When executive office launched the 3 for 30, we were able to lay our goals we had already been working on into the overall plan:

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

As an update on where we were in 2024, in 2016, we had just rolled over \$52MM in assets under management; in 2024, we rolled over \$133MM. If you look at our overall growth of assets under management, we have averaged around 17.8% growth per year over the last 9 years. We have grown the number of participants in the plan to over 1900, even though we are extremely 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 \$52K, even with adding over 1,000 new participants over the last 9 years. While this is well below where our participants should be for their average account balance, it is up almost \$17K from where it was just a few years ago and up \$6K from last year.

When I started at the office in 2006, we had around \$3.5MM dollars in our annuity pool. We now have over \$22MM in our annuity and self-directed pools. We are also paying out over \$211k per month in monthly payments to these retirees. (\$2.53MM 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. The changes we have made to our plan over the last several years have made us more attractive to churches and groups that didn't use us before. We have had growing interest in our institutional investing program and continue to add more accounts.

We are working on partnering with several National and State agencies in order to serve our denomination and our participants better. We are working with our denominational agencies, schools and colleges, churches and other ministries to help educate. 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 help at their events as well.

## 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.

## **Richland Ave Financial**

### *Synopsis of 2024 Board Meetings*

#### ♦ **March 25-26, 2024**

All board members were present; 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 retain current board officers for the coming year:

##### Board Officers

Lance Boyer, Chair

Randy Wilson, Assistant Chair

Don Myers, Secretary

Clayton Hampton, Assistant Secretary

Chairman Lance Boyer opted to leave standing committees as shown for the coming year:

##### 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. To authorize and approve the charter amendment and presentation at the 2024 convention.
2. To authorize and approve the organizational name change presentation at the 2024 convention.
3. To retain Joel Collum, CPA for the 2024 audit.
4. To approve the 2025 budget.

#### ♦ **December 10, 2024**

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 amended and restated charter from the Board of Retirement to Richland Ave Financial.
2. To approve proposed updates to the Board of Directors handbook.
3. To approve Summary Plan document updates as presented.
4. To schedule the 2025 Spring board meeting for March 25 in Nashville.

**RICHLAND AVE FINANCIAL**  
**COMBINED FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**



**RICHLAND AVE FINANCIAL**  
**DECEMBER 31, 2024 AND 2023**

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

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

To the Board of Directors of the  
Richland Ave Financial  
Antioch, Tennessee

#### **Opinion**

I have audited the accompanying combined financial statements of Richland Ave Financial (a nonprofit organization), which comprise the combined statements of financial position as of December 31, 2024, and 2023, and the related combined statements of activities, functional expenses, and cash flows for the years 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 Richland Ave Financial as of December 31, 2024, and 2023, 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 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 Richland Ave Financial 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 Richland Ave Financial'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 Richland Ave Financial'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 Richland Ave Financial'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.

*Joel D. Collum, Jr., CPA*

Nashville, Tennessee  
March 19, 2025

**RICHLAND AVE FINANCIAL**  
**COMBINED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**

**ASSETS**

	<u>2024</u>	<u>2023</u>
<b>OPERATING ASSETS</b>		
Cash and cash equivalents	\$ 188,887	\$ 172,824
Investments	2,328,311	1,683,581
Receivable and other assets	291,416	248,104
Property and equipment, net of accumulated depreciation	82,142	63,497
Total operating assets	<u>2,890,756</u>	<u>2,168,006</u>
<b>RETIREMENT ASSETS</b>		
Cash and cash equivalents	222,013	232,611
Investments	131,496,155	112,267,937
Participant loans and other receivables	909,127	567,386
Total retirement assets	<u>132,627,295</u>	<u>113,067,934</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 135,518,051</u></u>	<u><u>\$ 115,235,940</u></u>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Accounts payable and accrued expenses - operating	\$ 23,229	\$ 20,820
Accounts payable and accrued expenses - retirement	367,018	256,470
Institutional investing program	17,351,747	14,687,343
Held for benefit of annuitants	17,189,439	16,209,118
Self-directed investments	4,642,726	4,600,962
Total liabilities	<u>39,574,159</u>	<u>35,774,713</u>
<b>NET ASSETS</b>		
Net assets without donor restrictions	2,810,523	2,090,182
Net assets with donor restrictions	57,004	57,004
Net assets available for benefits	93,076,365	77,314,041
Total net assets	<u>95,943,892</u>	<u>79,461,227</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 135,518,051</u></u>	<u><u>\$ 115,235,940</u></u>



**RICHLAND AVE FINANCIAL**  
**COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024			2023		
	Operations	Retirement	Total	Operations	Retirement	Total
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>						
Contributions from participants						
Contributions to participant accounts	\$ -	\$ 4,704,785	\$ 4,704,785	\$ -	\$ 4,765,596	\$ 4,765,596
Net unrealized and unrealized gains (losses)	313,494	17,954,156	18,267,650	419,320	22,749,894	23,169,214
Interest and dividends	6,198	1,645,410	1,651,608	3,670	1,350,082	1,353,752
Other income	68,032	-	68,032	65,805	3,260	69,065
Net assets released from restrictions	-	-	-	-	-	-
Total revenue, gains and other support	387,724	24,304,351	24,692,075	488,795	28,868,832	29,357,627
Expenses						
Participant benefits	-	6,744,115	6,744,115	-	8,105,929	8,105,929
Administrative expenses	787,537	-	787,537	758,708	-	758,708
Total expenses	787,537	6,744,115	7,531,652	758,708	8,105,929	8,864,637
Other changes - gain (loss)						
Actuarial change in the value of annuitant liability	-	(677,758)	(677,758)	-	777,651	777,651
Intercompany service fee	1,120,154	(1,120,154)	-	953,463	(953,463)	-
Total investment income	1,120,154	(1,797,912)	(677,758)	953,463	(175,812)	777,651
Change in Net Assets Without Donor Restrictions	720,341	15,762,324	16,482,665	683,550	20,587,091	21,270,641
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>						
Grant income	-	-	-	-	-	-
Net assets released from restrictions	-	-	-	-	-	-
Change in Net Assets With Donor Restrictions	-	-	-	-	-	-
Total Changes in Net Assets	720,341	15,762,324	16,482,665	683,550	20,587,091	21,270,641
Net Assets, Beginning of Year	2,147,186	77,314,041	79,461,227	1,463,636	56,726,950	58,190,586
Net Assets, End of Year	\$ 2,867,527	\$ 93,076,365	\$ 95,943,892	\$ 2,147,186	\$ 77,314,041	\$ 79,461,227

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

**RICHLAND AVE FINANCIAL**  
**COMBINED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 SND 2023**

	2024				2023			
	Program Services		Supporting Services		Program Services		Supporting Services	
	Retirement	Operations	Operations	Total	Retirement	Operations	Operations	Total
<b>EXPENSES AND OTHER DEDUCTIONS</b>								
Withdrawals from participants	\$ 2,087,364	\$ -	\$ -	\$ 2,087,364	\$ 2,481,576	\$ -	\$ -	\$ 2,481,576
Defaulted participant loans	31,481	-	-	31,481	30,483	-	-	30,483
Transfers to annuities by participants	1,105,416	-	-	1,105,416	722,117	-	-	722,117
Transfers to self-directed by participants	775,681	-	-	775,681	717,273	-	-	717,273
Income allocated to retirement accounts	1,707,145	-	-	1,707,145	3,159,099	-	-	3,159,099
Income allocated to annuitant obligations	800,685	-	-	800,685	763,069	-	-	763,069
Income allocated to self-directed accounts	235,113	-	-	235,113	229,915	-	-	229,915
Service fees	1,230	-	-	1,230	2,397	-	-	2,397
Salaries	-	267,630	14,086	281,716	-	228,085	12,004	240,089
Housing	-	35,150	1,850	37,000	-	35,150	1,850	37,000
Fringe Benefits	-	131,364	6,914	138,278	-	107,638	5,665	113,303
Travel and promotional	-	30,933	30,933	61,866	-	29,590	29,590	59,180
Auto maintenance and expense	-	3,099	3,099	6,198	-	4,909	4,909	9,818
Office supplies and expense	-	132,198	6,958	139,156	-	136,410	7,179	143,589
Occupancy	-	41,773	2,199	43,972	-	40,427	2,128	42,555
Board members expense	-	8,796	8,795	17,591	-	10,030	10,029	20,059
Legal and accounting	-	5,372	16,116	21,488	-	17,865	53,595	71,460
Grant expense	-	-	-	-	-	-	-	-
Depreciation	-	-	20,207	20,207	-	-	20,064	20,064
Annuitant benefit payments	-	18,122	-	18,122	-	591	-	591
Other	-	1,846	97	1,943	-	950	50	1,000
Total deductions	\$ 6,744,115	\$ 676,283	\$ 111,254	\$ 7,531,652	\$ 8,105,929	\$ 611,645	\$ 147,063	\$ 8,864,637

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

**RICHLAND AVE FINANCIAL**  
**COMBINED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ 16,482,665	\$ 21,270,641
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	20,207	20,064
Gain on sale of property and equipment	(3,852)	-
Realized and unrealized (Gain) loss on investments	(18,267,650)	(23,169,214)
Actuarial change in value of annuitant liability	677,758	(777,651)
Transfers to annuities by participants	1,030,455	735,063
Transfers to self-directed by participants	775,680	717,273
Income allocated to annuitant obligations	800,782	763,966
Income allocated to self-directed accounts	235,113	229,915
Income allocated to institutional investments	1,707,145	3,159,099
Changes in operating assets and liabilities:		
(Increase) decrease in receivables and other assets	(385,053)	(46,216)
Increase (decrease) in accounts payable and accrued expenses	112,957	21,187
Net Cash Provided (Used) By Operating Activities	<u>3,186,207</u>	<u>2,924,127</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(35,000)	-
Purchase of investments	(86,874,563)	(53,614,148)
Sales and maturities of investments	85,066,549	67,132,606
Increase (decrease) in sweep investments	398,489	(948,994)
Increase (decrease) in Matrix investment	(195,773)	(76,761)
Net Cash Provided (Used) By Investing Activities	<u>(1,640,298)</u>	<u>12,492,703</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Distributions to self-directed investment beneficiaries	(969,029)	(939,839)
Distributions to annuitants	(1,528,674)	(1,447,165)
Contributions to institutional investing program	1,927,539	739,255
Distributions from institutional investing program	(970,280)	(13,791,432)
Net Cash Provided (Used) by Financing Activities	<u>(1,540,444)</u>	<u>(15,439,181)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,465</b>	<b>(22,351)</b>
Cash and cash equivalents at beginning of years	<u>405,435</u>	<u>427,786</u>
Cash and cash equivalents at end of years	<u><u>\$ 410,900</u></u>	<u><u>\$ 405,435</u></u>

**RICHLAND AVE FINANCIAL**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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

**Nature of Operations**

Richland Ave Financial (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 Organization”).

The purpose of the Organization 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 Organization 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 Organization 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 Organization 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.



**RICHLAND AVE FINANCIAL**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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

**Contributions**

Under the terms of the retirement pension plan which the Organization 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 Organization 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.

**RICHLAND AVE FINANCIAL**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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

**Cash**

At December 31, 2024, the Organization's cash accounts exceeded federally insured limits by approximately \$160,900 (\$155,435 at December 31, 2023).

**Investments and Investment Return**

The Organization 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 Organization 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 Organization 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 Organization's institutional investing program. The funds are invested in the Organization'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.

**RICHLAND AVE FINANCIAL**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 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 Organization is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. Since the Organization is not required to file tax returns in the U.S. federal jurisdiction, the Organization 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.

**RICHLAND AVE FINANCIAL**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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

**Subsequent Events**

Subsequent events have been evaluated through March 19, 2025, which is the date the combined financial statements were available to be issued.

**2. INTERCOMPANY TRANSACTIONS**

The combined financial statements of the Organization include the activities of the Organization'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 Organization's 403(b)(9) program.

The retirement fund is charged a quarterly service fee from the operating fund, this fee totaled \$1,120,154 for 2024 (\$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 \$367,279 were unpaid as of December 31, 2024 (\$248,592 as of December 31, 2023) and are reflected as a receivable of the operating fund and a payable of the retirement fund.

**3. INVESTMENTS**

The Organization's investment are as follows:

	<b>2024</b>		<b>2023</b>	
	<b>Operating</b>	<b>Retirement</b>	<b>Operating</b>	<b>Retirement</b>
Cash sweep accounts	\$ 2,328,311	\$ 4,026,084	\$ 1,683,581	\$ 4,228,801
Common stocks	-	90,964,562	-	72,913,912
Equities - structured products	-	2,559,252	-	2,213,538
U.S. Government issues	-	15,563,046	-	19,884,650
Corporate bonds and notes	-	12,227,905	-	8,422,927
Fixed income funds	-	1,482,995	-	1,081,235
Asset backed securities	-	4,438,623	-	3,306,739
Accrued interest	-	233,688	-	216,135
	<u>\$ 2,328,311</u>	<u>\$131,496,155</u>	<u>\$ 1,683,581</u>	<u>\$112,267,937</u>



**RICHLAND AVE FINANCIAL**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**4. PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2024 and 2023 consists of:

	<b>2024</b>	<b>2023</b>
Office furniture and fixtures	\$ 37,500	\$ 37,500
Computer hardware and software	163,810	163,810
Automobiles	106,159	97,602
	<u>307,469</u>	<u>298,912</u>
Less: Accumulated depreciation	(225,327)	(235,415)
	<u><u>\$ 82,142</u></u>	<u><u>\$ 63,497</u></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, 2024, the recorded liability amounted to \$17,189,439 (\$16,209,118 as of December 31, 2023). The Organization uses the Mortality Table 2012 IAM and a discount rate of 5%.

**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, 2024, the recorded liability amounted to \$4,642,726 (\$4,600,962 at December 31, 2023).

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

**7. POOLED ANNUITIES RESERVE ACCOUNT AND SELF-DIRECTED RESERVE ACCOUNT**

During 2024, in order to obtain a better rate of return for retirees, the Organization pooled the funds in the annuity reserve and the self-directed reserve. These funds were then invested in several different investment funds.

The comparison of the pooled reserve accounts (included in investments) to the combined liabilities is as follows:

	<b>2024</b>
Pooled annuity and self-directed reserve programs	\$ 22,450,640
Held for benefit of annuitants	(17,189,439)
Self-direct liability	<u>(4,642,726)</u>
Excess (deficit) of self-direct reserve account over (under) liability	<u><u>\$ 618,475</u></u>

**RICHLAND AVE FINANCIAL**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**8. LEASES**

The Organization leases 2,324 square feet of office and storage space from an affiliate on a year to year lease. Lease payments totaled \$43,972 for the year ended December 31, 2024 (\$42,555 for the year ended December 31, 2023).

**9. ENDOWMENT**

**Interpretation of State Law**

The Organization has an endowment fund with the Free Will Baptist Foundation (Foundation). The endowment was established by the Organization for the benefit of the Organization 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 Organization 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 Organization 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 Organization 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 Organization 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 Organization 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 Organization
7. Investment policies of the Organization

**RICHLAND AVE FINANCIAL**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**9. ENDOWMENT - CONTINUED**

**Investment and Spending Policies**

The Organization 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.

endowment received for the benefit of annuitants. With this policy, the Organization 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, 2024 and 2023 was:

	<u>2024</u>	<u>2023</u>
	Without Donor Restrictions	Without Donor Restrictions
Balance, beginning of year	\$ 50,252	\$ 46,498
Contributions	6,310	1,250
Investment return	3,461	2,504
Balance, end of year	<u>\$ 60,023</u>	<u>\$ 50,252</u>

**10. 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

**RICHLAND AVE FINANCIAL**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**10. 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, 2024 and 2023:

		<b>2024</b>			
		Fair Value Measurements Using			
	Fair Value	in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Common stocks	\$ 90,964,562	\$ 90,964,562	\$ -	\$ -	
Equities - structured products	2,559,252	-	2,559,252	-	
U.S. Government issues	15,563,046	15,563,046	-	-	
Corporate bonds and notes	12,227,905	12,227,905	-	-	
Fixed income funds	1,482,995	1,482,995	-	-	
Asset backed securities	4,438,623	-	4,438,623	-	
	<u>\$ 127,236,383</u>	<u>\$ 120,238,508</u>	<u>\$ 6,997,875</u>	<u>\$ -</u>	

		<b>2023</b>			
		Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Common stocks	\$ 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 years ended December 31, 2024 and 2023.



**RICHLAND AVE FINANCIAL**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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

**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.

**11. 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, 2024 and 2023, comprise the following:

	<u><b>2024</b></u>	<u><b>2023</b></u>
Operating cash	\$ 188,887	\$ 172,824
Operating investments	<u>2,328,311</u>	<u>1,683,581</u>
Total liquid financial assets	2,517,198	1,856,405
 Board designated endowment	 <u>(57,004)</u>	 <u>(57,004)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u><u>\$ 2,460,194</u></u>	 <u><u>\$ 1,799,401</u></u>

The Organization 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 Organization forecasts its future cash flows and monitors its liquidity quarterly and monitors its reserves annually

**12. NAME CHANGE**

The Organization has been transiting from the name Board of Retirement and Insurance of the National Association of Free Will Baptists of the United States of America, Inc. to its new name, Richland Ave Financial for several years. This change was officially approved in July 2024 at the convention of the National Association of Free Will Baptists.

# Richland Ave Financial

Proposed Budget for 2026

	2024 Actual	2024 Budget	2025 Budget	2026 Proposed Budget
<b>Revenue</b>				
Service Fees From Retirement	1,120,153.52	792,000.00	830,000.00	850,000.00
Insurance Administrative Fees	189.00	250.00	250.00	250.00
The Together Way	58,093.43	58,500.00	56,000.00	56,000.00
Other State Gifts	380.00	300.00	300.00	300.00
Rest Of The Family Offering	5,517.08	1,700.00	1,700.00	5,000.00
Interest Income Checking Savings	3,360.16	100.00	500.00	2,000.00
Interest Income Future Purchases	4,935.45	-	-	-
Investment Income Annuity	2,608.70	-	-	-
Investment Income Endowment	3,691.50	-	-	-
Investment Income Net Assets BOR	287,672.87	-	-	-
Investment Income Net Assets UBS	17,423.69	-	-	-
Gain Loss On Sale Of Assets	3,852.67	-	-	-
Grant Income - Building Future	-	-	-	-
Miscellaneous Income	-	3,000.00	3,000.00	3,000.00
<b>Total Revenue</b>	<b>1,507,878.07</b>	<b>855,850.00</b>	<b>891,750.00</b>	<b>916,550.00</b>
<b>Expenses</b>				
Salaries and Wages	281,715.72	269,517.82	277,683.78	319,459.76
Fringe Benefits	138,278.43	130,000.00	140,000.00	155,000.00
Housing	36,999.56	37,000.00	37,000.00	37,000.00
Travel and Promotion	61,865.53	65,000.00	70,000.00	70,000.00
Auto Maintenance and Expense	6,197.89	8,000.00	9,000.00	9,000.00
Payments to Annuity	18,122.24	-	-	-
Plant Fund	43,972.13	48,000.00	48,000.00	48,000.00
Office Expense	36,200.25	40,000.00	40,000.00	40,000.00
Equipment	8,465.81	10,000.00	15,000.00	15,000.00
Equipment Lease	5,663.48	6,000.00	6,000.00	6,000.00
Education/Training	20,873.55	20,000.00	22,000.00	24,000.00
Publications	25,993.68	30,000.00	30,000.00	27,000.00
Communications	30,449.23	52,000.00	45,000.00	35,000.00
Board Member Expense	17,591.30	20,000.00	25,000.00	22,000.00
Website Development/Maintenance	1,123.60	7,500.00	7,500.00	6,500.00
Legal Expense	840.00	30,000.00	30,000.00	30,000.00
Auditing Expense	20,648.00	30,000.00	30,000.00	25,000.00
Offsite Backup Storage	0.00	1,200.00	1,200.00	750.00
Software Support	11,529.71	35,000.00	20,000.00	15,000.00
Depreciation Expense	20,206.92	14,632.18	27,375.26	27,733.56
Miscellaneous Expense	800.23	2,000.00	10,990.96	4,106.68
To/From Retirement	-	-	-	-
<b>Total Expenses</b>	<b>787,537.26</b>	<b>855,850.00</b>	<b>891,750.00</b>	<b>916,550.00</b>
<b>Current Year Change</b>	<b>720,340.81</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Richland Ave Financial

### Compensation Detail 2026 Proposed

President and CEO: John Brummitt		2025 Approved	2026 Proposed
	Salary	\$124,669.24	\$133,396.09
	Christmas	\$2,397.49	\$2,565.31
	Retirement	\$12,466.92	\$13,339.61
	<b>Total</b>	\$139,533.65	\$149,301.01

Medical, Dental, Vision and Life Insurance is provided.

CFO: Chris Compton		2025 Approved	2026 Proposed
	Salary/Housing	\$88,817.40	\$95,034.62
	Christmas	\$1,708.03	\$1,827.59
	Retirement	\$8,881.74	\$9,503.46
	<b>Total</b>	\$99,407.17	\$106,365.67

Medical, Dental, Vision and Life Insurance is provided.

Staff		2025 Approved	2026 Proposed
	Salary/Housing	\$95,259.70	\$101,927.88
	Christmas	\$1,831.92	\$1,960.15
	Retirement	\$9,525.97	\$10,192.79
	<b>Total</b>	\$106,617.59	\$114,080.82

Medical, Dental, Vision and Life Insurance is provided.

**Free Will Baptist Media Commission Report  
for the National Association of Free Will Baptists  
Kansas City, MO  
July, 2025**

Over the past year, our team has placed a strong emphasis on team building and training as we have onboarded 2 newer team members. We are grateful for how the Lord continues to revitalize and equip our team, enabling us to better serve our denomination and local churches with the talents He has given us.

Our primary focus remains supporting the National Convention and the Leadership Conference. In December, we were honored to provide full A/V support for the Leadership Conference. Additionally, we have continued enhancing the streaming experience for the National Convention by offering services in three languages—English, Spanish, and ASL—and by expanding our live pre-service coverage.

Due to rising internet costs over the last few years, we are especially grateful to the FWB Foundation for their continued support of our mission. Their generosity has helped make it possible for us to maintain and improve the quality and accessibility of our streaming services.

We are also actively building connections with media teams across the denomination to provide training and resources that support weekly ministry, whether online or in person. If you haven't already, we invite you to join our Facebook group, **"Free Will Baptist Media Teams,"** where you can network with others, ask questions, and share ideas.

Our team is committed to helping churches be as effective as possible in reaching their communities—and the world—with the Gospel. If there is any way we can serve you or your church, please don't hesitate to contact us through our Facebook page or reach out to any team member individually.

Together, let's continue to grow, serve, and glorify God in all we do.

Respectfully Submitted,

Stephen Lopes (TN), Chairman  
Josh Owens (TN), Treasurer  
Adrian Holland (TN)  
Devon Dundee (AR)  
Isaiah Grimes (VA)



FWB Media Commission Comparative Budget Analysis				
January 1, 2024 - December 31, 2024				
	2024 Expected	2024 Actual	Difference	2026 Budget
<b>INCOME</b>				
Together Way (Undesignated)	\$4,750.00	\$4978.72	\$228.72	\$4,750.00
Together Way (Designated)	\$100.00	\$342.00	\$242.00	\$100.00
Rest of the Family Offering	\$25.00	\$51.22	\$26.22	\$25.00
Bill Gardner Memorial Gift	\$50.00	\$90.81	\$40.81	\$50.00
Other Gifts	\$0.00	\$0.00	\$0.00	\$5,000.00
<b>TOTAL INCOME</b>	<b>\$4,925.00</b>	<b>\$5,320.72</b>	<b>\$395.72</b>	<b>\$9,925.00</b>
<b>EXPENSES</b>				
Office Supplies	\$75.00	\$45.54	\$29.46	\$75.00
Digest of Reports	\$75.00	\$50.00	\$25.00	\$75.00
Equipment Upgrades/Repairs	\$3,000.00	\$2,245.41	\$754.59	\$3,000.00
Software/Hardware	\$500.00	\$526.50	-\$26.50	\$500.00
Development and Training	\$500.00	\$0.00	\$500.00	\$0.00
Convention Streaming Service (Internet & Rental)	\$850.00	\$0.00	\$850.00	\$850.00
Convention Supplies	\$150.00	\$0.00	\$150.00	\$150.00
Convention/Leadership Conference Travel and Lodging	\$5,000.00	\$6,043.64	-\$1,043.64	\$6,500.00
Convention/Leadership Conference Meals	\$1,000.00	\$0.00	\$1,000.00	\$1,000.00
Convention Seminar	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL EXPENSES</b>	<b>\$11,150.00</b>	<b>\$8,911.09</b>	<b>\$2,238.91</b>	<b>\$12,150.00</b>

## The Report of the Commission for Theological Integrity

The purpose of the Commission for Theological Integrity is 1) to alert the denomination to theological trends that could threaten theological integrity, 2) to prepare materials that contribute to the continued preservation of the theological integrity of the denomination, and 3) as need and opportunity arise, to conduct seminars on subjects pertinent to the purpose of the Commission.

In July 2024, the Commission published its first issue of *De Doctrina*. This new project was enabled by a generous grant from the FWB Foundation. This publication strikes a balance between the Commission's other two existing publications. *Integrity* is usually published biennially. Blog posts on [fwbtheology.com](http://fwbtheology.com), published more regularly, do not always afford space for extended theological discussion. *De Doctrina* was designed to fill a middle space between these. In the first issue, Dr. Jackson Watts presented an article entitled, "Church Membership: A Theological Issue?" The Commission anticipates a second issue of *De Doctrina* to be published in the Summer of 2025.

On October 7–8, 2024, we sponsored our twenty-seventh annual Theological Symposium on the campus of Welch College in Gallatin, Tennessee. The Symposium featured papers examining theological anthropology. Eight papers were delivered and there was a panel book discussion of Abigail Favale's *The Genesis of Gender*.

The twenty-eighth annual Theological Symposium will meet October 6–7, 2025, on the campus of Randall University in Moore, Oklahoma. The symposium will reflect on the 90<sup>th</sup> anniversary of the National Association of Free Will Baptists. The Commission encourages all to attend this free event. For more information, please contact program chair Cory Thompson at [fwbtheology@gmail.com](mailto:fwbtheology@gmail.com).

The Commission is working to wrap up the next issue of *Integrity: A Journal of Christian Thought*. We continue to publish occasional, theological essays at our blog, *FWBTheology.com*. This year's seminar presentation is a panel discussion by Commission members and Daniel Webster entitled, "How Should We Reform Our Worship?"

The Commission is thankful for the many contributions of member Jackson Watts who is stepping off to provide service in denominational leadership. We are also thankful for the many years of service by Matthew Pinson as chair of the Commission. We are thankful for him, his leadership, and his continuing contribution as a member of the Commission.

The Commission's work provides an opportunity for the National Association of Free Will Baptists to monitor cultural issues and provide theological insight and commentary. We appreciate your continued support and prayers.

Respectfully submitted,

Kevin L. Hester (chair), for the Commission for Theological Integrity: Rodney Holloman (secretary), J. Matthew Pinson, Cory Thompson, and Jackson Watts

**2024**  
**Commission for Theological Integrity**  
**Financial Report**

<b>Bank Balance - January 1, 2024</b>		<b>\$21,733.22</b>
<b>Commission Income</b>		
The Together Way	\$5,070.72	
Theological Symposium Papers	394.13	
Rest of the Family Offering	<u>43.90</u>	
<b>Total Commission Income</b>	<b>5,508.75</b>	
<b>Total Income</b>		<b>5,508.75</b>
<b>Commission Expenses</b>		
Annual Meeting and Symposium Expenses	3,008.80	
Bookkeeping	400.00	
National Seminar/Digest of Reports	1,487.70	
<i>DeDoctrina Newsletter</i>	2,574.78	
Office Expenses	<u>103.01</u>	
<b>Total Commission Expenses</b>	<b>7,574.29</b>	
<b>Total Expenses</b>		<b><u>7,574.29</u></b>
<b>Bank Balance - December 31, 2024</b>		<b><u>\$19,667.68</u></b>

**2026**  
**Commission for Theological Integrity**  
**Budgets**

	<b>2024 Budget</b>	<b>2024 Actuals</b>	<b>2025 Budget</b>	<b>2026 Budget</b>
<b>Income</b>				
Gifts	\$700.00	\$43.90	\$500.00	\$300.00
Journal Income	250.00	0.00	200.00	100.00
Theological Symposium Papers	250.00	394.13	200.00	250.00
Together Way Plan	<u>5,600.00</u>	<u>5,070.72</u>	<u>5,600.00</u>	<u>5,000.00</u>
<b>Total Income</b>	<b><u>6,800.00</u></b>	<b><u>5,508.75</u></b>	<b><u>6,500.00</u></b>	<b><u>5,650.00</u></b>
<b>Expenses</b>				
Annual Meeting/Symposium	2,800.00	3,008.80	3,000.00	3,500.00
Bookkeeping	400.00	400.00	400.00	400.00
<i>DeDoctrina Newsletter</i>	3,500.00	2,574.78	2,000.00	2,000.00
National Seminar/Digest	750.00	1,487.70	750.00	1,500.00
Office Expenses	<u>350.00</u>	<u>103.01</u>	<u>350.00</u>	<u>250.00</u>
<b>Total Expenses</b>	<b><u>\$7,800.00</u></b>	<b><u>\$7,574.29</u></b>	<b><u>\$6,500.00</u></b>	<b><u>\$7,650.00</u></b>





## 2024-25 Historical Commission Report

This has been a year of changes for the Historical Commission. With Dr. Robert Picirilli stepping down from the commission last year, we have been transitioning to new leadership to ensure we continue the legacy that he left to us. No one bears more responsibility than he for the numerous publications of the commission and the large and well-ordered collection of minutes, periodicals, books, pamphlets, documents, and photographs housed in the Historical Collection. Many students of Free Will Baptist history have found the commission's publications and historical collection to be invaluable. Thank you, Dr. Picirilli, for your steady and clear leadership for the past five decades!

As we look to the work before us, we intend to continue pursuing historical publications and the development of the historical collection. This year, the commission is proud to present a new publication for purchase, *At the Feet of Jesus: A Year in God's Word With Mary Ruth Wisehart*. This daily devotional book, compiled and edited by the commission, contains hundreds of reflections on God's word by former commission member, Welch College professor, and long-time WNAC director, Mary Ruth Wisehart. *At the Feet of Jesus* also contains biographical information about this important twentieth-century Free Will Baptist figure. We urge you to pick up a copy for yourself and another for a friend this week in the convention hall.

Our primary task of collecting historical records continues to go well. We are thankful for the many faithful association clerks, moderators, and members who send us copies of associational minutes each year. The digitization of associational minutes has seen good progress. New state and local association minutes are being added to [fwbhistory.com](http://fwbhistory.com) each year. Thank you, also, to the state promotional directors and Free Will Baptist congregants who send us copies of state papers and a dazzling array of historical items you have found in old dressers, at the bottom of church closets, and in yard sales. May your tribe increase! Without your donations, we would have little to offer to the numerous researchers who contact us every year seeking information about ancestry, local churches, associations, or other Free Will Baptist organizations. Lastly, we want to invite you to make use of this valuable resource for your own research. Our mission is to serve Free Will Baptists by preserving our history and helping us to clarify our identity as a denomination. Please join us in fulfilling this mission through donations, research, and writing.

**Submitted by Phillip T. Morgan, Chairman**

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*Eric K. Thomsen, Secretary-Treasurer*  
*David Crowe*  
*Willie Martin*  
*Jim McComas*



## Free Will Baptist Historical Commission Financial Report, 2024

Balance on hand (checking at Regions Bank 12/31/2023) .....\$16,804.90

### Deposits

FWB Coop/Together Way .....\$5,286.40

Interest (Regions Bank) .....\$245.63

Sales of booklets (D6 Family Ministry).....\$122.74

Rest of Family offering .....\$36.59

Foundation grant (Wisehart book)..... \$15,000

**Total Deposits.....\$ 20,691.36**

### Expenditures

Phillip Morgan (stipend) ..... \$2,500.00

Phillip Morgan (ALABI conference)..... \$40.00

NAFWB (Digest of Reports)..... \$95.44

Jean Lewis (scanning) ..... \$3,633.00

Welch binding .....\$1,435.89

Check reorder (Regions) .....\$111.10

Wisehart book project (Grant) ..... \$712.50

**Total Expenditures ..... \$ 10,325.77**

Balance on hand (checking at Regions Bank) 12/31/2024 ..... \$27,171.49

Trust Fund at FWB Foundation 12/23/2024 (gained \$1,079.87 in 2024) ..... \$44,042.83

**Total on hand 12/31/2024 .....\$71,214.32**

## 2024-2026 Budgets | Free Will Baptist Historical Commission

	2024 Budget	2024 Actuals	2025 Budget	2026 Budget
<b>Income</b>				
Gifts (Together Way)	\$5,500.00	\$5,286.40	\$5,500.00	\$5,500.00
Interest	25.00	245.63	200.00	200.00
Sale of Pamphlets	300.00	122.74	300.00	300.00
Rest of the Family Offering	35.00	36.59	35.00	35.00
Other	0.00	0.00	0.00	0.00
<b>Total Income</b>	<b>\$5,860.00</b>	<b>\$5,691.36</b>	<b>\$6,035.00</b>	<b>\$6,035.00</b>
<b>Expenses</b>				
Librarian/Curator Expense	2,500.00	2,500.00	2,500.00	2,500.00
Binding, Postage, Software	1,500.00	1,546.99	1,500.00	1,500.00
Website Expense	300.00	0.00	300.00	300.00
Budgetary Publishing Projects	1,000.00	0.00	1,000.00	1,000.00
Meeting Expenses	210.00	40.00	210.00	200.00
NAFWB Digest	50.00	95.44	50.00	50.00
NAFWB Seminar Fee	0.00	0.00	0.00	50.00
Other*	0.00	5,429.84	435.00	435.00
<b>Total Expenses</b>	<b>\$5,860.00</b>	<b>\$9,612.27</b>	<b>\$6,035.00</b>	<b>\$6,035.00</b>

\*2024 Actuals do not include grant income or expenses. Other includes the purchase of a computer for Robert E. Picirilli, along with contract scanning expenses.

## Music Commission Report

The Music Commission exists to help everyday people become better worship leaders in our Free Will Baptist churches. Most worship leaders in our churches are volunteer or part-time. They are the target group we consider as we provide resources.

Maintaining an up-to-date data base of those who lead worship in our churches would be beneficial, but not practical with the limited resources we have. Keeping up with those in full-time worship ministry roles is itself a challenge; identifying those in volunteer or part-time roles is currently impossible. However, the Commission is working to discover who those folks are and include them in our communications. Church and denominational leaders can be our means to do that.

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. We are pleased to assist the Executive Office through the website in enlisting and equipping musicians for the national convention.

In addition to our ongoing social media posts, we offer consulting and coaching through “Grow Your Own Musicians” and the two-day “On-Site Worship Workshop.”

Our assistance to the Executive Department with the convention services continues. Each Commission members in involved as requested. We also contribute towards the expenses of planning and providing the key musicians for the convention.

The Commission is sponsoring five seminars at this convention, covering topics such as starting or restarting a choir, training children as musicians and worship leaders, and others. As we learn of specific issues and needs we are trying to provide information to help. More importantly we intend that our contacts with our people will lead to ongoing connections through which mentoring and coaching can add value.

Suggestions and requests are always welcomed. 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 2024

<b>Beginning Balance (01/01/2024)</b>		<b>\$15,368.67</b>
<b>Income</b>		<b>\$ 6,249.65</b>
Together Way (undesignated)	5,175.40	
Together Way (designated)	796.00	
Direct gifts	229.15	
Projects	-0-	
Other	49.10	
<b>Expenses</b>		<b>\$ 4,645.66</b>
Meetings	174.69	
Convention	4,645.66	
Projects	72.00	
Other Expenses	-0-	
<b>Ending Balance (12/31/24)</b>		<b>\$16,972.66</b>

## MUSIC COMMISSION BUDGET COMPARISONS

	<b>2024 Budget</b>	<b>2024 Actual</b>	<b>2025 Budget</b>	<b>2026 Budget</b>
<b>Income</b>				
Together Way (undesignated)	\$5,500.00	\$5,175.40	\$5,500.00	\$5,500.00
Together Way (designated)	\$1,000.00	\$796.00	\$1,000.00	\$1,000.00
Rest of the Family Offering	\$50.00	-0-	\$50.00	\$50.00
Direct gifts	\$500.00	\$229.15	\$500.00	\$500.00
Projects	\$1,000.00	-0-	\$1,000.00	\$1,000.00
Other	\$300.00	\$49.10	\$300.00	\$300.00
<b>Totals</b>	<b>\$8,350.00</b>	<b>\$6,249.65</b>	<b>\$8,350.00</b>	<b>\$8,350.00</b>
<b>Expenses</b>				
Meetings	\$2,500.00	\$174.69	\$2,500.00	\$500.00
Convention	\$2,000.00	\$4,645.66	\$2,000.00	\$4,000.00
Projects	\$3,750.00	\$72.00	\$3,750.00	\$3,750.00
Office Expenses and Misc	\$100.00	-0-	\$100.00	\$100.00
<b>Totals</b>	<b>\$8,350.00</b>	<b>\$4,645.66</b>	<b>\$8,350.00</b>	<b>\$8,350.00</b>

# 2025 Election Schedule For Standing Boards and Commissions

## Board of FWB Foundation

(Members include directors of national agencies.)

**2027** —Gene Williams (North Carolina)  
Scott Coghill (North Carolina)  
Lee Allen (Arkansas)

**2029** —Jonathan Locklear (Michigan)  
Melissa Haralson (Arkansas)  
Bob Thompson (Oklahoma)

**To be elected in 2025:**

**2031** — \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Board of North American Ministries

**2027** —Jose Rodriguez (Tennessee)  
Mike Cash (Arizona)  
Marshall Boney (Virginia)

**2029** —Brian Williams (David Marks Heritage)  
Josh Baer (North Carolina)  
David Sexton (Virginia)

**To be elected in 2025:**

**2031** — \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Board of Richland Ave Financial

**2027** —Joel Franks (Alabama)  
Brent Nix (Northwest)  
Clayton Hampton (Northwest)

**2029** —Travis Moots (North Carolina)  
William Smith (Georgia)  
Joshua Chapman (Missouri)



**To be elected in 2025:**

**2031** — \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Media Commission**

**2026** — Adrian Holland (Tennessee)  
**2027** — Devon Dundee (Arkansas)  
**2028** — Stephen Lopes (Tennessee)  
**2029** — Josh Owens (Tennessee)  
**2030** — \_\_\_\_\_

**Commission for Theological Integrity**

**2026** — W. Jackson Watts (Missouri)  
**2027** — Kevin Hester (Tennessee)  
**2028** — Matt Pinson (Tennessee)  
**2029** — Cory Thompson (Oklahoma)  
**2030** — \_\_\_\_\_

**Historical Commission**

**2026** — Jim McComas (Tennessee)  
**2027** — Willie Martin (Georgia)  
**2028** — David Crowe (Tennessee)  
**2029** — Phillip Morgan (Tennessee)  
**2030** — \_\_\_\_\_

**Music Commission**

**2026** — Sam Harris (North Carolina)  
**2027** — Doug Little (Tennessee)  
**2028** — Daniel Webster (Tennessee)  
**2029** — Kevin Justice (North Carolina)  
**2030** — \_\_\_\_\_

**General Board**

<b>2026</b> —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

<b>2027</b> —North Carolina:	Reuben Cason
Northeast:	Bill Reynolds
Northwest:	Justin Traver
Ohio:	Ben Crabtree
Oklahoma:	James Coffelt
Puerto Rico:	
South Carolina:	Lanney Ard
Tennessee:	Chris Dotson
Texas:	John Collier
Virginia:	Gary Hill
West Virginia:	James Cox, Jr.

**To be elected in 2025:**

**2028** —Alabama: \_\_\_\_\_

Arizona: \_\_\_\_\_

Arkansas: \_\_\_\_\_

Assn. of Mexico: \_\_\_\_\_

Atlantic-Canada: \_\_\_\_\_

California: \_\_\_\_\_

Colorado: \_\_\_\_\_

David Marks Heritage: \_\_\_\_\_

Florida: \_\_\_\_\_

Georgia: \_\_\_\_\_

Idaho: \_\_\_\_\_

Illinois: \_\_\_\_\_

**Executive Committee**

**2026** —Stan Bunch (Missouri)  
Wayne Hale (Mid-Atlantic)  
Daniel Edwards (Indiana)

**2027** —James Coffelt (Oklahoma)  
Chris Dotson (Tennessee)  
Reuben Cason (North Carolina)

**To be elected in 2025:**

**2028** — \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**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 2025:**

**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)

**2030** — Josue Suarez (Florida)  
Theron Scott (South Carolina)  
Tim Campbell (Arkansas)

**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)

**2030** — Melanie Franks (Alabama)  
Angie Frazier (Florida)  
Ashley Alphin (Ohio)

**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)

**2030** — Kendall Ross (Arkansas)  
Kevin Barnett (Arkansas)  
Mark Price (Ohio)

**Board of IM, Inc.**

**2026** — Chris Todd (Oklahoma)  
Rick Cason (Georgia)  
Jeff Nichols (Tennessee)

**2028** — Cameron Lane (Arkansas)  
Will Harmon (Arkansas)  
Rodney Yerby (Alabama)

**2030** — Darren Walker (North Carolina)  
Paul Etterling (Ohio)  
Casey Cariker (Oklahoma)

# Introducing New 2025 Nominees for Standing Boards and Commissions

The 2024-25 Nominating Committee presented the following nominees to be considered for the 2025 National Convention election, according to Jimmy Lawson (MI), committee chair. The following boards do not elect members in 2025: D6 Family Ministry; IM, Inc; Welch College; and WNAC.

**Note:** bios are included only for new board and commission nominees, not for returnees.

**Moderator** – Tim York (TN)

**Assistant Clerk** – Ernie Lewis (IL)

## **FWB Foundation**

Brent Patrick (VA)

Matt Mouser (GA)

Corey Minter (TN)

## **Board of North American Ministries**

Josh Bush (KS)

Faron Thebeau (MO)

Bob Brown (FL)

**Josh Bush** has been the lead pastor at Cross Point FWB Church in Wichita, Kansas, since 2006. A member of the Kansas Executive Board, Josh is the General Board representative for Kansas Free Will Baptists. In addition to being a local police chaplain for 15 years, Josh has served on various boards of ministries and non-profits in Wichita. He is active in mentoring and training younger leaders in pastoral ministry. Josh holds a bachelor's degree in ministry and leadership from Randall University.

**Faron Thebeau** has been a Free Will Baptist pastor for 30 years, including 11 years at Primera Iglesia Bautista Libre, a bilingual church in Weslaco, Texas. For the last six years, he has pastored Mosaic FWB Church in Rolla, Missouri, which focuses on reaching international college students. A member of the NAFWB College Task Force, Thebeau is the assistant clerk of the Missouri State Association and served two years on the Christian Education Board of the Texas State Association. Thebeau holds a B.S. degree in Christian ministry from Welch College.

## **Richland Ave Financial**

Don Myers (MI)

Lance Boyer (MO)

Steven West (FL)

**Steven West** began serving as youth pastor at Graceway FWB Church in Melbourne, Florida, in 2014. He transitioned into the role of lead pastor in 2021. Steven holds a bachelor's degree in Bible from Southeastern Free Will Baptist College.



**Media Commission – Isaiah Grimes (VA)**

**Commission for Theological Integrity – Rodney Holloman (TN)**

Jeremy Craft (FL, fulfilling uncompleted term)

**Jeremy Craft** has pastored in Florida for 11 years and currently serves as pastor of the Piney Grove FWB Church in Chipley. A member of the Executive Committee of the Florida State Association, Jeremy is additionally the clerk of the West Florida Association and a member of the board of directors for Camp Mount Pleasant. Craft is a contributor to the Helwys Society Forum. He holds a B.S. degree in biblical studies from Welch College and the M.Div. degree from Gordon-Conwell Theological Seminary.

**Historical Commission – Eric Thomsen (TN)**

**Music Commission – Bryan Hughes (NC)**

**Executive Committee**

David Taylor (AR)

Danny Williams (AL)

Josh Colson (IL)

**Josh Colson** pastors Angelville Community Church in Pittsburg, Illinois. He serves as the General Board representative for Illinois Free Will Baptists, as the assistant clerk of the Illinois State Association, and as the assistant moderator of the South-Central (Illinois) Quarterly Meeting. Josh is both a contributor to the Helwys Society Forum and a past presenter at the Free Will Baptist Theological Symposium. Colson earned a B.S. in theological studies, the M.A. in theology and ministry from Welch College, and the M.T.S. in theological studies from Vanderbilt University.

**Submitted by the Nominating Committee:**

Jimmy Lawson, chair (MI)

Clint Adams (GA)

Travis Alexander (AR)

Lanney Ard (SC)

Steven Hood (AZ)

Carol Thompson (OK).

# Minutes of the Annual Session of the 88th National Association of Free Will Baptists

July 21-24, 2024, Tampa, Florida

## Proceedings

The 88th annual session of the National Association of Free Will Baptists, Inc. met July 21-24, 2024, at the Tampa Convention Center in Tampa, Florida. "Doers of the Word" was the theme of the meeting. Ryan Lewis served as the convention manager, and Kevin Justice was the music coordinator.

### **Sunday School, July 21**

Sunday School began at 9:30 a.m. with Kevin Justice leading the congregation in singing "Revive Us Again." John Howell introduced the Sunday School teacher. Gary Clark, deacon and Sunday School teacher from First Free Will Baptist Church, Chipley, Florida, taught the D6 lesson "Choosing Faith Over Fear" from Numbers 14. Executive Secretary Eddie Moody dismissed Sunday School with prayer.

### **Morning Worship, July 21**

Morning worship began at 10:30 a.m. with Kevin Justice leading the congregation in singing "Blessed Be the Name." W. Jackson Watts read James 1:19-27. The congregation sang "How Firm a Foundation." Eddie Moody called for the offering and led in prayer. The Praise Team, with Stacie Compton as soloist, sang "God Can." Logan Sword sang "Tis So Sweet to Trust in Jesus" and the congregation joined him in singing. Kristen Crabtree was the soloist for "The Goodness of God." Kevin Justice led the congregation in singing "Trust in God." John Howell introduced the speaker, Dr. Bob Brown, pastor of Harmony Free Will Baptist Church in Lake Butler, Florida. Dr. Brown preached on "Do the Word: Enduring Trials" from James 1:1-12.

### **Evening Worship, July 21**

Evening worship began at 7:00 p.m. with the choir from the Hispanic Association of Florida singing "Sing Out." Kevin Justice introduced the Hispanic Choir. The Hispanic Choir sang "Gloria" with soloist Giraldo Garrido. They were joined by the convention choir and the congregation. Wilberto Moreno read James 1:9-11, and Dr. Eddie Moody welcomed the body and called for the offering. The Convention Choir sang "This Blood" with Kristie Coghill as soloist as the offering was received. Eddie Moody officiated the observance of communion, and Jose Rodriguez translated into Spanish. The

praise team sang "Oh the Blood" with Miriam Cunningham as the soloist. "Name above all Names" was sung by the Choir with Lacey Ratcliff as soloist, and Chris Davenport provided narration during the song. Jose Rodriguez introduced the speaker. Josue Suarez, pastor of Ebenezer Free Will Baptist Church in Miami, Florida, brought the message on "Do the Word: Treating Others Well" from James 2:1-10. "Name above all Names" was sung during the invitation before Eddie Moody shared announcements and closed the service with prayer.

### **Evening Service, July 22**

Evening worship began at 7:00 p.m. with "New Name Written Down in Glory" sung by the Convention Praise Team and congregation led by Kevin Justice. Cheyenne Layton served as soloist. Randy Bryant, executive director of the Florida State Association of Free Will Baptists, welcomed the convention to Florida. Eddie Moody welcomed the body and called for the offering. The convention choir sang the offertory "Until Then" with Chad Donoho as soloist. Kevin Justice led the congregation in singing "Hymn of Heaven," and Brian Williams read Romans 14:1-9. Nick Layton led the congregation in singing "Living Hope." Kevin Justice led the congregation in singing "What a Day That Will Be." Terry Austin introduced the speaker, and Doug Little sang "Quiet Please." Chaplain Brad Hanna preached from James 3:1-18 on "Do the Word: Taming the Tongue." Kevin Justice led "Trust in God" during the invitation. Eddie Moody made closing announcements before Clerk Randy Bryant called the session to order and introduced Moderator Tim York. The moderator announced the following committees:

#### **Resolution Committee**

Ken Simpson, Chairman (MO)

Mark Harrison (CA)

John Collier (TX)

Gene Williams (NC)

Jason Miller (AL)

#### **Nominating Committee**

Jimmy Lawson, Chairman (MI)

Carol Thompson (OK)

Clint Adams (GA)

Travis Alexander (AR)

Lanney Ard (SC)

Chris Dotson (TN)

The moderator closed the service in prayer.

### **Tuesday Afternoon, July 23**

The convention business session began at 1:30 p.m. Moderator Tim York called the meeting to order and gave a devotion from 1 Thessalonians 5 on "The Importance of Love" and led in prayer.

The clerk read the Credentials Report. Motion passed to receive the report and seat delegates.

The clerk read the General Board report. Motion passed to receive the report and act item by item.

Item 2 of General Board report. Motion passed to table.

Item 3 of General Board report. Motion passed to adopt.

Executive Secretary Eddie Moody gave the Executive Office report, as well as the reports of Building Services and *ONE Magazine*. Motion passed to receive the report.

Director David Crowe gave the North American Ministries report. Motion passed to receive the report.

Director John Brummitt gave the Board of Retirement report. Chris Compton gave the financial report of the department. Motion passed to receive the report.

Director John Brummitt presented a report about the department's transition to a new name: Richland Ave Financial. Motion passed to accept the recommended name change.

The clerk read the partial nominating committee report. Josh Bush was elected to fill the 2026 term as General Board member from Kansas. Each of the General Board nominees for the 2027 term on the General Board was elected.

The clerk read the nominating committee report for 2027 Executive Committee members: James Coffelt (OK), Chris Dotson (TN), and Reuben Cason (NC) were elected.

Matt Pinson gave the Commission for Theological Integrity report. Motion passed to receive the report. Cory Thompson was elected to the 2029 term on the commission.

Eric Thomsen gave the Historical Commission report. Motion passed to receive the report. A rising vote of thanks was extended to Dr. Robert E. Picirilli for 51 years of service on the commission. Phillip Morgan (TN) was elected to the 2029 term on the commission.

Doug Little gave the Music Commission report. Motion passed to receive the report. Kevin Justice was elected for the 2029 term on the Commission.

The obituary report was given through a video. Motion passed to receive the report. The body rose in honor of those listed. Steve Lytle led in prayer, and the meeting was dismissed.

### **Tuesday Evening, July 23**

Worship began at 7:00 p.m. with Kevin Justice leading the congregation in singing "This Is Our God." "O Praise the Name" was sung by the congregation. Eddie Moody welcomed the body and called for the offering. "Such an Awesome God" with Audrey Hollifield as soloist was sung by the choir during the offering. A men's ensemble sang "It's Still the Cross." Nick Layton led the congregation in singing "Blessed Assurance." Duane Littlefield read Romans 8:31-39. The convention choir sang "Trust in God," with Andrea Holloman as soloist. Kevin Justice led the congregation in "The Goodness of God." Luke Johnson introduced the speaker. Reuben Cason, promotional director for the North Carolina State Association of Free Will Baptists, preached from James 5:7-15 on "Do the Word: Enduring Suffering." "Trust in God" was sung as the invitation. Eddie Moody shared announcements and dismissed in prayer.



### **Wednesday Morning, July 24**

As business began, Assistant Moderator W. Jackson Watts read Galatians 6:1-10 and led in prayer.

Director David Brown gave the Free Will Baptist Foundation report. Richard Davis gave the financial report. Motion passed to receive the report.

Director Ruth McDonald gave the Women Nationally Active for Christ report. Terry Hill gave the financial report. Motion passed to receive the report. Amy Johnson and Sarah Sargent were recognized for their service on the board. Melanie Franks (AL), Angie Frazier (FL), and Ashley Alphin (OH) were elected to 2030 terms on the board.

Director Clint Morgan gave the IM, Inc. report. CFO Rob Conley gave the financial report. Motion passed to receive the report. Board Chairman Rodney Yerby recognized Mark Price and Dr. Janice Banks for their service on the board, and each received a plaque. Donnie McDonald and his family and Jerry and Barbara Gibbs and their family were recognized for their service as IM missionaries. Darren Walker (NC), Casey Cariker (OK), and Paul Etterling (OH) were elected to the 2030 term on the board. Chris Todd (OK) was elected for the unexpired 2029 term of Janice Banks.

Director Ron Hunter gave the D6 Family Ministry report. Mike Mounts and Mike Trimble were recognized with plaques for their service on the board. Motion passed to receive the report. Kendall Ross (AR), Kevin Barnett (AR), and Mark Price (OH) were elected to 2030 terms on the board.

President Matt Pinson gave the Welch College report. Craig Mahler gave the financial report. Motion passed to receive the report. Dr. Will Beauchamp was a recognized for his years of service on the board. Tim Cambell (AR), Theron Scott (SC), and Josue Suarez (FL) were elected to 2030 terms on the board.

### **Wednesday Afternoon, July 24**

The afternoon business session began with Assistant Clerk Ernie Lewis reading Hebrews 13:1-8 and leading in prayer.

Josh Owens gave the Media Commission report. Motion passed to receive the report. Isaiah Grimes (VA) was elected to the 2025 unexpired term on the commission, and Josh Owens was elected to the 2029 term on the commission.

Ron Hunter gave the V3 report. Motion passed to receive the report.

The clerk gave the Registration report. Motion passed to receive the report.

Eddie Moody gave the Budget Committee report. Motion passed to receive the report.

The assistant clerk gave the Resolution Committee report. Motion passed to receive the report.

Motion to remove item 2 from the General Board report from the table. Motion was approved.

Motion passed to adjourn. Tim York closed in prayer.

### **Wednesday Evening, July 24**

Evening worship began at 7:00 p.m. with IMPACT Director Ken Akers introducing a video on IMPACT Tampa. The congregation sang "His Name Is Jesus" with a duet by Rachel Farhat and Kevin Denton. Kevin Justice led in prayer. The IM missionaries and partners and NAM church planters and chaplains marched in. The missionaries, church planters, and chaplains were introduced by Brad Ransom and Curt Holland. Clint Morgan led a commissioning service for new missionaries, and David Crowe prayed the commissioning prayer. "Name Above All Names" with Meredith Locklear as

soloist was sung by the praise team. Diego Pastor read Romans 10:14-17. Eddie Moody called for the offering and led in prayer. The Praise Team and congregation sang "Holy Forever" featuring young soloist Elliott McMurray. "Trust in God" was sung by the congregation as led by Kevin Justice. A generational swap among musicians took place midway through the song, as young people took over the instruments and joined in singing with the praise team. Eddie Moody introduced the speaker. Noah Taylor, pastor of Evergreen Free Will Baptist Church in Erwin, Tennessee, brought the message on "Do the Word: Reaching the World" from Romans 10:8-13. "I Surrender All" and "Wherever He Leads I'll Go" were sung as invitation songs. "Name Above All Names" with Meredith Locklear as soloist was sung, and Eddie Moody shared some announcements and dismissed in prayer.

## **Elected in 2024\***

The 2024 Nominating Committee presents the following nominees to be considered for the 2024 convention election:

### **Board of Women Nationally Active for Christ — 2030 Term**

Melanie Franks (AL)

Angie Frazier (FL)

Ashley Alphin (OH)

### **Board of D6 Family Ministry — 2030 Term**

Kendall Ross (AR)

Kevin Barnett (AR)

Mark Price (OH)

### **Board of IM, Inc. — 2030 Term**

Darren Walker (NC)

Paul Etterling (OH)

Casey Cariker (OK)

### **2026 Unexpired Term — Chris Todd (OK)**

### **Welch College Board of Trustees — 2030 Term**

Josue Suarez (FL)

Theron Scott (SC)

Tim Campbell (AR)

### **Commission for Theological Integrity — 2029 Term**

Cory Thompson (OK)

### **Historical Commission — 2029 Term**

Phillip Morgan (TN)

**Music Commission — 2029 Term**

Kevin Justice (NC)

**Media Commission — 2029 Term**

Josh Owens (TN)

**2025 Unexpired Term** Isaiah Grimes (VA)

**General Board — 2027 Term**

Reuben Cason (NC)

Bill Reynolds (N.East)

Justin Traver (NW)

Ben Crabtree (OH)

James Coffelt (OK)

Lanney Ard (SC)

Chris Dotson (TN)

John Collier (TX)

Gary Hill (VA)

James Cox, Jr. (WV)

**Executive Committee — 2027 Term**

James Coffelt (OK)

Chris Dotson (TN)

Reuben Cason (NC)

\*The following boards do not elect members in 2024: North American Ministries, Retirement and Insurance, Free Will Baptist Foundation.



2024 Convention Registration Report\*

National Convention

Board/Commission Member.....	53
Local Church Delegate.....	29
NAFWB Attendee .....	2,993
Ordained Deacon .....	75
Ordained Ministers.....	432
State Delegate.....	57
<b>Total.....</b>	<b>3,639</b>

Vertical Three

V3 Attendee.....	1,701
V3 Child Attendee .....	99
V3 Grades 4-6 .....	277
V3 Grades 7-12.....	578
V3 Grades K-3.....	293
V3 Preschool Worship .....	82
<b>Total.....</b>	<b>3,030</b>

Unique Total: 4,087

# 2024 Obituary Report\*

## Alabama

Dana Booth  
Milton Fields  
Jimmy Martin  
John Reed

## Arkansas

Kenny Fant  
Cecil Sanders  
Jimmy Ray Spurlock  
Roy Williams

## California

Randy Friedenberg  
Tom Hunt  
Elmer Moody

## Florida

Neal D. Thomsen  
Tom Willey, Jr.

## Georgia

Ronnie Knighton  
Andy Merritt  
Talmadge Worsley

## Kentucky

Sharon Ferguson

## Missouri

Bill Adkisson  
Lester Davis  
Vernon Long  
Herb McMillian  
Dan Talbott

## North Carolina

Thomas L. Lilly  
Gordon Hart  
Ray Stockton

Sterl "Jack" D. Paramore  
Frank Giunta  
Guy Franklin Owens  
Cecil L. Tucker

## Ohio

Alton Loveless

## South Carolina

Carlisle Hanna  
Daniel J. Stone

## Tennessee

Bobby Poole

## West Virginia

Tim Cooper  
Bert Combs  
Robert (Bob) Cornell  
James Franklin Lyons  
Jim Moore  
Bernard Pack

**\*Report includes ordained ministers, national leaders,  
and missionaries submitted by state offices.**

## 2024 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 Florida State Association of Free Will Baptists for their work in hosting the 2024 National Convention.*

### Respectfully Submitted:

Ken Simpson, Chairman (MO)

Mark Harrison (CA)

John Collier (TX)

Gene Williams (NC)

Jason Miller (AL)

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## 2024 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, California, Florida, Georgia, Idaho, Illinois, Indiana, Kentucky, Association of Mexico, 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, Canada, David Marks, Iowa, Kansas, Mid-Atlantic, Northeast, and Northwest.
3. From the following local churches, which are entitled to be represented by one (1) delegate: the Harvest Time Free Will Baptist Church of South Dakota, the Waipahu Free Will Baptist Church of Hawaii, and the Free Will Baptist Church of St. Croix, U.S. Virgin Islands.
4. We recommend delegates from the Colorado District 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.

# 2024 D6 Family Ministry V3 Conference Report

<b>Registration Total:</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
V3 Adult Attendee:	1,476	1,680	1,687
V3 Child Attendee	90	126	99
V3 Grades 1-3:	242	281	291
V3 Grades 4-6:	233	279	276
V3 Grades 7-12:	760	581	577
V3 Preschool Worship:	77	86	80
V3 Total Attendees:	2,878	3,033	3,010

<b>Competitive Activity Entries:</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Entries (up 86)	747	792	878
Competitors (up 327)	1,412	1,449	1,740

## Buck-A-Week:

Tuesday's Buck-A-Week Offering: **\$4,150.10** (this number will grow in the coming days)

2024 ministries receiving funds:

**North American Missionaries:** Justin Feight Family, Jamestown, North Dakota

**IM, Inc.:** Bradley and Madison Mercer, International Students at the University of Missouri (Columbia, Missouri)

## Total Truth & Peace Leadership Conference Participants:

129 students and 16 staff for a total of 145; A special note of thanks to Welch College for hosting Truth & Peace this summer.

## Youth Evangelistic Team (YET):

YET was comprised of 12 Students and led by Bryan and Kinsley Houser in their second year of YET leaders. The team traveled to five states. We are thankful for the partnership of North American Ministries which is a key sponsor of YET. We also would like to thank Welch College and The Donelson Fellowship for hosting the team for their week of training before going on tour.



### **V3 God Moments:**

One of the key lessons we instill in Vertical Three students is servant leadership. This year's Truth & Peace students have embraced the mantra, "Is there anything I can do to help you?" They consistently approached staff and team members seeking opportunities to assist and serve. This embodies the essence of Truth and Peace.

This mantra showed up unexpectedly in CTS competition. During sword drill, a young girl stepped forward with her Bible open and finger on the verse, along with other competitors, when prompted. The checker, whose job is to verify if the correct verse is found, noticed she had mistakenly found the wrong passage. The young competitor who did not have the right place closed her Bible, stepped back, and was visibly shaken. Her shoulders dropped, she looked down, and tears began to flow. She felt embarrassed and disappointed.

Another competitor, who had found the correct verse and was standing beside her, noticed her crushed demeanor. Unprompted, this second competitor closed her Bible, stepped back, and put her arms around the young girl, offering encouragement. This act of compassion and Christ-like spirit, reminiscent of viral videos in little league and other sports, often goes unnoticed. CTS teaches such Christ-like interactions while also equipping young people to use their talents in the local church.

Another conference attendee shared an experience of sensing the Lord asking them to do something specific. The attendee had been hesitant to obey because it didn't make sense to them. During a Sunday evening session at V3-Teen, a sermon addressed this very idea. The question posed was, "If you know Jesus, are you willing to do whatever He asks of you, even if it doesn't make sense?" This statement profoundly impacted the attendee, who immediately responded internally to the Lord: "Yes, Lord!"

**STATISTICAL REPORT**  
**Reporting Period 2023**

	Associations	Number Reporting	Churches	Number Reporting	City	Rural	Full-Time Pastors	Bivocational Pastors	Baptisms	Reported 2022 Membership	Members Added	Members Lost	Net Membership Gain/Loss	Actual 2023 Membership	Reported 2023 Membership
Alabama	10	10	96	95	33	63	45	43	209	7,507	177	193	-16	7,491	7,990
Arizona	1	1	5	5	4	1	3	2	11	159	14	18	-4	155	158
Arkansas	15	15	157	142	74	83	68	69	251	12,414	420	221	199	12,613	11,623
Assoc. of Mexico	11	11	42	28	14	28	0	0	0	0	0	0	0	0	0
California	7	4	48	30	45	3	15	15	62	1,356	76	26	50	1,406	971
Canada	1	1	7	4	1	6	5	0	3	201	0	11	-11	190	178
Colorado	1	1	5	5	3	2	4	1	0	109	0	0	0	109	109
David Marks Assoc.	1	1	4	4	4	0	2	2	15	143	29	10	19	162	138
Florida	8	8	53	48	32	21	26	22	113	2,103	147	79	68	2,171	2,148
Georgia	10	10	99	91	32	67	60	28	168	5,953	224	128	96	6,049	5,994
Hawaii	0	0	1	0	1	0	1	0	0	17	0	0	0	17	17
Idaho	1	1	3	3	3	0	0	3	0	122	3	5	-2	120	128
Illinois	5	5	36	35	22	14	21	11	76	2,228	74	41	33	2,261	2,646
Indiana	3	3	17	17	11	6	16	0	0	0	0	0	0	0	0
Iowa	1	1	3	3	3	0	1	2	0	0	0	0	0	0	0
Kansas	1	1	8	8	8	0	4	4	43	934	38	34	4	938	299
Kentucky	11	10	116	97	32	84	32	78	196	0	225	121	104	104	8,315
Mexico Assoc.	4	4	29	29	20	9	6	25	0	2,700	0	0	0	2,700	2,750
Michigan	4	3	23	19	20	3	14	7	39	608	54	33	21	629	964
Mid-Atlantic Assoc.	1	1	4	4	2	2	3	1	30	412	35	28	7	419	300
Mississippi	3	3	44	34	9	35	19	25	53	3,324	88	51	37	3,361	3,357
Missouri	20	20	139	135	66	73	54	74	266	8,496	325	187	138	8,634	5,857
North Carolina	8	8	151	120	84	67	95	29	408	11,938	1,223	295	928	12,866	11,576
Northeast Assoc.	1	1	2	2	0	2	2	0	1	0	0	0	0	0	0
Northwest Assoc.	1	1	6	6	5	1	1	5	14	161	6	7	-1	160	184
Ohio	19	19	118	118	52	66	47	73	251	5,193	260	230	30	5,223	4,752
Oklahoma	24	24	192	161	129	63	85	75	1,111	10,417	515	225	290	10,707	8,645
Puerto Rico	0	0	3	3	2	1	0	2	105	91	45	11	34	0	125
South Carolina	5	5	99	99	50	49	66	23	87	3,303	192	74	118	3,421	6,803
South Dakota	0	0	1	1	1	0	1	0	3	0	0	0	0	0	0
Tennessee	10	10	186	186	81	105	103	83	327	12,704	395	317	78	12,782	11,947
Texas	5	4	36	31	22	14	12	18	74	824	88	36	52	876	1,023
Virgin Islands	1	1	1	1	0	1	1	0	8	100	0	0	0	100	110
Virginia	7	7	64	61	27	37	27	25	232	3,039	269	121	148	3,187	3,031
West Virginia	20	20	130	130	24	106	45	63	178	4,853	120	206	-86	4,767	4,641
Wisconsin	0	0	1	0	0	1	1	0	0	35	0	0	0	35	35
TOTALS	220	214	1,929	1,755	916	1,013	885	808	4,334	101,444	5,042	2,708	2,334	103,653	106,814
2022 TOTALS	218	213	1,948	1,681	835	931	862	761	3,305	116,441	4,400	2,718	1,682	118,123	101,353

**STATISTICAL REPORT**  
**Reporting Period 2023**

	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	119	16	214	6	4	0	0	0	0
Arizona	729,885	5	2	3,678,597	12	0	5	0	0	0	0	156	0
Arkansas	10,036,642	43	39	85,992,010	188	69	223	1	1	0	0	3,867	4,800,000
Assoc. of Mexico	0	0	0	0	0	0	0	0	0	0	0	0	0
California	1,612,220	14	8	17,400,000	48	5	35	0	2	0	0	257	0
Canada	295,965	2	0	581,886	4	2	0	0	0	0	0	55	0
Colorado	0	0	0	0	5	0	0	0	0	0	0	0	0
David Marks Assoc.	424,525	3	0	3,850,000	9	0	2	0	0	0	0	0	0
Florida	2,497,600	16	19	37,586,048	71	13	72	2	2	0	0	1,494	602,987
Georgia	7,040,124	33	45	41,310,600	106	30	210	0	1	1	0	1,610	265,000
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	110,436	0	2	860,000	6	0	1	0	0	0	0	54	0
Illinois	3,206,873	17	8	31,045,000	45	12	68	0	1	1	0	893	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	1,348,888	2	1	9,671,823	12	5	1	0	0	0	0	145	0
Kentucky	0	0	1	0	234	20	243	1	1	0	0	2,097	0
Mexico Assoc.	31,250	12	7	1,000,200	25	0	60	0	1	1	0	3,000	250,000
Michigan	644,236	14	5	13,900,000	31	6	22	2	1	0	0	245	0
Mid-Atlantic Assoc.	642,000	2	2	0	9	0	7	0	0	0	0	0	0
Mississippi	0	20	0	0	56	7	124	0	0	0	0	1,460	0
Missouri	10,883,058	43	19	84,508,300	195	31	214	2	0	0	0	3,357	5,925,000
North Carolina	13,315,489	87	44	164,462,391	220	38	454	6	7	0	1	4,332	0
Northeast Assoc.	0	0	0	0	2	0	0	0	0	0	0	0	0
Northwest Assoc.	471,633	2	3	6,950,000	10	4	4	0	1	0	0	92	0
Ohio	6,108,850	30	15	52,880,873	227	29	165	0	0	1	0	3,164	1,200,000
Oklahoma	20,058,578	49	36	114,355,192	289	80	283	7	3	0	1	3,028	20,500,000
Puerto Rico	11,728	1	0	630,000	2	0	0	0	1	0	0	16	0
South Carolina	11,500,000	11	27	46,342,500	144	8	112	3	3	1	0	3,528	1,900,000
South Dakota	86,016	1	0	450,000	1	1	0	0	0	0	0	20	0
Tennessee	13,166,616	36	38	103,023,839	298	51	272	1	2	0	1	4,342	0
Texas	1,976,150	19	9	27,868,110	37	15	24	1	1	0	0	431	1,051,520
Virgin Islands	120,213	1	1	1,500,000	1	1	0	1	1	0	0	0	0
Virginia	3,106,442	27	12	54,493,500	93	25	83	5	3	0	0	1,580	0
West Virginia	780,803	5	4	35,687,104	256	7	158	2	2	0	0	2,959	0
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTALS	110,211,701	498	347	941,527,973	2,785	475	3,058	40	38	5	3	42,182	37,794,507
2022 Totals	98,957,677	505	320	855,913,425	2,763	408	2,776	39	40	4	3	41,509	37,611,742

## BUDGET COMMITTEE REPORT

The National Association of Free Will Baptists, Inc., has approved in this convention the following budgets for 2025:

Executive Office (Includes:)		\$1,008,215.66
Administrative	\$487,900.00	
Convention	<u>520,315.66</u>	
Free Will Baptist Foundation		2,358,612.00
IM, Inc.		10,600,000.00
North American Ministries		5,000,000.00
Board of Retirement and Insurance		891,750.00
Women Nationally Active for Christ		316,700.00
D6 Family Ministry		5,530,250.00
Welch College		8,120,408.00
(Includes \$1,550,000 in unrestricted gifts)		
Commission for Theological Integrity		6,500.00
Historical Commission		6,035.00
Media Commission		11,150.00
Music Commission		<u>8,350.00</u>

**TOTAL** \$33,857,970.66

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:

North American Ministries	21.0%
Welch College	21.0%
IM, Inc.	20.0%
Women Nationally Active for Christ	18.0% *
Board of Retirement and Insurance	11.0%
D6 Family Ministry	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  
John Brummitt, General Director Board of Retirement and Insurance  
Ruth McDonald, Director of Women Nationally Active for Christ  
Ron Hunter, Executive Director of D6 Family Ministry  
Matt Pinson, President of Welch College

\*The Executive Office will contribute the equivalent of 1% each Co-op to WNAC and D6 Family Ministry.



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