DIGEST OF REPORTS

NATIONAL ASSOCIATION OF FREE WILL BAPTISTS



INCLUDES 2025 PROCEEDINGS

JULY 19-22, 2026 | COLUMBUS, OH

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Digest of National Agency Reports

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National Association of Free Will Baptists
90th Annual Convention | July 19-22, 2026
Columbus, Ohio

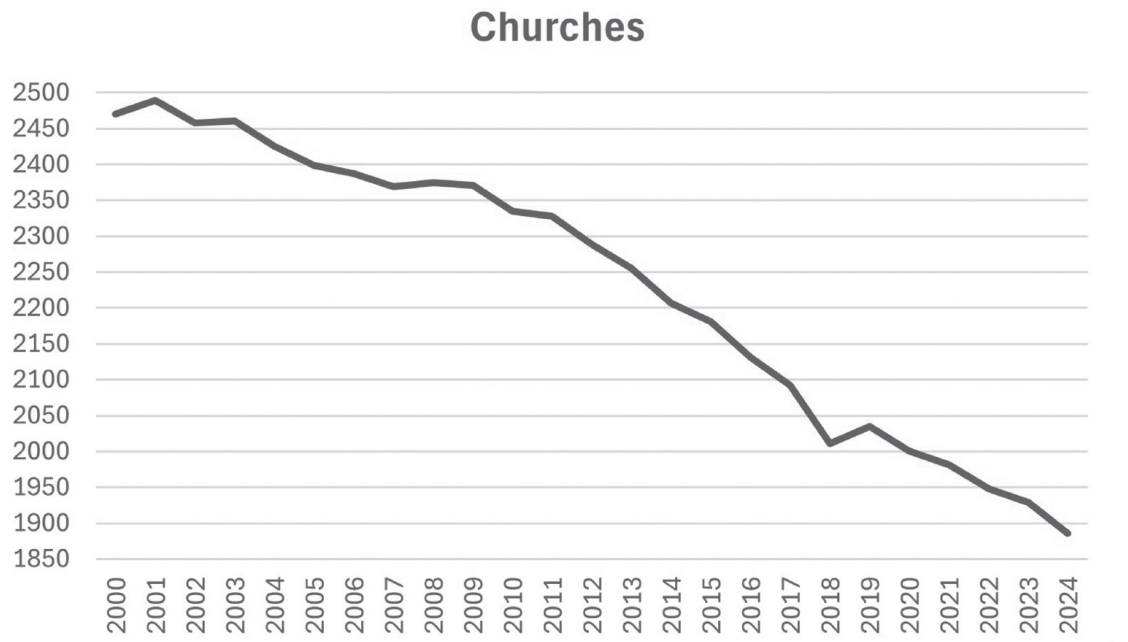
2025 Report of the Executive Director

Just as healthy plants and trees produce fruit, we believe healthy pastors and church leaders will produce healthy churches, and healthy churches can produce a healthy denomination. The data that follows points to a possible turning point where our denomination appears to be getting healthier.



Pastor and Church Leader Health

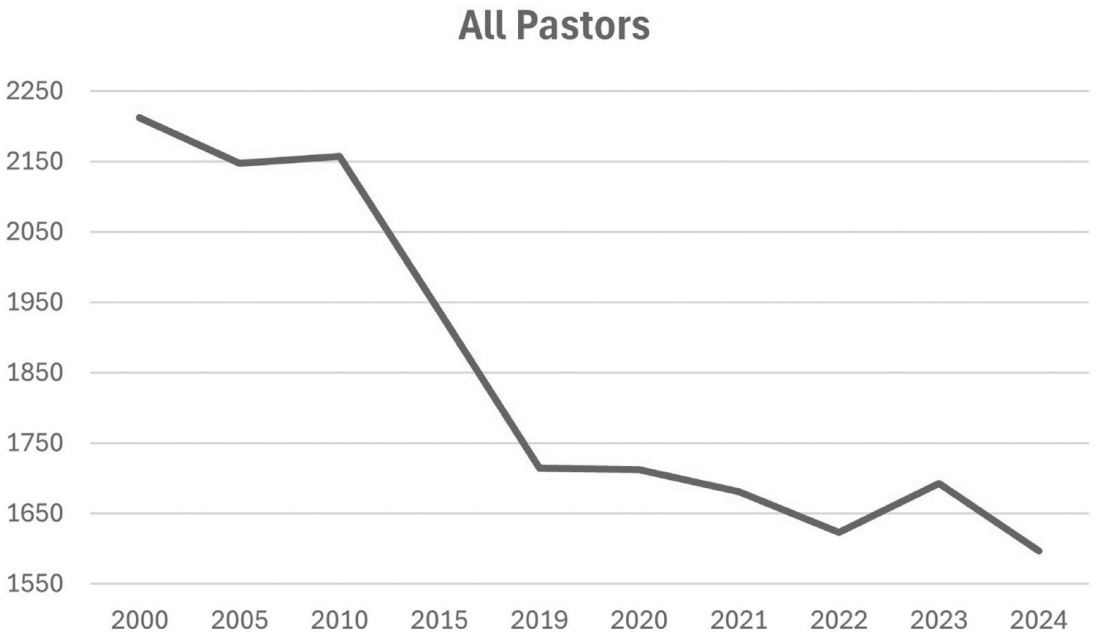
Everything rises and falls on pastoral and lay leadership. In our denomination, that reality is observable in the data about our churches. The chart below shows a consistent slide in the number of NAFWB churches since 2001.



Note the chart on the next page, showing the decline in pastors since 2000.

Churches without pastors and strong lay leadership struggle, stagnate, and too often close when a pastor who dies, retires, or leaves is not quickly replaced. What can we do about the loss of pastors?

...In the multitude of counsellers there is safety.
— Proverbs 11:14b —



Refresh Counseling

The Refresh Counseling Program is our most effective tool for fighting the pastor shortage. Jesus told us that the laborer is worthy of his hire (Matthew 10:10; Luke 10:7). It would seem the laborer is also worthy of help. When we care for the shepherds, their flock, the denomination, and the Kingdom benefit. See last year's report on the counseling program **(nafwb.org/refresh).**

Through Refresh Counseling and Rekindle Coaching, we are seeing measurable impact. Nearly 3,000 counseling sessions have been conducted, and early indicators suggest fewer pastors are leaving the ministry. Below are sample responses from some of the most recent participants.

I'm truly grateful for this investment in pastors like me. I can honestly say the Lord has used Refresh to keep me from burning out in ministry. — Pastor

Having access to Biblical counseling has been such a blessing while in ministry. — Pastor

The counselor that was assigned to me was a God-send. She has helped me work through so much ....Life changing.—Pastor's Wife

We are thankful for our agencies, states, churches, and individual donors who have given to this ministry to make it possible. Of note, in 2026 we have already received a gift of $30,000 from the Oklahoma State Association and two $10,000 gifts from the Law Enforcement Chaplains of the Lakeway Area in Tennessee and the Palmer Association in North Carolina.

Refresh Counseling Program Donations (To Date)

North American Ministries	$57,039.02
OK State Association	$30,000.00
Individual Donors (14)	$24,440.06
FWB Foundation	$17,755.00
IM, Inc.	$15,755.00
Law Enforcement Chaplains of the Lakeway Area, TN	$10,000.00
NC State Association	$10,000.00
Palmer Association	$10,000.00
Richland Ave Financial	$6,000.00
MO State Association	$4,575.00
Overman Buildings, Pocahontas, AR	$4,500.00
Legacy FWB, Gastonia, NC	$2,000.00
Limestone FWB, Limestone, TN	$1,052.00
Hilltop FWB, Fuquay-Varina, NC	$1,000.00
Meadowbrook FWB, Black Mountain, NC	$1,000.00
Unity FWB, Greenville, NC	$1,000.00
Keystone FWB, Greensburg, PA	$1,000.00
AR State Association	$1,000.00
Murry Spur FWB, Spiro, OK	$307.00
Formation Church, Chandler, IN	$200.00
Grace FWB, Arnold, MO	$199.70
Coastal Association, NC	$100.00

Thank you for investing in our pastors and their families.

Two are better than one; because they have a good reward for their labour.
— Ecclesiastes 4:9 —

Rekindle Coaching

We have expanded the Rekindle Coaching Program. Pastors can go online **(nafwb.org/rekindle)** and provide information about themselves and their ministry as well as a synopsis of an issue for a coach to address. Those who engage in coaching, particularly early in their ministry, demonstrate greater long-term effectiveness. [1]

Along with general ministry issues, coaching is also available for First Impressions ministries, stewardship issues, bylaws, Know Your Community, BLESS, application of The Hope Initiative, and much more. Ministry was never meant to be done alone, and this ministry enables pastors and churches to be more effective and ministry to be more fulfilling.

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[1] Bickers, D. W. (2010). Coaching bivocational ministers for greater ministry effectiveness [Doctoral dissertation, Liberty Baptist Theological Seminary]. Liberty University Digital Commons

The Shepherding Initiative

Navigating a season without a pastor can be a daunting challenge for any congregation, but the resources and personal guidance provided by the Initiative have been a steadying force. — Church Leader

We are using The Shepherding Initiative to help churches without pastors continue to minister while they look for a pastor. Dr. Tim York consults regularly with leaders from these churches and provides strategic guidance. The coaching provided to leaders is designed to keep the ministry going and even expand the skillset of the laity.

The proactive encouragement we have received has helped our church remain focused on day-to-day operations and ministry rather than just "waiting" for the search to end. — Church Leader

The Shepherding Initiative provides a prerecorded sermon the church can download in advance. The message is tailored to the needs of the congregation to help provide spiritual continuity.

The prerecorded sermon links have been an invaluable resource, ensuring our pulpit remains strong and our members continue to receive high-quality, encouraging teaching even as we search for our next shepherd. — Church Leader

As churches receive coaching to minister to others, they also receive help in the pastor search process.

The consultations have provided our search committee with a clear roadmap. The Initiative's expertise in pastoral placement has helped us navigate the complexities of the search process with confidence and prayerful discernment.— Church Leader

The Shepherding Initiative is truly helping churches remain healthy when they are without a pastor. We are thankful for the generous support of North American Ministries with the funding of this initiative.

And he gave some, apostles; and some, prophets; and some, evangelists; and some, pastors and teachers; For the perfecting of the saints, for the work of the ministry, for the edifying of the body of Christ.
— Ephesians 4:11-12 —

Deacons and Lay Leaders

We need to look more at lay leader development and the discipling of our congregations. When we prepare our laypeople to minister more effectively, it helps pastors and churches thrive. We experienced a slide in the number of deacons until 2023 (see the chart on the next page). However, in 2023 we saw an uptick in deacons, who are critical to helping churches thrive.

Deacons



Teaching them to observe all things whatsoever I have commanded you: and, lo, I am with you alway, even unto the end of the world. Amen.
— Matthew 28:20 —

A strong discipleship program is critical, and it can be a pipeline to develop church leaders. To measure progress, we looked at reported Sunday School enrollment (below). For the first time since 2019, we reported Sunday School growth in 2023 which continued in 2024. We pray that trend continues. We also pray that our churches grow in their effectiveness to reach their communities. This is a good place to develop leaders for our churches.

Sunday School Enrollment



Strong leaders help us have strong churches which buy curriculum and produce students, future pastors, and missionaries while serving as the funding mechanism for Kingdom work. Below are action steps to increase pastor and other leader health.

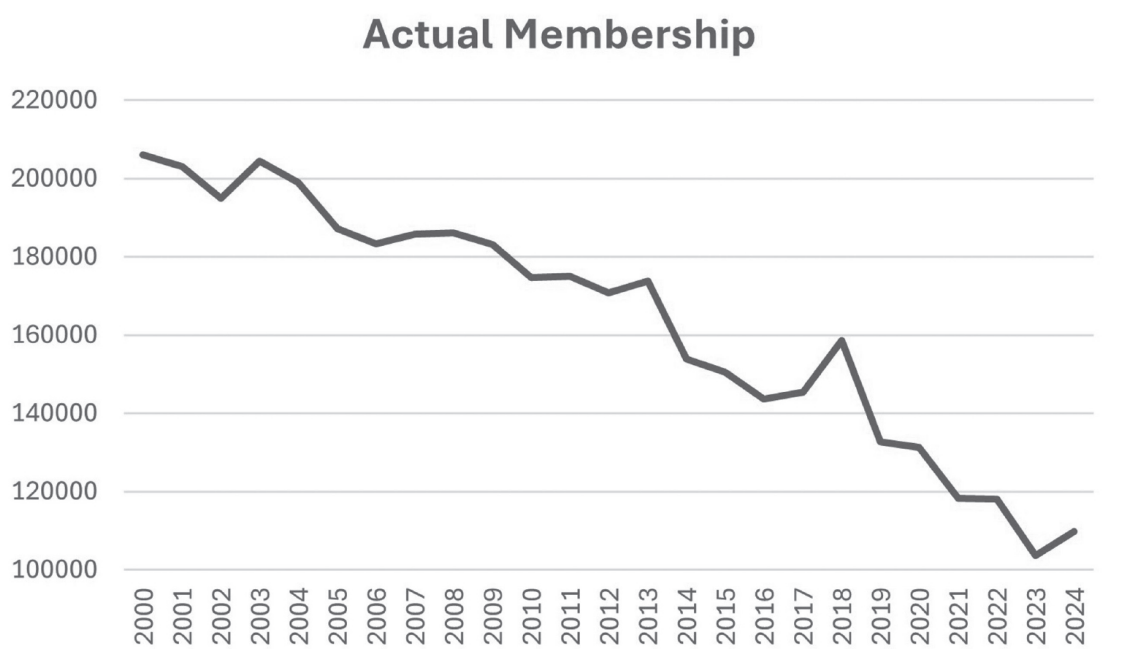
Give to the Refresh Counseling Program. On average, it costs $1,000 from start to finish for a pastor who participates in counseling **(nafwb.org/refresh).**

Pray for the Harvest and Harvesters. Pray for God to call men from your congregations to preach. Approach them about the call. Read Dr. Paul Harrison's discussion on this subject written many years ago **(nafwb.org/executivereport).** Listen to Better Together Podcasts with Paul Harrison, Barry Raper, and Tim York about the problem **(nafwb.org/podcast).**

Till we all come in the unity of the faith, and of the knowledge of the Son of God, unto a perfect man, unto the measure of the stature of the fulness of Christ.
— Ephesians 4:13 —

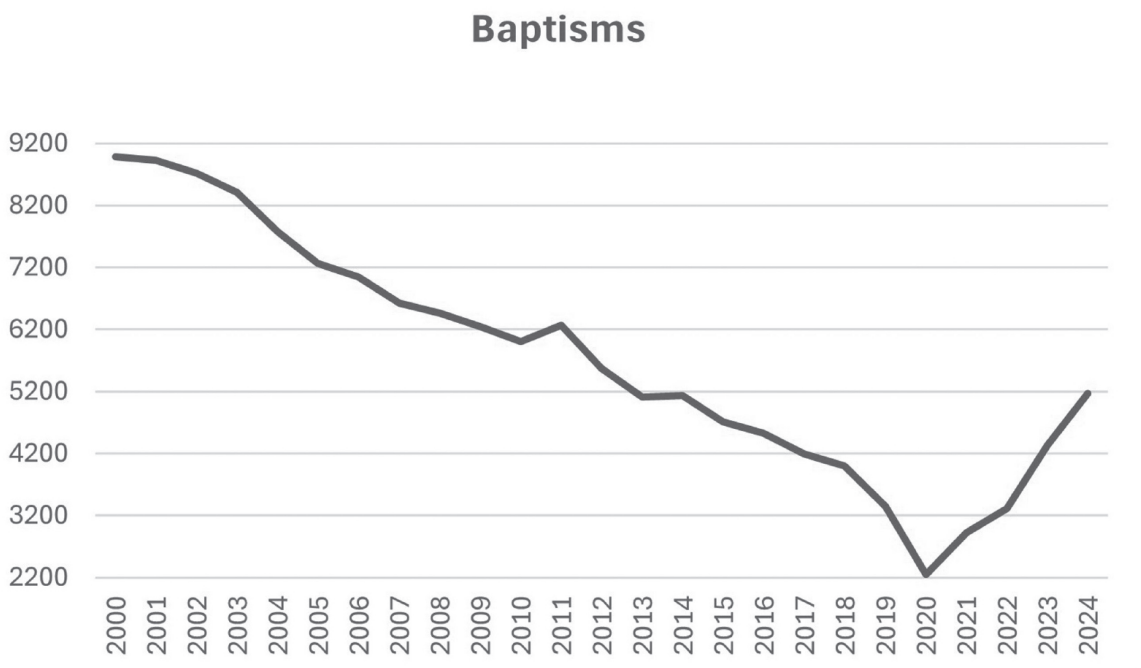
Church Health

Healthy churches are the natural result of healthy leadership and engaged members. After years of decline, there are signs of stabilization — and even growth — in key areas. Actual church membership reported rose slightly from 2023 to 2024, from an all-time low of 103,653 in 2023 to 109,276 in 2024.



Go ye therefore, and teach all nations, baptizing them in the name of the Father, and of the Son, and of the Holy Ghost.
— Matthew 28:19 —

Is this a one-year blip, or will it become a trend? A more pronounced area of growth is baptisms.



The number of baptisms has increased steadily since 2020. In 2024, NAFWB churches reported the highest number of baptisms (5,162) in 12 years. Before 2020, baptisms decreased steadily from 2012 to 2020. However, there was a downward trend in baptisms from 2000 to 2020. There is a clear reversal for which we praise the Lord.

To build on this momentum, we must remain intentional—equipping believers, prioritizing evangelism, and strengthening discipleship pathways. Below are action steps to help with church health.

Growing Together

This year, we have provided webinars about helping churches make a good First Impression **(nafwb.org/firstimpressions)** and about equipping congregations to prevent suicide and to identify people at risk for suicide **(nafwb.org/care).** We will also offer webinars on the value of deacons September 15, October 20, and November 17 at 6:00 pm (CT). Register at **nafwb.org/grow.**

Know Your Community

To date, 351 churches have used Know Your Community. We use Know Your Community feedback sessions to equip pastors and church leaders to reach their communities with the gospel more effectively **(nafwb.org/know).**

BLESS

As of this writing, Free Will Baptists have prayed 211,503 prayers for their neighbors and adopted 31,000 homes **(nafwb.org/bless).**

BLESS helped our church shift from inward to outward focus. One neighbor received our postcard and visited, later sharing it arrived at just the right time — and that we had no idea what he was facing that day. — Church Leader

The Hope Initiative

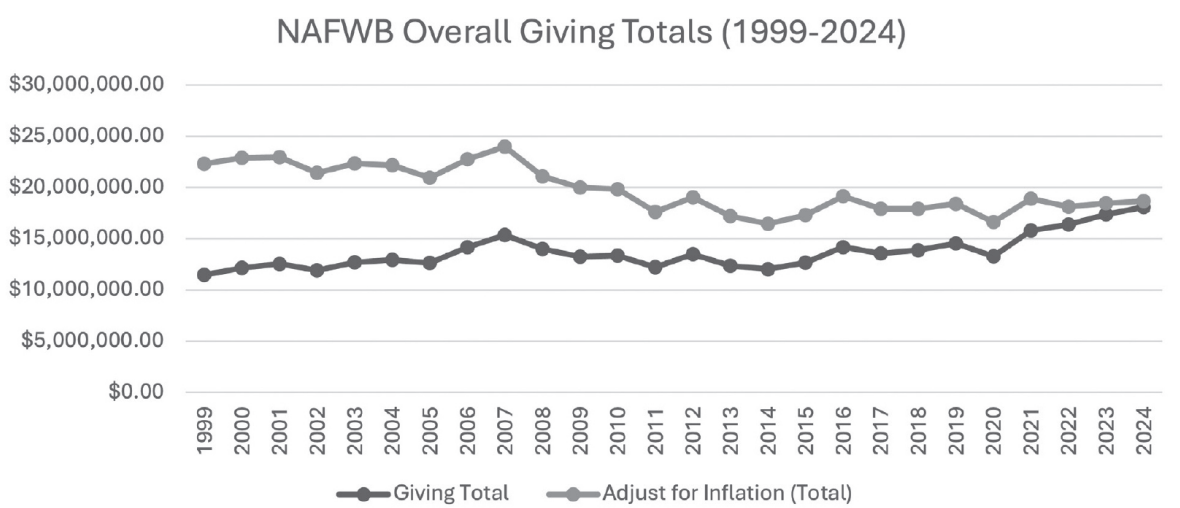
Seventy-three churches have participated in The Hope Initiative. This intervention helps churches focus outward on reaching those around them with the gospel **(nafwb.org/hope).**

First Aid Ready

Eight churches have participated in the First Aid Ready process which equips congregants to minister to hurting people in their community **(nafwb.org/firstaid).**

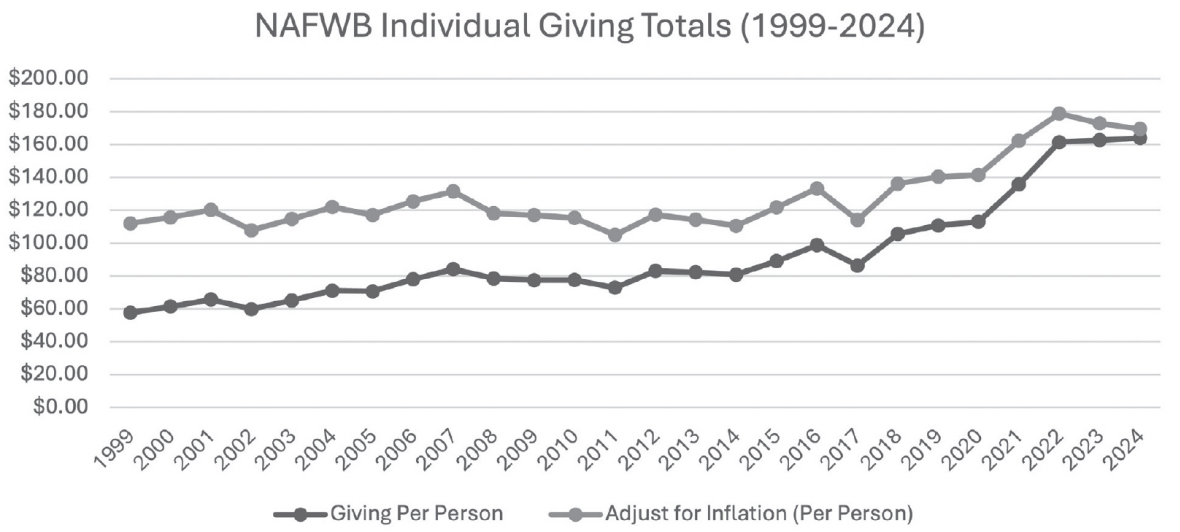
Denominational Health

A good measure of denominational health is financial health. Below is a chart of denominational giving from 1999 to the present.



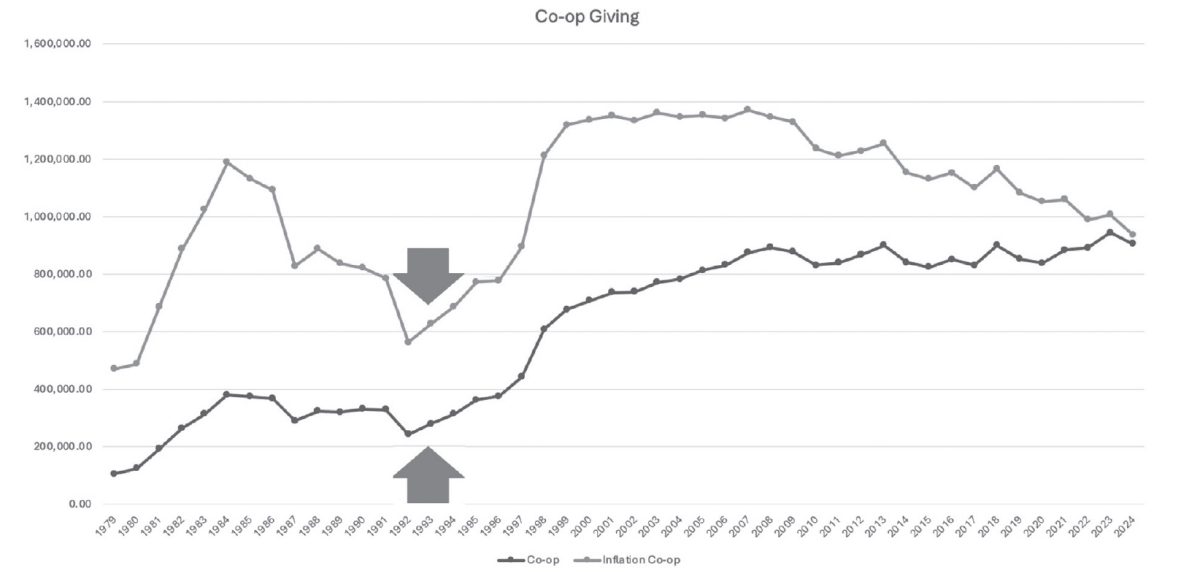
Actual giving is up, and the highest it has ever been. In 2024, $18,078,835 was given compared to $17,372,228 in 2023. That is an increase of $706,607. However, the top line is adjusted for inflation, showing our dollars are not going as far as they did in 2007.

Below is another way of looking at giving by individual Free Will Baptists, dating back to 1999.



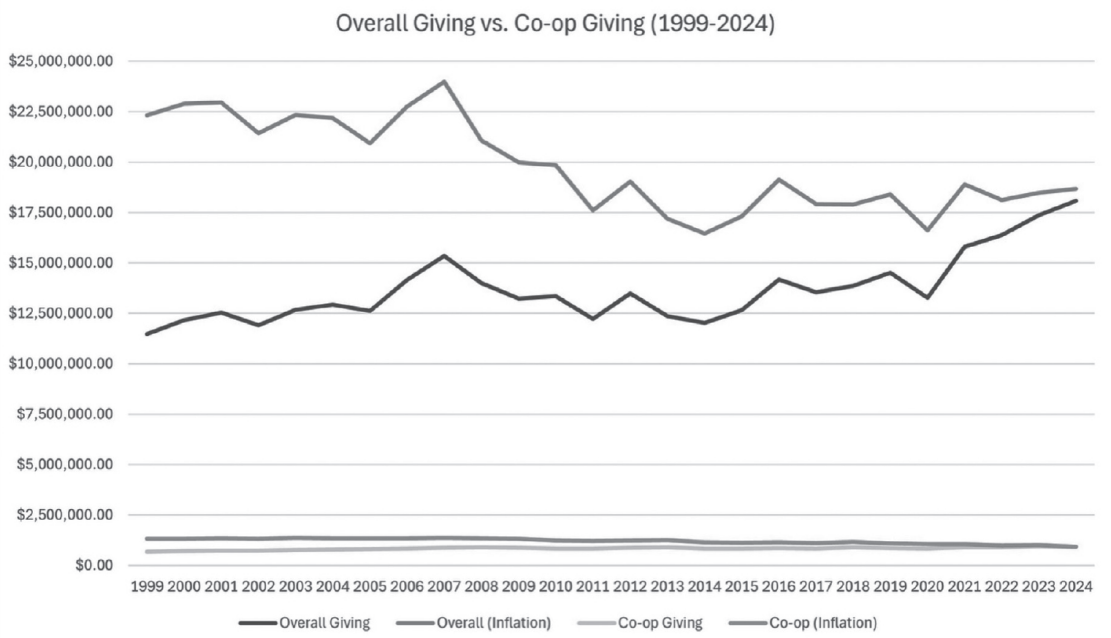
On average, Free Will Baptists gave $164.12 per person to national agencies in 2024, up from $162.63, an increase of $1.49 in 2024. Individual giving is actually up, even when adjusted for inflation. When you consider that each of these individuals likely gave to their churches and other organizations that are not part of the NAFWB, their giving looks pretty good.

On the co-op giving chart below, the bottom line is actual giving. The top line is what that giving would look like when adjusted for inflation. When adjusted for inflation, co-op giving increased from 1979 to a peak in 1984 of what was almost $1,200,000. Then it dropped all the way down to $828,000 in 1987. It went up briefly in 1988 and began dropping again until 1992 where it began to climb again (in 1993 after the implementation of The Together Way Plan) until plateauing in 1999 with a value of nearly $1,318,000.



When adjusted for inflation, co-op giving began to slowly decline to the current amount of around $938,000. All co-op giving is less than $1,000,000. That is 5.2% of all giving to national agencies.

So, you may be saying, wasn't 18 million dollars given to national agencies last year? Yes, it was, but how? Although we talk a lot about co-op, most giving takes place through designated giving as seen below.



Hopefully, this explains why so little giving goes to the Executive Office.

Last year, $487,000 or 2.6% percent of overall giving went to the Executive Office. This leaves very few resources to fund the infrastructure of the denomination and to help pastors and churches. Although much was spent on pastoral counseling last year, less than half of a percent (0.3) was designated to pastoral counseling.

Action Steps for Funding the Executive Office

Continue to build supporters. We hope to build on the 31 first-time givers in 2025 by continuing to solicit individuals and churches that will place our office in their budget. We have enlisted the assistance of the Executive Committee, and they are helping us build support.

Action Steps for Funding the National Convention

We have provided information about the funding shortfalls for the National Convention at the last two General Board meetings.

We met the expenses for the Kansas City convention with an excess of $5,972.55. This is a result of increased giving to the convention and expenses for the convention coming in under budget. NAM gave $60,000 toward the convention, and IM gave $20,000. Additionally, Kansas's gift of $4,197.87 helped us finish in the black.

Continue to monitor and cut costs when possible. Much of the spending for the National Convention is out of necessity. Many of the requirements placed on the convention by the

convention center, security, and hotels come with significant costs. The convention continues to monitor these costs and will make cuts when necessary. This year, we have cut the Internet for live streaming services (anywhere from $6,000 - $11,000) and an early rehearsal for the worship team (approximately $5,000). We will continue to investigate cost-cutting measures (including possibly cutting the convention by a day) and incorporate those when they are possible and/or make sense. We can no longer have a convention that "fits;" we must have a convention we can afford.

Increase host state funding. For the 2027 and 2028 conventions, we have asked the host states (Michigan and Arkansas) to reach out to neighboring states and ask them to consider contributing funds to help offset the rising costs of convention. In 2025, Missouri and Kansas worked together to jointly host the convention, and we believe states can replicate that model in the future. We are also encouraging churches to recognize the value of the convention and give regular gifts to help with funding.

Recuperate funds for space used for department events. Traditionally, the convention has not charged departments for space used for meal functions, seminars, and other events. This year, the fee for hosting seminars was increased to cover the cost of the additional space they will use. If the cost of meal function space is not covered by reaching a food and beverage minimum through department events, the cost of the space will be divided among the departments that use it. In the future, any cost the convention incurs for securing space for department events will be passed along to the departments.

Encourage contributions from departments to fund the convention. The National Convention is the best Free Will Baptist audience our departments get in the year. While we understand not every department is in a financial position to donate, we are encouraging those who are able to give each year to ensure the convention continues to be funded. D6 Family Ministry, the Executive Office, the Free Will Baptist Foundation, IM, North American Ministries, and Richland Ave Financial all made financial contributions to the 2026 National Convention.

We have yet to schedule a convention for 2029. We appear to be on track to go to Raleigh in 2030. North Carolina has pledged $60,000, and South Carolina has pledged $40,000. We are also hoping to get contributions from Virginia.

We are asking churches and individuals to give to the convention. Bethel FWB Church (NC) gave a generous one-time gift, and Mercy Hill FWB Church (KS) has committed to monthly support of the National Convention.

He that observeth the wind shall not sow; and he that regardeth the clouds shall not reap. — Ecclesiastes 11:4 —

Conclusion

We are better together. If we commit to strengthening pastors, equipping churches, and expanding our reach, the future can be stronger than the past. These are short and simple goals for which every church, association, state, and we on the National level can strive. Let us not just talk about our problems or observe the wind. Let us get to work so we can reap the benefits that our God richly supplies in our churches, states, and associations.

For all reports, articles, podcasts, and other resources in this report, visit ***nafwb.org/executivereport.***

2025

Gain/Loss of Churches

STATE	2024	2025	Gain/ Loss
Alabama	96	93	-3
Arizona	5	5	0
Arkansas	157	156	-1
California	48	42	-6
Canada	7	7	0
Colorado	5	5	0
David Marks Association	4	4	0
Florida	53	51	-2
Georgia	99	97	-2
Hawaii	1	1	0
Idaho	3	2	-1
Illinois	36	37	1
Indiana	17	16	-1
Iowa	3	3	0
Kansas	8	8	0
Kentucky	116	116	0
Mexico			
Assoc. of FWBC of MX	39	38	-1
Mexico Assoc.	29	31	2
Michigan	23	24	1
Sub-Total	**749**	**736**	**-13**

STATE	2024	2025	Gain/ Loss
Mid-Atlantic	4	4	0
Mississippi	44	44	0
Missouri	139	135	-4
North Carolina	151	149	-2
Northeast Assoc.	2	2	0
Northwest Assoc.	6	6	0
Ohio	118	111	-7
Oklahoma	192	192	0
Puerto Rico	3	3	0
South Carolina	99	100	1
South Dakota	1	1	0
Tennessee	187	185	-2
Texas	36	35	-1
Virginia	62	64	2
Virgin Islands			
Christiansted, VI	1	1	0
West Virginia	130	130	0
Wisconsin			
Twin Valley, Madison, WI	1	1	0
Sub-Total	**1,176**	**1,163**	**-13**
Grand Total	**1,925**	**1,899**	**-26**

Rest of the Family Offering
Top Giving Churches

1	Parker's Chapel Free Will Baptist Church	Greenville, North Carolina	$3,000.00
2	Liberty Free Will Baptist Church	Ayden, North Carolina	$2,570.00
3	Cross Timbers Free Will Baptist Church	Nashville, Tennessee	$1,503.00
4	Heritage Free Will Baptist Church	Columbus, Ohio	$1,200.00
5	Cedar Springs Free Will Baptist Church	Blakely, Georgia	$1,000.00
6	Liberty Free Will Baptist Church	Marion, North Carolina	$1,000.00
7	Forest Valley Free Will Baptist Church	Springfield, Ohio	$1,000.00
8	Liberty Free Will Baptist Church	Manning, South Carolina	$988.80
9	Faith Free Will Baptist Church	Carrollton, Virginia	$759.50
10	White Plains Free Will Baptist Church	Blakely, Georgia	$650.00
11	Tippett's Chapel Free Will Baptist Church	Clayton, North Carolina	$462.94
12	Unity Free Will Baptist Church	Middleburg Heights, Ohio	$392.00
13	LaVergne Free Will Baptist Church	LaVergne, Tennessee	$300.00
14	Zephyr Hills Free Will Baptist Church	Asheville, North Carolina	$260.00
15	First Free Will Baptist Church	Checotah, Oklahoma	$254.03

27 churches gave a total of $17,911.09.

Tracking The Together Way Totals

DESIGNATED		CO-OP		TOTAL	
2016					
3,517,079.10	10.87%	851,229.28	3.25%	4,368,308.38	9.30%
81%		19%			
2017					
3,236,515.99	-7.98%	830,153.64	-2.48%	4,066,669.63	-6.91%
80%		20%			
2018					
3,294,858.27	1.80%	900,631.19	8.49%	4,195,489.46	3.17%
79%		21%			
2019					
3,173,069.93	-3.70%	851,469.97	-5.46%	4,024,539.90	-4.07%
79%		21%			
2020					
3,050,180.16	-3.87%	837,871.13	-1.60%	3,888,051.29	-3.39%
78%		22%			
2021					
3,339,733.80	9.49%	883,583.03	5.46%	4,223,316.83	8.62%
79%		21%			
2022					
3,015,386.03	-9.71%	891,124.88	0.85%	3,906,510.91	-7.50%
77%		23%			
2023					
2,841,573.80	-5.76%	943,824.34	5.91%	3,785,398.14	-3.10%
75%		25%			
2024					
3,098,671.39	9.05%	905,193.36	-4.09%	4,003,864.75	5.77%
77%		23%			
2025					
2,591,308.64	-16.37%	882,363.87	-2.52%	3,473,672.51	-13.24%
75%		25%			

The Together Way Totals Increase/Decrease from 2016-2025

Designated	-26.32%	CO-OP	3.66%

2025 Contributions to the Executive Office

	Co-op	Designated	Rest of the Family	Other	Total	% of Total Gifts
Missouri	$123,361.80	$386.86	$32.12	$339.70	$124,120.48	23.30%
Oklahoma	$90,121.62	$10.00	$108.80	$307.00	$90,547.42	17.00%
Arkansas	$83,660.04	$400.00	$0.00	$4,150.00	$88,210.04	16.56%
Tennessee	$25,625.64	$16,163.39	$1,039.32	$23,225.00	$66,053.35	12.40%
North Carolina	$3,807.10	$32,693.60	$3,383.20	$19,400.00	$59,283.90	11.13%
Ohio	$14,168.27	$2,049.22	$1,120.86	$0.00	$17,338.35	3.26%
Georgia	$15,613.81	$0.00	$1,033.92	$0.00	$16,647.73	3.13%
Illinois	$12,674.33	$1,148.62	$0.00	$0.00	$13,822.95	2.60%
South Carolina	$135.00	$11,107.34	$444.92	$0.00	$11,687.26	2.19%
Mississippi	$7,088.49	$1,790.00	$84.38	$600.00	$9,562.87	1.80%
Alabama	$2,457.54	$6,185.41	$42.83	$0.00	$8,685.78	1.63%
Florida	$5,872.77	$200.00	$42.83	$1,100.00	$7,215.60	1.35%
Kentucky	$2,804.61	$500.00	$0.00	$0.00	$3,304.61	0.62%
Michigan	$1,426.15	$1,520.00	$0.00	$0.00	$2,946.15	0.55%
Virginia	$1,054.57	$750.00	$325.29	$0.00	$2,129.86	0.40%
California	$1,912.65	$0.00	$0.00	$0.00	$1,912.65	0.36%
Indiana	$135.00	$600.00	$0.00	$750.00	$1,485.00	0.28%
Oregon	$1,431.00	$0.00	$0.00	$0.00	$1,431.00	0.27%
Kansas	$94.54	$1,078.20	$0.00	$175.00	$1,347.74	0.25%
Canada	$1,291.66	$0.00	$0.00	$0.00	$1,291.66	0.24%
Texas	$988.34	$100.00	$12.85	$0.00	$1,101.19	0.21%
Pennsylvania	$0.00	$0.00	$0.00	$1,000.00	$1,000.00	0.19%
West Virginia	$729.58	$0.00	$0.00	$0.00	$729.58	0.14%
Delaware	$315.00	$0.00	$0.00	$0.00	$315.00	0.06%
Virgin Islands	$294.28	$0.00	$0.00	$0.00	$294.28	0.06%
Arizona	$0.00	$150.00	$0.00	$0.00	$150.00	0.03%
Idaho	$0.00	$110.00	$0.00	$0.00	$110.00	0.02%
New Mexico	$0.00	$0.00	$0.00	$0.00	$0.00	0.00%
TOTALS	***$397,063.79***	***$76,942.64***	***$7,671.32***	***$51,046.70***	***$532,724.45***	***100.00%***

Missouri, Oklahoma and Arkansas giving makes up 56.86% of total.
75% of Executive Office Income is from Co-op.
FWBs have churches in 37 states + CN, MX, VI, PR.

HHA

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

Independent Auditors' Report

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

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, 2025 and 2024, 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, 2025 and 2024, 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.

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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 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 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 27, 2026

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

Statements of Financial Position

December 31, 2025 and 2024

Assets

		2025	2024
Current assets:			
Cash in bank			
Executive Office	$	17,002	175,767
Convention		42,280	22,166
Special Projects - Hymnal royalties		-	67,193
Total cash in bank		59,282	265,126
Funds held by other Free Will Baptist organizations			
Free Will Baptist Foundation		28,020	25,512
Church Extension Loan Fund		286,066	133,917
Richland Avenue Financial		94,649	-
Total funds held by other Free Will Baptist organizations		408,735	159,429
Receivables:			
Randall House royalties		-	1,245
ERC receivable		-	102,877
Other departmental and agency charges		35,159	98,266
Total receivables		35,159	202,388
Total current assets		503,176	626,943
Equipment, net of accumulated depreciation		55,494	58,173
Other assets:			
Deposits for future conventions		38,525	14,413
Right to use assets		850	5,776
Total other assets		39,375	20,189
	$	598,045	705,305

Liabilities and Net Assets

Current liabilities:			
Accounts payable and accrued expenses	$	18,912	5,601
Lease obligations - current portion		850	4,926
Funds held for distribution to other Free Will Baptist agencies		828	4,644
Hymnal royalty liability		29,688	25,722
Total current liabilities		50,278	40,893
Lease obligations, net of current portion		-	850
Total liabilities		50,278	41,743
Net assets:			
Without donor restrictions		547,767	663,562
Total net assets		547,767	663,562
	$	598,045	705,305

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, 2025 and 2024

	Net Assets Without Donor Restriction	
	2025	2024
Revenues:		
Executive Office:		
The Together Way Plan	$ 3,473,672	4,003,865
Disbursed to agencies and departments	(2,999,665)	(3,546,529)
Executive Office portion of Together Way Plan	474,007	457,336
Contributions	50,565	54,063
Counseling shared by departments	-	28,000
Other	(3,382)	26,199
	521,190	565,598
Convention:		
Convention revenues	454,345	400,094
Contributions	101,516	110,396
Interest revenues	10,517	4,003
	566,378	514,493
Special Projects:		
Interest income	2,178	
Hymnal royalties	4,985	5,369
Rekindle contributions	600	600
	7,763	5,969
Total operating revenues	1,095,331	1,086,060
Expenses:		
Program services		
Executive Office	533,184	459,079
Convention	569,875	552,135
Special Projects	3,966	4,232
	1,107,025	1,015,446
Supportive services		
Administration	113,140	76,755
Total expenses	1,220,165	1,092,201
Change in net assets from operations	(124,834)	(6,141)
Non operating revenues:		
Unrealized gains from investments	4,039	-
Gain on sale of automobile	5,000	-
ERC Grant	-	102,877
Non operating net revenues	9,039	102,877
Change in net assets	(115,795)	96,736
Net assets:		
Beginning of year	663,562	566,826
End of year	$ 547,767	663,562

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, 2025 and 2024

	2025						2024					
	Program Services						Program Services					
	Executive Office	Convention	Special Projects	Totals	Administrative	Totals	Executive Office	Convention	Special Projects	Totals	Administrative	Totals
Expenses of operations:												
Employment costs:												
Salaries	$ 105,998	115,606	-	221,604	45,683	267,287	84,088	114,894	-	198,982	25,417	224,399
Housing allowance	25,803	9,729	-	35,532	2,550	38,082	20,400	11,050	-	31,450	2,550	34,000
Payroll taxes and other benefits	46,233	55,616	-	101,849	16,664	118,513	41,382	56,249	-	97,631	10,994	108,625
Total employment costs	178,034	180,951	-	358,985	64,897	423,882	145,869	182,193	-	328,062	38,962	367,024
Other operating costs:												
Support to One Magazine	110,906	19,962	-	130,868	-	130,868	107,675	19,380	-	127,055	-	127,055
Auditorium and other convention services	-	286,760	-	286,760	-	286,760	-	278,161	-	278,161	-	278,161
Office rental	43,044	-	-	43,044	4,783	47,827	41,700	-	-	41,700	4,633	46,333
Travel	53,066	62,447	-	115,513	5,896	121,409	46,704	60,643	-	107,347	5,189	112,536
Supplies, office expense	-	5,126	-	5,126	21,687	26,813	-	-	-	-	15,860	15,860
Copier lease	2,507	-	-	2,507	279	2,786	1,813	-	-	1,813	202	2,015
Executive Committee and General Board	-	6,964	-	6,964	-	6,964	-	6,485	-	6,485	-	6,485
Depreciation	14,834	-	-	14,834	1,648	16,482	10,168	-	-	10,168	1,130	11,298
Legal and audit	-	-	-	-	10,179	10,179	-	-	-	-	10,087	10,087
Payroll service	-	-	-	-	3,481	3,481	-	-	-	-	452	452
Printing and promotion	12,613	4,491	-	17,104	-	17,104	12,584	2,922	-	15,506	-	15,506
Postage / mail services	1,776	45	-	1,821	-	1,821	2,295	73	-	2,368	-	2,368
Telephone	2,719	645	-	3,364	-	3,364	2,628	630	-	3,258	-	3,258
International Fellowship	-	-	-	-	290	290		-	-	-	240	240
Support to WNAC	4,853	-	-	4,853	-	4,853	4,978	-	-	4,978	-	4,978
Support to Randall House	4,853	-	-	4,853	-	4,853	4,979	-	-	4,979	-	4,979
Royalties	-	-	3,966	3,966	-	3,966	-	-	3,055	3,055	-	3,055
Rekindle	1,686	-	-	1,686	-	1,686	-	-	1,177	1,177	-	1,177
Impact Project	-	1,171	-	1,171	-	1,171	-	524	-	524	-	524
Ministerial counseling	77,001	-	-	77,001	-	77,001	42,334	-	-	42,334	-	42,334
Educational materials	6,092	-	-	6,092	-	6,092	11,264	-	-	11,264	-	11,264
Coaching	8,275	-	-	8,275	-	8,275	11,572	-	-	11,572	-	11,572
Church answers	6,794	-	-	6,794	-	6,794	12,416	-	-	12,416	-	12,416
State leaders	-	1,313	-	1,313	-	1,313	-	1,091	-	1,091	-	1,091
Other	4,131	-	-	4,131	-	4,131	100	33	-	1,224	-	1,224
Total expenses	$ 533,184	569,875	3,966	1,107,025	113,140	1,220,165	459,079	552,135	4,232	1,015,446	76,755	1,092,201

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, 2025 and 2024

		2025	2024
Cash Flows from Operating Activities			
Change in net assets	$	(115,795)	96,736
Adjustments to reconcile change in net assets to net operating activities :			
Depreciation		16,482	11,298
Change in deposits for future conventions		(24,112)	(5,150)
Gain on sale of automobile		(5,000)	-
Increase in:			
Receivables		167,229	3,811
Prepaid expense		-	16,277
Increase (decrease) in:			
Funds held for distribution to other Free Will Baptist agencies		(3,816)	2,140
Accounts payable and accrued expenses		17,277	8,656
Net operating activities		52,265	133,768
Cash Flows from Investing Activities			
Proceeds from sale of automobile		5,000	-
Purchase of equipment and vehicle		(13,803)	(38,400)
		(8,803)	(38,400)
Change in cash and cash equivalents		43,462	95,368
Cash and cash equivalents:			
Beginning of year		424,555	329,187
End of year	$	468,017	424,555
Cash and cash equivalents consist of:			
Cash in bank	$	59,282	265,126
Funds held by other Free Will Baptist organizations		408,735	159,429
	$	468,017	424,555
Non-cash transactions:			
Amortization of right-of-use assets	$	4,926	4,640

See accompanying notes to financial statements.

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

Notes to Financial Statements

December 31, 2025 and 2024

The Executive Office operates under the auspices of the National Association of Free Will Baptists, Inc., and is governed by the Executive Committee of the General Board of the National Association of Free Will Baptists, Inc.

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

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

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

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

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

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

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

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

(1) Summary of Significant Accounting Policies

Basis of Presentation

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

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

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

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

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

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

Revenue Recognition

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

Leases

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

(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 Director 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 2025 and 2024. Further, management believes that Executive Office has no activities which will lead to income taxes being levied.

(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 27, 2026 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.

		2025	2024
Financial assets at end of year:			
Cash in bank	$	59,282	265,126
Funds held by other Free Will Baptist organizations		408,735	159,429
Accounts receivable		35,159	202,388
Financial assets available to meet general expenditures the next twelve months		503,176	626,943
Less amount not available to be used within one year:			
Hymnal royalty liability		29,688	25,722
Funds held for distribution to other Free Will Baptist agencies		828	4,644
Amount not available to be used within one year		30,516	30,366
Net financial assets available for expenditure within one year	$	472,660	596,577

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 $38,525 in 2025 and $14,413 in 2024 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 $286,760 in 2025 and $278,161 in 2024.

(6) Equipment:

Office equipment and furniture	$	69,421	55,918
Automobiles		71,487	90,656
		140,908	146,574
Less accumulated depreciation		85,414	88,401
Equipment, net of depreciation	$	55,494	58,173
Depreciation expense	$	16,482	11,298

(7) Net Assets

Net assets without donor restrictions are summarized as follows:

	Undesignated	Designated			
	Executive Office	Convention	Special Projects	Total	Overall Total
For year ending December 31, 2025					
Revenues	$ 525,229	566,378	7,763	574,141	1,099,370
Expenses					
Program services	533,184	569,875	3,966	573,841	1,107,025
Administrative	107,575	5,565	-	5,565	113,140
Total expenses	640,759	575,440	3,966	579,406	1,220,165
Change in net assets	(115,530)	(9,062)	3,797	(5,265)	(120,795)
Net assets, beginning of year	500,930	87,592	75,040	162,632	663,562
Net assets, end of year	$ 385,400	78,530	78,837	157,367	542,767
For year ending December 31, 2024					
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

(8) 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:

	2025	2024
Right of use assets as long lived assets, net of amortization	$ 850	5,776
Amortization of right to use assets	$ 4,926	4,640
Current portion of right to use liability	$ 850	4,926
Long term portion of right to use liability	$ -	850

Expenses relating to these operating leases for office equipment amounts to $5,138 in 2025 and 2024.

Maturities of operating lease liabilities are as follows:

	Required Payments	Interest Amount	Lease Maturities
2026	856	6	850
	$ 856	6	850

(9) 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 $28,819 in 2025 and $28,575 in 2024 the plan is a defined contribution plan. Under the plan, an account is 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 $130,868 in 2025 and $127,055 in 2024.

The Executive Office provided support for WNAC (Woman Nationally Active for Christ) and D6 Family Ministry support each in the amounts of $4,853 in 2025 and $4,978 in 2024.

Funds held by other Free Will Baptist organizations in interest bearing accounts:

	2025	2024
Free Will Baptist Foundation	$ 28,020	25,512
Church Extension Loan Fund	286,066	133,917
Richland Avenue Financial	94,649	-
	$ 408,735	159,429

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 $47,827 in 2025 and and $46,333 in 2024. Office rent for 2026 is budgeted for $49,322.

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

(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 $1.235.794 and $1,166,163 at 2025 and 2024, respectively.

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

(10) The Together Way Plan, continued

The following summarizes these transactions for the years ended December 31, 2025 and 2024.

	2025			2024		
Receipts:	**Designated**	**Cooperative**	**Total**	**Designated**	**Cooperative**	**Total**
Alabama	$ 11,185	5,461	16,646	5,208	5,768	10,976
Arkansas	384,975	185,911	570,886	458,646	177,269	635,915
California	1,000	4,250	5,250	255	3,531	3,786
Florida	300	13,051	13,351	-	18,361	18,361
Georgia	514,825	34,697	549,522	541,636	40,623	582,259
Illinois	149,693	28,165	177,858	139,946	29,430	169,376
Kentucky	500	6,232	6,732	1,000	6,743	7,743
Michigan	131,992	3,169	135,161	145,558	3,621	149,179
Mississippi	2,540	15,752	18,292	2,080	12,608	14,688
Missouri	459,377	274,137	733,514	562,975	296,542	859,517
North Carolina	77,298	8,460	85,758	64,205	12,915	77,120
Ohio	99,739	31,485	131,224	201,233	33,972	235,205
Oklahoma	133,407	200,270	333,677	325,989	194,326	520,315
Oregon	-	3,180	3,180	-	2,730	2,730
South Carolina	498,635	300	498,935	516,743	300	517,043
Tennessee	23,487	56,946	80,433	15,505	53,997	69,502
Texas	96,675	2,196	98,871	110,985	4,240	115,225
Virginia	1,535	2,343	3,878	1,629	1,632	3,261
West Virginia	-	1,621	1,621	-	2,853	2,853
Canada	2,208	2,870	5,078	3,354	9	3,363
Contributions totaling $2,500 or less	1,938	1,867	3,805	1,725	3,723	5,448
Total receipts	$ 2,591,309	882,363	3,473,672	3,098,672	905,193	4,003,865
Disbursements:						
Executive Office	$ 76,943	397,064	474,007	49,999	407,337	457,336
FWB Foundation	50	2,425	2,475	3,048	2,490	5,538
North America Ministries	354,078	101,913	455,991	369,831	104,550	474,381
IM, Inc.	1,839,101	101,913	1,941,014	2,274,831	104,550	2,379,381
Richland Avenue Financial	2,089	53,383	55,472	962	54,764	55,726
D6 Family Ministries	2,368	21,839	24,207	1,471	22,404	23,875
Welch College	169,896	101,913	271,809	195,937	104,550	300,487
WNAC	16,096	82,501	98,597	2,770	84,636	87,406
Historical Commission	93	4,853	4,946	92	4,978	5,070
Media Commission	93	4,853	4,946	342	4,978	5,320
Music Commission	778	4,853	5,631	602	4,978	5,580
Theological Integrity Commission	93	4,853	4,946	92	4,978	5,070
Randall University	42,301	-	42,301	51,316	-	51,316
Alabama Children	31,583	-	31,583	32,586	-	32,586
Family Ministries	33,415	-	33,415	91,150	-	91,150
Other	22,332	-	22,332	23,643	-	23,643
Total disbursements	$ 2,591,309	882,363	3,473,672	3,098,672	905,193	4,003,865

2027
EXECUTIVE OFFICE
ADMINISTRATIVE BUDGET

PROJECTED EXPENSES	**2025 Budget**	**2025 Actuals***	**2026 Budget**	**2027 Budget**
Salaries	$112,360.84	$151,680.96	$124,655.64	$136,273.75
Housing	25,500.00	28,352.78	18,750.00	18,750.00
Social Security	5,042.17	6,743.78	5,301.21	6,076.63
Retirement	17,901.41	18,773.71	18,508.90	18,879.08
Employees Insurance (HealthDental/Vision/Life)	35,421.90	35,962.43	38,761.51	41,359.29
Auditing/Legal	6,000.00	4,614.00	6,000.00	6,000.00
Books/Dues/Registrations	4,000.00	5,846.14	4,000.00	5,500.00
Car Replacement Fund	5,000.00	0.00	4,000.00	5,000.00
Coaching	7,250.00	8,274.81	20,000.00	8,500.00
Computer Services/Supplies	5,000.00	14,377.24	5,000.00	6,000.00
Copier Lease	10,000.00	2,785.57	10,000.00	5,000.00
Counseling	11,000.00	77,001.30	50,000.00	50,000.00
Educational Materials	6,000.00	6,091.58	10,000.00	6,500.00
General/Disability Insurance	2,600.00	1,416.23	2,600.00	2,150.00
Int'l. Fellowship of FWB Churches	240.00	290.00	240.00	240.00
Know Your Community Reports	2,500.00	6,094.00	2,500.00	4,000.00
Office Rental ($1.70 per sq. ft. x 2,491)	47,827.20	47,827.20	49,321.80	50,816.40
Office Supplies/Expense	3,000.00	6,324.16	3,000.00	5,000.00
Payroll Processing Services	0.00	3,481.11	1,300.00	3,200.00
Postage	1,500.00	1,776.04	2,000.00	2,000.00
Printing	2,500.00	0.00	1,500.00	1,500.00
Promotion	10,000.00	12,612.61	10,000.00	13,000.00
Telephone/Internet	2,500.00	2,719.18	2,600.00	2,600.00
Travel	43,250.82	58,961.95	50,000.00	60,000.00
Other	0.00	3,947.71	0.00	4,000.00
One Magazine	110,905.66	110,905.92	114,232.83	117,659.82
Support to Convention	0.00	0.00	0.00	15,000.00
Support to D6 Family Ministry	5,300.00	4,853.00	5,300.00	0.00
Support to WNAC	5,300.00	4,853.00	5,300.00	0.00
Totals	$487,900.00	$626,566.41	$564,871.89	$595,004.97
PROJECTED INCOME				
The Together Way Plan				
Cooperative Gifts	$420,900.00	$397,063.79	$415,000.00	$430,000.00
Designated Gifts	45,000.00	76,942.64	54,000.00	$90,000.00
Travel Reimbursement	15,000.00	19,853.69	25,000.00	$25,000.00
Other Gifts	0.00	23,040.00	25,000.00	$48,004.97
Other Income (including interest income)	7,000.00	-5,436.77	45,871.89	$2,000.00
Totals	$487,900.00	$511,463.35	$564,871.89	$595,004.97

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

2027
EXECUTIVE OFFICE
ADMINISTRATIVE BUDGET
SALARY BREAKDOWN

	2025	2026	2027
Executive Director*			
Salary	$46,450.16	$55,358.67	$56,840.84
Housing and Utilities	25,500.00	18,750.00	18,750.00
Retirement	3,597.51	3,705.43	3,779.54
Retirement in Lieu of Social Security	11,008.37	11,338.63	11,565.40
Insurance (Health/Dental/Life)	19,282.04	21,210.24	23,331.26
Disability/Travel Insurance/WC	477.15	490.97	614.60
NOTE: Office car furnished.	106,315.23	110,853.94	114,881.64
Accounting Administrator*			
Salary	41,037.94	42,269.08	43,114.46
Social Security	3,139.40	3,233.58	3,298.26
Retirement	2,051.90	2,113.45	2,155.72
Insurance (Health/Dental/Life)	7,759.30	8,535.23	9,167.16
Disability/Travel Insurance/WC	275.98	283.86	324.37
	54,264.52	56,435.20	58,059.97
Church Directory/Registration Coordinator*			
Salary	26,240.67	27,027.89	27,568.45
Social Security	2,007.41	2,067.63	2,108.99
Retirement	1,312.03	1,351.39	1,378.42
Insurance (Health/Dental/Life)	7,476.54	8,055.34	8,860.87
Disability/Travel Insurance/WC	180.83	185.87	211.97
	37,217.49	38,688.13	40,128.70
Grant Specialist			
Salary (350 hours @ $25/hr)	0.00	8,750.00	8,750.00
Social Security	0.00	669.38	669.38
	0.00	9,419.38	9,419.38

*Executive pays 75% of Executive Secretary's Salary,
60% of Accounting Administrator's Salary
and 58% Church Directory Coordinator's Salary.

CONVENTION BUDGET
National Association of Free Will Baptists, Inc.
July 19-22, 2026
Columbus, Ohio

	2025 Budget	2025 Actuals	2026 Budget
PROJECTED REVENUE			
Booth Fees	$49,500.00	$49,500.00	$54,000.00
Host State (Ohio)	40,000.00	40,000.00	$42,000.00
Offerings	106,738.52	101,515.79	$210,469.66
State Representation Fees ($200 per church)	375,000.00	364,844.83	$365,410.00
Other (includes interest income)	3,000.00	10,517.13	$3,000.00
TOTALS	**574,238.52**	**566,377.75**	**674,879.66**
PROJECTED EXPENDITURES			
Auditorium	251,025.90	261,242.35	340,137.00
Printing and Promotion	22,986.76	23,072.86	23,760.58
Convention Office	199,582.23	199,224.36	201,279.68
Convention Personnel			
Meals	6,108.00	6,108.00	8,200.00
Travel	5,100.00	2,421.36	8,300.00
Lodging	11,312.10	8,724.73	12,846.90
Convention Officials	7,659.20	8,418.51	9,749.60
Volunteer Staff	8,095.58	8,558.25	12,405.80
Honorariums	2,500.00	2,000.00	2,500.00
Decorator Services	22,900.00	20,328.92	20,713.00
Meal Functions	5,168.75	4,676.27	4,737.10
Executive Committee	4,050.00	3,600.00	4,050.00
Pre-Convention Expenses	9,750.00	10,792.86	11,200.00
National Committee Expenses	18,000.00	13,765.98	15,000.00
Sub-Totals	574,238.52	572,934.45	674,879.66
Surplus Revenue (Operating Capital for Future Conventions)	0.00	-6,556.70	0.00
TOTALS	**$574,238.52**	**$566,377.75**	**$674,879.66**

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 19-22, 2026
Columbus, Ohio

	2025 Budget	2025 Actuals	2026 Budget
PROJECTED REVENUE			
Booth Fees	$49,500.00	$49,500.00	$54,000.00
Host State (Ohio)	40,000.00	40,000.00	42,000.00
Offerings/Gifts	106,738.52	101,515.79	210,469.66
State Representation Fees ($200 per church)	375,000.00	364,844.83	365,410.00
Other (includes interest income)	3,000.00	10,517.13	3,000.00
TOTALS	**574,238.52**	**566,377.75**	**674,879.66**
PROJECTED EXPENDITURES			
AUDITORIUM			
Rental/Arena/Meeting Space/Liability/Staging	45,000.00	54,196.37	103,920.00
Other			
First Aid Staff	5,777.40	6,537.92	19,440.00
ASCAP, BMI, CCLI Licenses	2,942.00	3,243.89	3,427.00
Music/Equipment	8,200.00	4,657.33	2,500.00
Sound System/AV Equipment	133,000.00	132,037.94	140,000.00
Boom/Rigging/Stage Hands	35,000.00	31,397.17	35,000.00
Usher Badges/Usher Room Table, Chairs	295.50	0.00	500.00
Police Security/Badge Checkers	20,000.00	28,460.50	35,000.00
Streaming Video License	461.00	711.23	0.00
General Board	350.00	0.00	350.00
TOTALS	**251,025.90**	**261,242.35**	**340,137.00**
PRINTING AND PROMOTION			
Convention Materials			
Digest of Reports	400.00	536.10	600.00
Programs	2,625.00	2,575.00	2,600.00
ONE Magazine	19,961.76	19,961.76	20,560.58
TOTALS	**22,986.76**	**23,072.86**	**23,760.58**
CONVENTION OFFICE			
Convention CEO Salary	$15,483.39	$18,811.04	$18,452.89
Housing	8,500.00	9,729.12	6,250.00
Retirement/Retirement in Lieu of Social Security	4,868.63	4,868.64	5,014.68
Insurance (Health/Life/Disability, etc.)	6,586.40	6,607.69	7,233.74
	35,438.42	**40,016.49**	**36,951.31**

CONVENTION BUDGET
National Association of Free Will Baptists, Inc.
July 19-22, 2026

	2025 Budget	2025 Actuals	2026 Budget
CONVENTION OFFICE (continued)			
Convention Manager Salary	74,778.30	76,216.38	77,021.65
Payroll Taxes	5,720.54	6,425.25	5,892.16
Retirement	3,738.92	5,177.00	3,851.08
Insurance (Health/Life/Disability, etc.)	23,860.37	24,528.23	26,203.19
	108,098.13	**112,346.86**	**112,968.08**
Registration Coordinator Salary	19,001.86	19,367.26	19,571.92
Taxes/Retirement/Insurance	7,837.57	8,009.50	8,443.62
	26,839.43	**27,376.76**	**28,015.54**
Assistant Registration Coordinator Salary	1,500.00	1,125.00	1,500.00
Payroll Taxes	114.75	86.06	114.75
	1,614.75	**1,211.06**	**1,614.75**
Audit	6,000.00	5,565.40	6,000.00
Convention Manager Computer	600.00	644.07	700.00
Equipment Rentals			
Computers, Printers	1,000.00	769.94	1,000.00
Copier Rental	4,500.00	1,667.26	2,200.00
Furniture	1,896.00	0.00	1,330.00
Information Tables	295.50	157.00	100.00
Media Room/Press Office	500.00	454.36	750.00
Paper/Printing Supplies	1,800.00	2,553.69	1,400.00
Convention Office Expense/Supplies/Internet	6,000.00	2,789.03	3,000.00
Postage	100.00	44.60	100.00
Pre-Registration (Supplies, Postage)	1,000.00	-472.99	1,000.00
Registration (Supplies)	1,750.00	2,036.94	2,000.00
Registration Computers/Printers	1,500.00	1,419.00	1,500.00
Telephone/Home Office Internet	650.00	644.89	650.00
TOTALS	**199,582.23**	**199,224.36**	**201,279.68**
CONVENTION PERSONNEL			
MEALS			
Eddie Moody (11 days @ $60 per diem)	462.00	462.00	660.00
Anna Fox (8 days @ $60 per diem)	336.00	336.00	480.00
Elizabeth Hill (8 days @ $60 per diem)	336.00	336.00	480.00
Deanna Hollifield (8 days @ $60 per diem)	336.00	336.00	480.00
Ryan Lewis (11 days @ $60 per diem)	462.00	462.00	660.00
Eric Thomsen (8 days @ $60 per diem)	336.00	336.00	480.00
Transportation Coord. (8 days @ $60 per diem)	336.00	336.00	480.00
Charles Wise (8 days @ $60 per diem)	336.00	336.00	480.00
Convention Interns (10)	3,168.00	3,168.00	4,000.00
TOTALS	**6,108.00**	**6,108.00**	**8,200.00**

CONVENTION BUDGET
National Association of Free Will Baptists, Inc.
July 19-22, 2026
Columbus, Ohio

	2025 Budget	2025 Actuals	2026 Budget
CONVENTION PERSONNEL (continued)			
TRAVEL			
Eddie Moody	$300.00	$114.92	$600.00
Anna Fox	300.00	314.00	600.00
Elizabeth Hill	300.00	0.00	600.00
Deanna Hollifield	450.00	337.44	600.00
Kevin Justice	500.00	0.00	600.00
Ryan Lewis	300.00	157.11	600.00
Eric Thomsen	450.00	0.00	600.00
Charles Wise	400.00	520.37	600.00
Transportation Coordinator	450.00	437.43	600.00
Convention Truck (Fuel/Meals/Rooms/Trailer Rental)	750.00	0.00	2,000.00
Staff Expense Money	900.00	540.09	900.00
TOTALS	**5,100.00**	**2,421.36**	**8,300.00**
LODGING/PARKING			
Eddie Moody	1,095.25	1,516.77	170.00
Anna Fox	1,045.10	1,067.71	1,420.30
Elizabeth Hill	1,045.10	1,067.71	1,420.30
Deanna Hollifield	1,045.10	955.71	1,420.30
Ryan Lewis	1,095.25	1,516.77	170.00
Eric Thomsen	1,045.10	1,067.71	1,420.30
Transportation Coordinator	933.10	0.00	1,039.50
Charles Wise	933.10	1,332.65	1,420.30
Convention Interns (11)	3,075.00	199.70	4,365.90
TOTALS (Includes applicable tax)	**11,312.10**	**8,724.73**	**12,846.90**
CONVENTION OFFICIALS			
Moderator - Tim York			
Travel	450.00	450.00	600.00
Meals (7 days @ $60 per diem)	294.00	294.00	420.00
Lodging	895.80	1,067.71	1,217.40
Honorarium	1,000.00	1,000.00	1,000.00
	2,639.80	**2,811.71**	**3,237.40**
Clerk - Randy Bryant			
Travel	450.00	846.96	600.00
Meals (7 days @ $60 per diem)	294.00	294.00	420.00
Lodging	895.80	955.71	1,217.40
Honorarium	1,000.00	1,000.00	1,000.00
	2,639.80	**3,096.67**	**3,237.40**
Assistant Moderator - Jackson Watts			
Meals (7 days @ $60 per diem)	294.00	294.00	420.00
Lodging	895.80	854.42	1,217.40
	1,189.80	**1,148.42**	**1,637.40**

CONVENTION BUDGET
National Association of Free Will Baptists, Inc.
July 19-22, 2026
Columbus, Ohio

	2025 Budget	2025 Actuals	2026 Budget
CONVENTION OFFICIALS (continued)			
Assistant Clerk - Ernie Lewis			
Meals (7 days @ $60 per diem)	294.00	294.00	420.00
Lodging	895.80	1,067.71	1,217.40
	1,189.80	**1,361.71**	**1,637.40**
TOTALS (Includes applicable tax and parking)	**7,659.20**	**8,418.51**	**9,749.60**
VOLUNTEER STAFF LODGING			
Impact Coordinator - Ken Akers	884.98	907.62	1,455.30
Media Commission	895.80	1,193.12	1,247.40
Music Coordinator - Kevin Justice	799.80	819.18	1,115.40
Musicians (5 Rooms)	3,126.00	3,072.72	5,261.30
Photographer - Rodney Yerby	896.00	819.18	1,247.40
Translators (2 Rooms)	1,493.00	1,746.43	2,079.00
TOTALS (Includes applicable tax and parking)	**8,095.58**	**8,558.25**	**12,405.80**
HONORARIUMS			
Sunday A.M. Service	500.00	500.00	500.00
Sunday P.M. Service	500.00	500.00	500.00
Monday P.M. Service	500.00	0.00	500.00
Tuesday P.M. Service	500.00	500.00	500.00
Wednesday P.M. Service	500.00	500.00	500.00
TOTALS	**2,500.00**	**2,000.00**	**2,500.00**
DECORATOR SERVICES			
Booth Installation/Draped Tables	12,000.00	13,927.83	11,520.00
Exhibitor Badges/Hall Sound System	100.00	0.00	100.00
Registration			
Chairs, Counters, Skirted Tables	5,000.00	1,955.20	3,000.00
Electricity/Masking Drape	800.00	1,002.35	500.00
Stage			
Furnishings/Carpet	5,000.00	3,443.54	5,593.00
TOTALS	**22,900.00**	**20,328.92**	**20,713.00**
MEAL FUNCTIONS			
Executive Committee Dinner	$3,281.25	$3,178.77	$2,750.00
Presidents' Breakfast	325.00	185.00	385.00
State Director's Wives Luncheon	1,562.50	1,312.50	1,602.10
TOTALS	**5,168.75**	**4,676.27**	**4,737.10**

CONVENTION BUDGET
National Association of Free Will Baptists, Inc.
July 19-22, 2026
Columbus, Ohio

	2025 Budget	2025 Actuals	2026 Budget
EXECUTIVE COMMITTEE			
Per Diem (for the Executive Committee Meeting prior to the 2026 National Convention)			
Stan Bunch	450.00	450.00	450.00
Reuben Cason	450.00	450.00	450.00
James Coffelt	450.00	450.00	450.00
Joshua Colson	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	0.00
David Taylor	450.00	450.00	450.00
Danny Williams	450.00	450.00	450.00
TOTALS	**4,050.00**	**3,600.00**	**4,050.00**
PRE-CONVENTION EXPENSES			
Impact	750.00	1,170.57	1,200.00
Pre-Convention Meetings/Site Inspections	9,000.00	9,622.29	10,000.00
TOTALS	**9,750.00**	**10,792.86**	**11,200.00**
NATIONAL COMMITTEE EXPENSES			
Executive Committee	**18,000.00**	**13,765.98**	**15,000.00**
SUB-TOTALS	**574,238.52**	**572,934.45**	**674,879.66**
SURPLUS REVENUE			
(Operating Capital for Future Conventions)	**0.00**	**-6,556.70**	**0.00**
GRAND TOTALS	**$574,238.52**	**$566,377.75**	**$674,879.66**

2025
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	$68.27	$62.29	$59.22	$0.00	$116.63	$58.32	$72.36	$1,757.70	$66.57	$54.30	$68.15	$73.73	$2,457.54
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	7,807.74	9,250.51	5,085.09	6,648.57	9,227.87	6,176.99	4,215.72	10,250.33	4,872.42	8,947.71	6,058.77	5,118.32	83,660.04
California	410.18	0.00	357.15	0.00	239.16	0.00	253.23	0.00	229.99	0.00	422.94	0.00	1,912.65
Canada	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,291.66	1,291.66
Delaware	0.00	45.00	45.00	0.00	45.00	0.00	0.00	45.00	0.00	45.00	45.00	45.00	315.00
Florida	744.43	675.00	740.97	675.00	675.00	736.36	0.00	0.00	66.68	0.00	1,484.55	74.78	5,872.77
Georgia	2,144.22	830.14	1,176.82	1,893.41	0.00	1,131.59	891.21	1,456.31	2,070.19	1,643.24	917.84	1,458.84	15,613.81
Idaho	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	2,062.64	930.12	756.40	1,319.40	872.29	830.21	1,168.29	1,135.40	946.81	889.12	796.63	967.02	12,674.33
Indiana	0.00	0.00	135.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	135.00
Kansas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	94.54	0.00	0.00	0.00	94.54
Kentucky	721.78	0.00	197.10	447.00	0.00	178.95	198.11	190.47	290.93	172.38	190.27	217.62	2,804.61
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	173.32	124.48	45.00	194.77	0.00	164.23	144.54	33.75	0.00	340.92	161.11	44.03	1,426.15
Mississippi	866.63	526.98	506.28	673.70	497.11	854.73	789.86	11.25	745.52	590.86	369.26	656.31	7,088.49
Missouri	0.00	13,304.81	8,923.62	9,991.65	9,072.63	15,588.96	10,550.74	13,278.99	9,479.66	12,253.95	12,454.49	8,462.30	123,361.80
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	400.48	308.46	304.03	314.69	260.98	416.43	360.23	445.95	181.80	268.65	259.65	285.75	3,807.10
Ohio	0.00	0.00	2,471.18	0.00	4,681.05	0.00	1,390.09	0.00	2,181.79	0.00	0.00	3,444.16	14,168.27
Oklahoma	8,847.41	5,345.31	6,602.72	13,280.19	8,027.06	8,505.30	4,357.98	10,286.02	7,479.56	5,575.82	4,953.63	6,860.62	90,121.62
Oregon	108.00	243.00	0.00	135.00	108.00	135.00	243.00	0.00	108.00	108.00	135.00	108.00	1,431.00
South Carolina	22.50	0.00	11.25	11.25	11.25	0.00	22.50	11.25	11.25	11.25	11.25	11.25	135.00
Tennessee	87.93	4,928.73	2,448.85	881.22	3,059.37	87.93	3,654.19	87.93	1,803.16	6,055.36	335.43	2,195.54	25,625.64
Texas	186.30	62.10	72.62	35.69	70.45	73.87	99.41	60.39	82.79	50.66	69.91	124.15	988.34
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	40.68	25.61	27.70	27.00	15.37	0.00	47.05	26.25	24.63	18.05	41.94	0.00	294.28
Virginia	140.53	74.88	116.52	60.48	0.00	73.04	187.97	87.15	55.30	42.80	151.25	64.65	1,054.57
West Virginia	28.39	56.67	136.54	31.56	46.46	45.28	32.68	43.82	72.15	104.34	101.85	29.84	729.58
TOTALS	$24,861.43	$36,794.09	$30,219.06	$36,620.58	$37,025.68	$35,057.19	$28,679.16	$39,207.96	$30,863.74	$37,172.41	$29,028.92	$31,533.57	$397,063.79

2025
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	652.90	492.53	465.00	508.66	584.64	419.35	501.30	491.28	577.60	432.07	443.38	616.70	$6,185.41
Arizona	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	50.00	50.00	150.00
Arkansas	0.00	0.00	0.00	0.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	400.00
California	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Canada	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	200.00	0.00	0.00	0.00	0.00	0.00	200.00
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
Idaho	0.00	0.00	0.00	0.00	110.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	110.00
Illinois	0.00	100.00	100.00	100.00	100.00	0.00	200.00	100.00	100.00	148.62	100.00	100.00	1,148.62
Indiana	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00
Kansas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	978.20	0.00	0.00	0.00	100.00	1,078.20
Kentucky	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	500.00
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	0.00	0.00	200.00	0.00	300.00	300.00	0.00	0.00	200.00	520.00	0.00	1,520.00
Mississippi	0.00	0.00	0.00	750.00	0.00	0.00	0.00	500.00	20.00	0.00	500.00	20.00	1,790.00
Missouri	0.00	0.00	0.00	0.00	0.00	299.70	87.16	0.00	0.00	0.00	0.00	0.00	386.86
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	1,445.19	3,722.41	468.63	811.31	5,208.95	1,679.39	978.47	1,927.68	3,587.50	2,830.76	4,327.66	5,705.65	32,693.60
Ohio	0.00	0.00	636.67	0.00	505.00	0.00	442.55	0.00	25.00	0.00	0.00	440.00	2,049.22
Oklahoma	0.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	0.00	10.00
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	410.19	0.00	482.51	377.73	245.75	0.00	1,615.50	311.82	503.07	6,434.43	339.53	386.81	11,107.34
Tennessee	205.09	1,298.81	587.78	890.03	1,169.54	255.09	3,059.77	653.71	499.69	5,311.35	255.09	1,977.44	16,163.39
Texas	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	100.00
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	50.00	0.00	0.00	0.00	50.00	0.00	75.00	0.00	0.00	575.00	0.00	0.00	750.00
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
TOTALS	$2,813.37	$5,663.75	$2,790.59	$3,687.73	$8,023.88	$3,003.53	$8,019.75	$5,512.69	$5,362.86	$16,032.23	$6,585.66	$9,446.60	$76,942.64

2025 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	$8,685.78	$16.05	$560,767.99	$641,507.87	$368.09	$127,353.64	$6,292.29	$2,493.05	$30.31	$30.25	$30.36	$30.38	$1,347,606.06
Alaska	0.00	0.00	0.00	20,540.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,540.00
Arizona	0.00	0.00	48,864.68	23,615.95	0.00	13,452.76	0.00	635.98	0.00	0.00	0.00	0.00	86,569.37
Arkansas	88,210.04	511.26	959,301.85	123,082.55	11,247.63	34,792.51	25,754.97	27,463.42	1,022.52	1,022.52	1,022.52	1,022.52	1,274,454.31
California	2,062.65	11.69	148,471.30	138,582.39	257.14	7,703.93	605.19	1,087.41	23.38	23.38	23.38	23.38	298,875.22
Canada	1,291.66	7.89	0.00	631.53	173.66	10,043.54	71.04	268.38	15.79	15.79	15.79	15.79	12,550.86
Colorado	0.00	0.00	8,770.00	77,727.04	0.00	1,240.00	0.00	0.00	0.00	0.00	0.00	0.00	87,737.04
Connecticut	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00
Delaware	315.00	1.96	1,600.00	530.85	42.35	644.03	17.36	65.45	3.85	3.85	3.85	3.85	3,232.40
Florida	7,215.60	36.95	218,159.30	146,831.20	827.24	93,385.55	6,384.04	2,463.69	72.08	72.02	72.13	72.15	475,591.95
Georgia	16,647.73	120.28	569,802.07	183,553.27	3,009.29	484,621.62	3,168.45	10,753.61	198.07	196.87	199.28	199.76	1,272,470.30
Hawaii	0.00	0.00	2,210.00	2,385.00	0.00	259.27	0.00	0.00	0.00	0.00	0.00	0.00	4,854.27
Idaho	110.00	0.00	10,143.93	4,576.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00	16,929.93
Illinois	13,822.95	77.46	504,970.05	78,946.81	1,704.00	35,062.61	2,530.66	3,828.44	154.92	154.92	154.92	154.92	641,562.66
Indiana	1,485.00	0.83	36,395.82	3,140.78	18.15	4,834.65	152.43	1,278.05	1.65	1.65	1.65	1.65	47,312.31
Iowa	0.00	0.00	7,550.00	1,380.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,930.00
Kansas	1,347.74	0.58	14,426.31	48,436.09	12.71	88.76	5.20	19.64	1.16	1.16	1.16	1.16	64,341.67
Kentucky	3,304.61	17.12	161,993.19	73,837.30	377.06	70,100.93	154.27	2,587.75	34.31	34.31	34.31	34.31	312,509.47
Louisiana	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
Maine	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Maryland	0.00	0.00	405.00	1,514.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,919.00
Massachusetts	0.00	0.00	3,500.00	130.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,630.00
Michigan	2,946.15	8.73	181,076.87	79,741.09	191.76	38,811.06	2,998.45	3,126.32	17.44	17.44	17.44	17.44	308,970.19
Mid-Atlantic Associat	0.00	0.00	0.00	2,048.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,048.15
Minnesota	0.00	0.00	930.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	930.00
Mississippi	9,562.87	45.36	100,887.48	119,234.49	1,027.27	22,112.52	1,461.94	1,780.39	87.22	87.12	87.32	87.36	256,461.34
Missouri	124,120.48	754.65	834,808.57	210,017.60	16,663.61	60,880.67	8,506.20	31,060.08	1,507.98	1,507.94	1,508.01	1,508.03	1,292,843.82
Montana	0.00	0.00	3,030.00	8,627.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,657.00
Nebraska	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	600.00
Nevada	0.00	0.00	1,250.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,250.00
New Hampshire	0.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00
New Jersey	0.00	0.00	1,100.00	0.00	0.00	250.00	0.00	0.00	0.00	0.00	0.00	0.00	1,350.00
New Mexico	0.00	0.00	600.00	4,074.61	0.00	900.00	0.00	3,917.24	0.00	0.00	0.00	0.00	9,491.85
New York	0.00	0.00	6,115.00	20,245.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,360.06
North Carolina	59,283.90	144.64	1,281,622.97	848,026.63	4,364.82	295,460.82	10,253.58	7,709.36	148.28	144.33	152.23	853.81	2,508,165.37
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 Associatic	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	17,338.35	113.55	185,748.88	128,361.46	2,891.45	19,148.03	1,708.94	9,924.76	181.01	179.71	182.33	182.85	365,961.32
Oklahoma	90,547.42	553.37	947,505.70	395,469.92	12,452.15	114,948.22	11,305.11	21,557.46	1,102.27	1,102.15	1,102.40	1,102.45	1,598,748.62
Oregon	1,431.00	8.77	400.00	1,157.29	192.39	367.29	78.73	297.33	17.49	17.49	17.49	17.49	4,002.76
Pennsylvania	1,000.00	0.00	16,782.00	9,465.90	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	27,747.90
Rhode Island	0.00	0.00	350.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	350.00
South Carolina	11,687.26	11.54	437,854.41	60,836.67	1,623.25	136,971.01	66.86	15,665.15	4.80	4.28	5.32	5.52	664,736.07
South Dakota	0.00	0.00	7,840.00	0.00	0.00	180,080.00	0.00	0.00	0.00	0.00	0.00	0.00	187,920.00
Tennessee	66,053.35	191.65	1,827,100.30	900,019.28	4,380.08	792,022.79	82,944.56	38,645.94	335.47	334.26	336.68	322.17	3,712,686.53
Texas	1,101.19	6.36	200,311.96	86,474.64	144.18	5,453.67	1,629.93	1,983.81	12.17	12.16	12.19	12.19	297,154.45
Utah	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00
Virginia	2,129.86	14.26	220,008.88	152,042.28	428.08	31,859.26	1,414.71	1,056.07	15.19	14.81	15.56	15.72	409,014.68
Washington	0.00	0.00	13,462.97	3,860.03	0.00	2,598.48	600.00	0.00	0.00	0.00	0.00	0.00	20,521.48
West Virginia	729.58	4.45	152,104.82	17,956.90	98.10	6,794.33	1,252.26	1,836.61	8.93	8.93	8.93	8.93	180,812.77
Wisconsin	0.00	0.00	12,300.00	8,860.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21,160.00
Wyoming	0.00	0.00	22,040.00	725.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,765.00
Puerto Rico	0.00	0.00	20.00	120.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	140.00
Virgin Islands	294.28	1.80	5,379.66	60,729.32	39.57	1,138.08	16.18	61.13	3.60	3.60	3.60	3.60	67,674.42
Other	0.00	0.00	1,382,021.02	286,145.81	0.00	247.02	0.00	4,853.00	0.00	0.00	0.00	24.69	1,673,291.54
Foundation	0.00	0.00	2,109.56	14,574.70	0.00	116,341.97	0.00	0.00	0.00	0.00	0.00	0.00	133,026.23
WNAC	0.00	0.00	0.00	8,185.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00	0.00	8,335.00
2025 TOTALS	**$532,724.45**	**$2,661.20**	**$11,104,392.54**	* **$4,998,447.46**	* **$62,534.03**	* **$2,712,569.02**	**$169,373.35**	**$196,419.52**	* **$4,999.89**	**$4,990.94**	**$5,158.85**	**$5,722.12**	**$19,799,993.37**
2024 Comparisons	**$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**

*IM, Inc.--Other includes undesignated (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.

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

Independent Auditors' Report

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

Report on the 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, 2025 and 2024 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, 2025 and 2024, 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 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 27, 2026

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

Statements of Financial Position

December 31, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents:		
Cash in bank	$ 57,161	58,306
Funds held by Free Will Baptist Foundation	152,186	127,209
	209,347	185,515
Accounts receivable - denominational agencies	46,374	31,192
Accounts receivable - ERC	-	48,372
Investment in funds held by Richland Avenue Financial	334,760	354,295
Total current assets	590,481	619,374
Property, plant and equipment:		
Land and land improvements	243,428	243,428
Building	1,919,427	1,844,022
Building services equipment	119,779	119,125
Departmental workstations	77,228	77,228
	2,359,862	2,283,803
Less accumulated depreciation	1,911,556	1,882,339
Net property, plant and equipment	448,306	401,464
Right of use asset	12,512	20,348
	$ 1,051,299	1,041,186
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 23,433	26,875
Lease obligations - current portion	8,237	7,835
Funds held in connection with other Free Will Baptist departments:		
Stewardship promotion	39,808	41,251
Employee health insurance	79,624	58,256
Total funds held in connection with other Free Will Baptist departments	119,432	99,507
Total current liabilities	151,102	134,217
Lease obligations, net of current portion	4,275	12,512
Total liabilities	155,377	146,729
Net assets:		
Net assets without donor restrictions:		
Operations	384,549	427,143
Net investment in property, plant and equipment	448,306	401,464
Designated for maintenance; building and equipment replacement	63,068	65,851
Total net assets without donor restrictions	895,922	894,457
	$ 1,051,299	1,041,186

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, 2025 and 2024

	2025 Net Assets Without Donor Restrictions			2024 Net Assets Without Donor Restrictions		
	Operations	Designations	Total	Operations	Designations	Total
Revenues:						
Building rental	$ 386,016	-	386,016	373,953	-	373,953
Leadership conference	38,576	-	38,576	59,719	-	59,719
Interest income	1,938	-	1,938	6,201	-	6,201
Other	9	-	9	9,968	-	9,968
Total revenues	426,539	-	426,539	449,841	-	449,841
Expenses:						
Program services						
Building operations	366,418	-	366,418	339,640	-	339,640
Leadership conference	46,772	-	46,772	56,346	-	56,346
	413,190	-	413,190	395,986	-	395,986
Supportive services						
Administration	51,274	-	51,274	41,033	-	41,033
Total expenses	464,464	-	464,464	437,019	-	437,019
Change in net assets from operating activities	(37,925)	-	(37,925)	12,822	-	12,822
Non-operating activities:						
Unrealized gain (loss) from investment activities	35,414	-	35,414	43,871	-	43,871
ERC grant	-	-	-	45,121	-	45,121
Net change from inter-departmental billings for shared costs	3,976	-	3,976	3,310	-	3,310
Provision for replacements	(18,000)	18,000	-	(12,000)	12,000	-
Replacement reserve used	50,000	(50,000)	-	-	-	-
Funding depreciation	(29,217)	29,217	-	(23,282)	23,282	-
Change in net assets from non-operating activities	42,173	(2,783)	39,390	57,020	35,282	92,302
Change in net assets	4,248	(2,783)	1,465	69,842	35,282	105,124
Net assets:						
Beginning of year	828,607	65,851	894,457	758,765	30,569	789,333
End of year	$ 832,855	63,068	895,922	828,607	65,851	894,457

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, 2025 and 2024

	2025				
	Program Services				
	Building Operations	Leadership Conference	Totals	Supporting Services	Overall Totals
Employee compensation:					
Salaries	$ 95,321	-	95,321	27,359	122,680
Payroll taxes	6,296	-	6,296	3,089	9,385
Retirement	3,970	-	3,970	1,989	5,959
Employer provided insurance	18,849	-	18,849	13,209	32,058
	124,436	-	124,436	45,646	170,082
Operating expenses:					
Utilities / telephone	45,793	-	45,793	-	45,793
Janitorial services	31,265	-	31,265	-	31,265
General insurance	53,357	-	53,357	-	53,357
Repairs and maintenance	38,801	-	38,801	-	38,801
Supplies and office expense	26,568	-	26,568	-	26,568
Audit and legal	-	-	-	5,628	5,628
Depreciation	29,217	-	29,217	-	29,217
Conferences	-	46,772	46,772	-	46,772
Building security	1,159.00	-	1,159	-	1,159
Mailroom and other	15,822	-	15,822	-	15,822
	241,982	46,772	288,754	5,628	294,382
Total expenses	$ 366,418	46,772	413,190	51,274	464,464

	2024				
	Program Services				
	Building Operations	Leadership Conference	Totals	Supporting Services	Overall Totals
Employee compensation:					
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
Operating expenses:					
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
Total expenses	$ 339,640	56,346	395,986	41,033	437,019

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, 2025 and 2024

		2025	2024
Cash Flows from Operating Activities			
Change in net assets	$	1,465	105,124
Adjustments to reconcile change in net assets to net operating activities:			
Depreciation		29,217	23,282
Unrealized return on investment		(35,414)	(43,871)
(Increase) decrease in:			
Receivables		33,191	(245)
Prepaid expenses		-	13,639
Deposits		-	19,950
Increase (decrease) in:			
Funds held for other Free Will Baptist departments		19,925	(27,855)
Accounts payable		(3,442)	15,677
Net operating activities		44,942	105,701
Cash Flows from Investing Activities			
Change in funds held by Richland Avenue Financial		54,949	-
Purchase of property and equipment		(76,059)	(93,125)
Net investing activities		(21,110)	(93,125)
Change in cash and cash equivalents		23,832	12,576
Cash and cash equivalents, at beginning of year		185,515	172,939
Cash and cash equivalents, at end of year	$	209,347	185,515
Cash and cash equivalents consists of:			
Cash in bank	$	57,161	58,306
Funds held by Free Will Baptist Foundation		152,186	127,209
	$	209,347	185,515
Non cash transactions:			
Amortization of right-of-use assets and change in decrease in lease obligations	$	7,835	7,454

See accompanying notes to financial statements.

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

December 31, 2025 and 2024

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.

(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 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 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 2025 and 2024. 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 net assets.

(2) Subsequent Events

Subsequent events have been evaluated for potential recognition and disclosure through April 27, 2026 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.

		2025	2024
Financial assets at end of year:			
Cash in bank	$	57,161	58,306
Funds held by Free Will Baptist Foundation		152,186	127,209
Investment in funds held by Richland Avenue Financial		334,760	354,295
Accounts receivable		46,374	79,564
Financial assets available to meet general expenditures the next twelve months		590,481	619,374
Less amount not available to be used within one year:			
Net assets designated for maintenance and building and equipment replacement		63,068	101,133
Funds held in connection with other Free Will Baptist departments		119,432	65,851
Amounts not available to be used within one year		182,500	166,983
Net financial assets available for expenditure within one year	$	407,982	452,391

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.

		2025	2024
Cost of investment	$	250,000	250,000
Market value of investment	$	334,760	354,295
Unrealized gain on investments	$	35,414	43,871

(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.

(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:

	2025	2024
Stewardship promotion		
Accumulated funds to provide material to foster special giving offerings for various other Free Will Baptist organizations	$ 39,808	41,251
Employee health insurance		
Excess billings of monthly premium amounts to departments housed in the National Office Facility to fund health insurance deductibles	79,624	58,256
	$ 119,432	99,507

(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 Services' incremental borrowing rate of 6% in the year of the calculation.

	2025	2024
Right of use assets as long lived assets, net of amortization	$ 12,512	20,348
Amortization of right to use assets	$ 7,835	7,454
Current portion of right to use liability	$ 8,237	7,835
Long term portion of right to use liability	$ 4,275	12,512

Maturities of operating lease liabilities are as follows:

	Required Payments	Interest Amount	Lease Maturities
2026	$ 8,675	438	8,237
2027	4,336	61	4,275
	$ 13,011	499	12,512

The above lease payments are recorded as lease expense in the amount of $8,675 in 2025 and 2024.

(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 $5,959 in 2025 and $7,003 in 2024. 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.

(8) Related Party Transactions, continued

Transactions with other Free Will Baptist entities

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 $386,016 in 2025 and 373,953 in 2024; rental income for 2026 will approximate $398,000.

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 market value of $334,760 at 2025 and $354,295 at 2024.

Free Will Baptist Foundation holds interest bearing funds for Building Services amounting to $152,186 in 2025 and $127,209 in 2024.

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.

2027
BUILDING SERVICES
BUDGET

PROJECTED INCOME	2025 Budget	2025 Actuals*	2026 Budget	2027 Budget
Square Footage (20,105 @ $ 1.70 = $ 34,178.50 mo.)	$386,016.00	$386,016.00	$398,079.00	$410,142.00
Building Security Training Reimbursement	$3,000.00	$0.00	$3,000.00	$0.00
Other Income	0.00	$1,947.64	1,800.00	2,000.00
Total Income	$389,016.00	$387,963.64	$402,879.00	$412,142.00

PROJECTED EXPENSES

Audit & Legal	$6,500.00	$5,628.00	$6,500.00	$6,000.00
Replacement Reserve	18,000.00	18,000.00	0.00	13,000.00
Building Security	3,600.00	1,159.40	3,600.00	4,500.00
Insurance (Employee)	32,175.10	32,058.07	33,804.06	37,022.79
Insurance (Plant)	45,000.00	53,356.52	61,574.38	62,000.00
Janitorial Services	37,000.00	31,265.00	37,000.00	31,500.00
Janitorial Supplies	4,000.00	2,773.20	4,000.00	2,800.00
Mail Room	7,000.00	0.00	3,000.00	2,500.00
Mail Machine Lease	9,000.00	8,816.82	9,000.00	8,700.00
Maintenance/Contingency Fund	32,000.00	36,550.89	43,051.79	37,414.84
Network Expense	12,000.00	10,860.00	12,000.00	11,000.00
Payroll Taxes (Employer's S.S.)	8,763.08	9,385.21	8,912.22	9,100.01
Postage Meter/UPS	1,200.00	317.56	1,200.00	1,000.00
Retirement	5,444.10	5,959.09	5,536.98	5,750.00
Salaries	114,550.07	122,679.50	116,499.57	118,954.36
General Supplies	8,000.00	12,617.04	12,000.00	10,000.00
Telephone	1,200.00	360.00	1,200.00	900.00
Utilities	40,000.00	45,433.39	42,000.00	48,000.00
Other	3,583.65	7,004.81	2,000.00	2,000.00
Total Expenses	$389,016.00	$404,224.50	$402,879.00	$412,142.00

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

2027
BUILDING SERVICES
BUDGET
SALARY BREAKDOWN

	2025	2026	2027
Maintenance Superintendent/			
Mail Room Supervisor			
Salary	$39,780.00	$40,973.40	$41,792.87
Social Security	3,043.17	3,134.47	3,197.15
Insurance (Dental/Health/Life)	12,932.17	14,225.39	15,647.93
Disability/Travel Insurance/WC	276.82	284.46	324.15
Retirement	1,989.00	2,048.67	2,089.64
	58,021.16	60,666.38	63,051.74
Receptionist/Phone System			
Administrator/Assistant Bookkeeper			
Salary	40,375.51	41,586.78	42,418.52
Social Security	3,088.73	3,181.39	3,245.02
Insurance (Dental/Health/Life)	12,625.92	13,888.51	15,263.42
Disability/Travel Insurance/WC	280.63	288.39	328.65
Retirement	2,018.78	2,079.34	2,120.93
	58,389.56	61,024.40	63,376.54
Accounting Administrator			
Salary	27,358.63	28,179.39	28,742.98
Social Security	2,092.94	2,155.72	2,198.84
Insurance (Dental/Health/Life)	5,172.87	5,690.16	6,111.44
Disability/Travel Insurance/WC	183.99	189.24	216.25
Retirement	1,367.93	1,408.97	1,437.15
	36,176.36	37,623.48	38,706.65
Part-time Worker			
Salary (400 hours @ $15/hr)	5,668.00	5,760.00	6,000.00
Social Security	433.60	440.64	459.00
	6,101.60	6,200.64	6,459.00

Salaries	118,954.36
SSI	9,100.01
Insurance	37,022.79
Disability	869.05
Retirement	5,647.72
	171,593.93

HHA

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

Independent Auditors' Report

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

Report on the Financial Statements
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, 2025 and 2024 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, 2025 and 2024, 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.

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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 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 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 27, 2026

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

Statements of Financial Position

December 31, 2025 and 2024

Assets

	2025	2024
Current assets:		
Cash and interest bearing deposits	$ 74,385	97,059
Accounts receivable	5,316	40,757
Investment in funds held by Richland Avenue Financial - a Free Will Baptist Entity	587,552	482,637
Total current assets	667,253	620,453
Other assets:		
Investment in funds held by Free Will Baptist Foundation for endowment fund purposes	24,508	23,196
Fixed assets:		
Furniture and equipment	18,315	15,237
Less accumulated depreciation	(15,545)	(13,335)
Net fixed assets	2,770	1,902
Right of use assets	425	2,888
	$ 694,956	648,439

Liabilities and Net Assets

Liabilities:		
Current liabilities:		
Accounts payable	$ 3,281	5,565
Lease obligations - current portion	425	2,463
Total current liabilities	3,706	8,028
Lease obligations, net of current portion	-	425
Total liabilities	3,706	8,453
Net assets:		
Net assets without donor restriction	670,250	618,986
Net assets with donor restriction	21,000	21,000
Total net assets	691,250	639,986
	$ 694,956	648,439

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, 2025 and 2024

	2025			2024		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues:						
Assessments from Free Will Baptist departments and agencies	$ 481,514	-	481,514	467,488	-	467,488
Gifts	150	-	150	985	-	985
Endowment earnings	-	1,312	1,312	-	1,328	1,328
Other	970	-	970	1,075	-	1,075
Total revenues	482,634	1,312	483,946	469,548	1,328	470,876
Expenses:						
Program services						
Magazine productions	498,822	-	498,822	483,927	-	483,927
Supportive services						
Administration	11,358	-	11,358	14,427	-	14,427
Total expenses	510,180	-	510,180	498,354	-	498,354
Change in net assets from operating activities	(27,546)	1,312	(26,234)	(28,806)	1,328	(27,478)
Non-operating activities:						
ERC grant	-	-	-	32,487	-	32,487
Endowment distributions	1,312	(1,312)	-	1,328	(1,328)	-
Investment gain	77,498	-	77,498	92,366	-	92,366
Change in net assets from non-operating activities	78,810	(1,312)	77,498	126,181	(1,328)	124,853
Change in net assets	51,264	-	51,264	97,375	-	97,375
Net assets:						
Beginning of year	618,986	21,000	639,986	521,611	21,000	542,611
End of year	$ 670,250	21,000	691,250	618,986	21,000	639,986

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, 2025 and 2024

	2025			2024		
	Program Services	Supporting Services		Program Services	Supporting Services	
	Magazine Production	Adminis-tration	Totals	Magazine Production	Adminis-tration	Totals
Employee compensation:						
Salary	$ 82,530	-	82,530	81,029	-	81,029
Payroll Taxes	6,314	-	6,314	6,091	-	6,091
Retirement	5,198	-	5,198	5,096	-	5,096
Other employee benefits	13,599	-	13,599	12,753	-	12,753
	107,641	-	107,641	104,969	-	104,969
Expenses:						
Direct cost of publication:						
Printing	169,393	-	169,393	165,698	-	165,698
Postage and mailing services	130,881	-	130,881	124,200	-	124,200
Design	45,895	-	45,895	43,848	-	43,848
Graphics expense	7,314	-	7,314	11,061	-	11,061
Spanish translation	4,790	-	4,790	-	-	-
Writer's fees	3,696	-	3,696	3,505	-	3,505
	361,969	-	361,969	348,312	-	348,312
Operating expenses:						
Supplies	4,207	-	4,207	3,955	-	3,955
Computer services	7,452	-	7,452	8,304	-	8,304
Promotion	2,907	-	2,907	4,186	-	4,186
Website	1,168	-	1,168	1,219	-	1,219
Travel	11,268	-	11,268	9,188	-	9,188
Audit and professional	-	6,328	6,328	-	6,168	6,168
Books, dues and registration	-	1,560	1,560	-	4,004	4,004
Other	-	3,470	3,470	-	4,255	4,255
Depreciation	2,210	-	2,210	3,794	-	3,794
Total operating expenses	29,212	11,358	40,570	30,646	14,427	45,073
Total expenses	$ 498,822	11,358	510,180	483,927	14,427	498,354

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, 2025 and 2024

		2025	2024
Cash Flows from Operating Activities			
Change in net assets	$	51,264	97,375
Adjustments to reconcile increase in net assets to net operating activities:			
Depreciation		2,210	3,794
Gain from investments		(77,498)	(92,366)
Distributions from endowment funds held by Free Will Baptist Foundation		(1,312)	(1,328)
(Increase) decrease in accounts receivable		35,441	(36,575)
Increase (decrease) in accounts payable		(2,284)	2,864
Net operating activities		7,821	(26,236)
Cash Flows from Investing Activities			
Purchase of furniture and fixtures		(3,079)	-
Additions to investments, net of withdrawals of $5,070		(27,417)	-
Net investing activities		(30,496)	-
Decrease in cash and cash equivalents		(22,675)	(26,236)
Cash and cash equivalents, at beginning of year		97,059	123,295
Cash and cash equivalents, at end of year	$	74,384	97,059
Non-cash transactions:			
Amortization of right-of-use assets	$	2,463	2,320

See accompanying notes to financial statements.

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

Notes to Financial Statements

December 31, 2025 and 2024

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 7.

(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 notes 4 and 5.

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

Contributions, Including Grants

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

Compensated Absences

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

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

Notes to Financial Statements, continued

(1) Summary of Significant Accounting Policies, continued

Income Taxes

One Magazine is exempt from Federal and state income taxes; accordingly, no provision for income taxes is made in the accounts. There is no unrelated business income for 2025 and 2024. 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 27, 2026 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.

	2025	2024
Financial assets at end of year:		
Cash in bank	$ 74,385	97,059
Investment in funds held by Richland Avenue Financial	587,552	482,637
Funds held by Free Will Baptist Foundation for endowment	24,508	23,196
Accounts receivable	5,316	40,757
Financial assets available to meet general expenditures the next twelve months	691,761	643,649
Less amount not available to be used within one year:		
Net assets with donor restrictions	21,000	21,000
	$ 670,761	622,649

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

(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:

	2025	2024
Original donor investment (corpus)	$ 21,000	21,000
Accumulated gains on endowment funds	$ 3,508	2,196
Funds held by Free Will Baptist Foundation for Endowment and net assets with donor restriction	$ 24,508	23,196
Amount of endowment accumulated losses (underwater balance) which was covered by transfer among net asset groups	$ -	-

(5) Investments

The following is summary of investments:

	2025			2024		
	Cost or Basis	Market Value	Cumulative Gain (loss)	Cost or Basis	Market Value	Cumulative Gain (loss)
Endowment	$ 21,000	24,508	3,508	21,000	23,196	2,196
Operations	$ 261,417	587,552	326,135	234,000	482,637	248,637

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

	2025	2024	2025	2024
	Endowment		Operations	
Change in annual gain market value to cost	$ 1,312	1,328	77,498	92,366
Income distributions	(1,312)	(1,328)	-	-
	$ -	-	77,498	92,366

(6) Net Assets

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

	2025	2024
Net assets with donor restrictions:		
Endowment funds:		
Fund corpus	$ 21,000	21,000
Accumulated gains (losses)	-	-
Transfer among net asset group	-	-
	$ 21,000	21,000
Net assets without donor restrictions:		
Undesignated funds	$ 670,250	618,986

(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.:		2025	2024
Executive Office:			
Administrative budget	$	110,906	107,675
Convention budget		19,962	19,380
Free Will Baptist Foundation		53,238	51,687
Welch College		42,545	41,306
North American Ministries		81,182	78,818
IM, Inc.		69,871	67,836
Master's Men		9,581	9,302
D6 Family Ministry		53,238	51,687
Richland Avenue Financial		26,619	25,844
Women Nationally Active for Christ		14,372	13,953
	$	481,514	467,488

Revenues from these assessments are budgeted to approximate $496,000 in 2026, 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 $5,198 in 2025 and $5,096 in 2024. 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.

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 $587,552 and $482,637 at December 31, 2025 and 2024, respectively.

D6 Family Ministry provides printing and related services to One Magazine. For these services, One Magazine expended $244,736 in 2025 and $239,303 in 2024.

2027
ONE MAGAZINE
BUDGET

REVENUE	2025 Budget	2025 Actuals*	2026 Budget	2027 Budget
Convention	$19,961.73	$19,961.76	$20,560.58	$21,177.40
Executive Office	110,905.66	110,905.92	114,232.83	117,659.82
Free Will Baptist Foundation	53,238.00	53,238.00	54,835.14	56,480.20
IM, Inc.	69,871.12	69,871.08	71,967.25	74,126.27
Master's Men	9,581.21	9,581.16	9,868.65	10,164.71
North American Ministries	81,182.39	81,182.40	83,617.86	86,126.39
D6 Family Ministry	53,238.00	53,238.00	54,835.14	56,480.19
Richland Ave Financial	26,619.01	26,619.00	27,417.58	28,240.11
Welch College	42,545.35	42,545.40	43,821.71	45,136.36
WNAC	14,371.84	14,371.80	14,803.00	15,247.09
FWB Foundation Grant/Trust	8,000.00	0.00	0.00	0.00
Reimbursements	500.00	600.00	500.00	1,500.00
Other/Gifts	0.00	520.00	0.00	500.00
Total Revenue	$490,014.32	$482,634.52	$496,459.74	$512,838.54
EXPENSES				
Salary & Benefits	$98,461.63	$101,641.10	$102,258.34	$105,322.90
Auto/Cell Phone Allowance	6,000.00	6,000.00	6,000.00	6,000.00
Audit & Legal	6,000.00	6,328.00	6,250.00	6,300.00
Books, Dues & Registrations	2,000.00	1,559.59	2,000.00	2,000.00
Computer Software/Services	5,000.00	7,500.00	5,500.00	5,000.00
Design	45,000.00	45,894.59	46,000.00	46,000.00
Graphics	6,250.00	7,314.40	6,500.00	5,000.00
Mail Services	2,000.00	0.00	1,500.00	0.00
Postage	120,000.00	130,881.01	125,000.00	135,000.00
Postal Returns	1,200.00	0.00	1,200.00	1,200.00
Printing	173,000.00	169,393.12	170,000.00	170,000.00
Promotion	2,500.00	2,906.82	2,500.00	2,800.00
Spanish Translation Services	0.00	4,790.00	0.00	5,000.00
Supplies	4,000.00	4,206.81	4,000.00	4,000.00
Travel	10,702.69	11,268.37	9,751.40	11,215.64
Website	900.00	1,167.53	1,000.00	900.00
Writer's Fees	4,000.00	3,695.61	3,600.00	3,700.00
Other	3,000.00	3,470.43	3,400.00	3,400.00
Total Expenses	$490,014.32	$508,017.38	$496,459.74	$512,838.54

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

2027
ONE MAGAZINE
BUDGET
SALARY BREAKDOWN

	2025	2026	2027
Salary	$75,085.95	$77,338.53	$78,885.30
Auto/Cell Phone Allowance	6,000.00	6,000.00	6,000.00
Social Security	6,203.08	6,375.40	6,493.73
Retirement	3,754.30	3,866.93	3,944.26
Insurance			
Medical/Dental/Life/HRA	12,725.35	13,997.89	15,335.10
Disability	518.95	533.37	543.27
Worker's Compensation	124.00	124.00	98.00
Travel Insurance	50.00	22.23	23.24
	$104,461.62	$108,258.34	$111,322.90

RICHLAND AVE FINANCIAL MARCH 2026

John Brummitt, President and CEO



Psalm 105:1 *Oh give thanks to the Lord; call upon his name; make known his deeds among the peoples!*

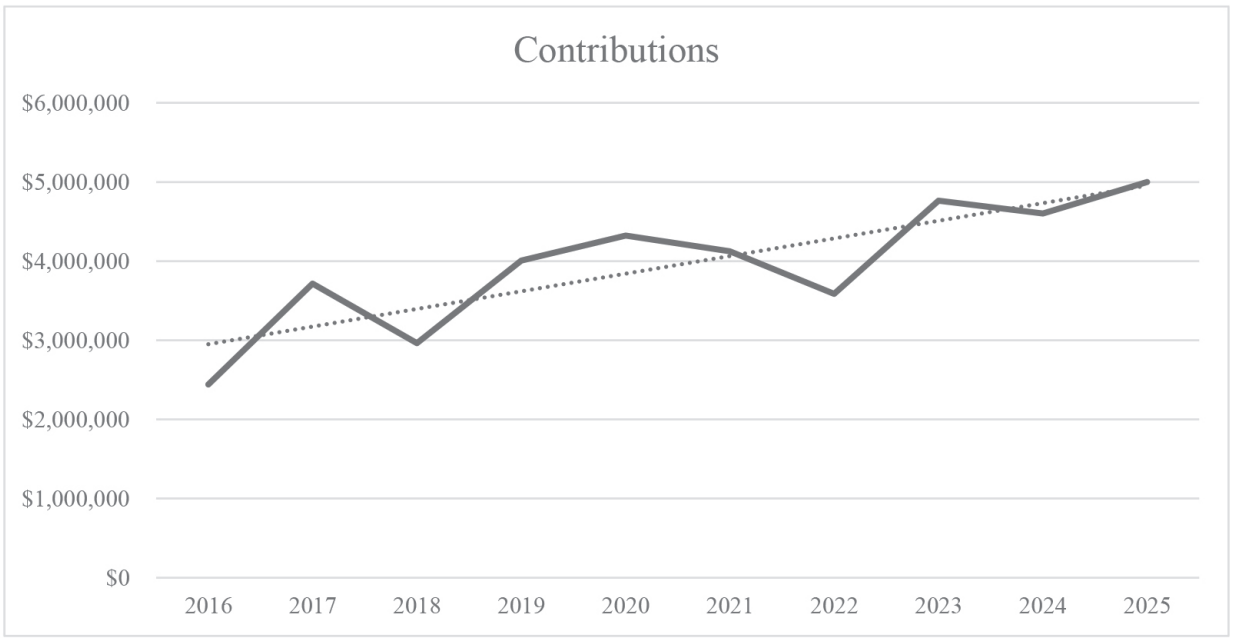
RICHLAND AVE FINANCIAL

In January of last year, we made the switch to our new name. The transition has gone very smoothly, and we are now attending a second year of state meetings following the change. I still get questions from time to time, mostly related to the history behind the name, and more out of curiosity or as a conversation starter than anything else.

The charter and corresponding name change provides new opportunities to serve that we are slowly starting to pursue. Because of the amended charter, FWB-driven organizations that are not set up directly under NAFWB can now choose to be part of the plan. This not only benefits those ministries and individuals but also enhances the outreach of our office to the entire denomination. As before, we remain focused on providing retirement benefits and investment opportunities to our pastors and churches, communicating with outside agencies as inquiries occur.

2025 REVISIT

2025 was a positive year of growth for Richland Ave Financial. We saw a sizable number of new enrollees – 130 – keeping our average steady compared with 129 in 2024. Retirement contributions were up slightly, with an increase of just under $400K; in total, we saw over $4.99M in new contributions to the plan, increasing our annual contribution average to $3.95M. Markets were good in 2025, which always results in participants contributing to their accounts. As markets have waned somewhat in the last quarter of 2025, we may start to see a pullback in contributions; subsequently, if markets are down the majority of 2026, we will likely see a lower overall deposit rate from our participants. Of course, this is the opposite of what needs to occur, or at the very least participants should seek to remain consistent in contributing toward their retirement.



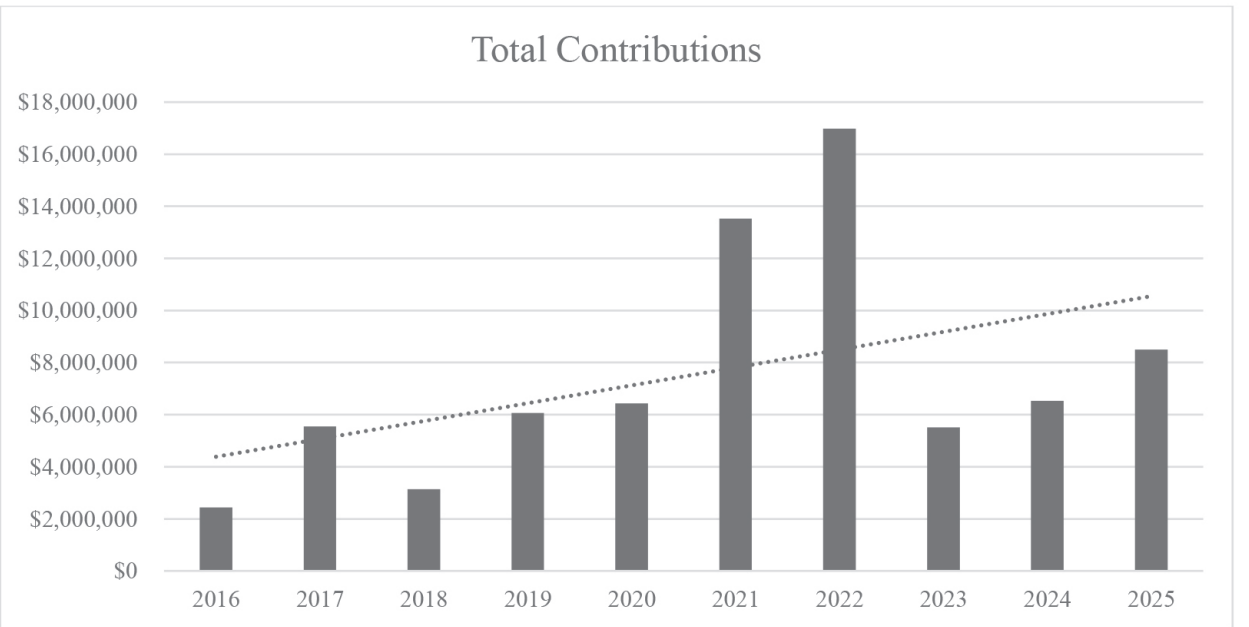
You can see that our trendline for new contributions to the plan is going the right direction, even though it is not a straight line. Since 2016, we have seen growth in participants' contribution rate, even when accounting for inflation. We continue to educate participants and employers on the importance of setting aside funds *consistently* through the ups and downs of the market cycle to get the best return over the life of their account.

We have added over 1,300 new participants in the last ten years. We continue to encourage churches and pastors to participate, but many of our churches do not automatically offer benefits to the pastor outside of salary and housing, or they may simply say, "Here is your total compensation package. You decide how to split it up."

	2019	2020	2021	2022	2023	2024	2025
ENROLLMENTS	183	96	93	133	142	137	130
CONTRIBUTIONS	$4,008,889	$4,321,421	$3,867,668	$3,588,293	$4,764,976	$4,599,999	$4,999,011
INSTITUTIONAL	$1,859,604	$2,113,220	$5,350,708	$13,396,776	$739,255	$1,927,539	$3,499,975
TOTAL	$6,060,209	$6,434,642	$9,218,375	16,985,059	$5,504,231	$6,527,538	$8,498,986

The importance of setting aside funds for the future not only impacts the pastor as an individual, but the church as well. We were recently reminded of the importance of a strong retirement program to the health of our churches and denomination. A church is closing due to the age and health of the pastor and membership. The pastor has served for many years and is now more than 80 years old and diagnosed with a health issue. The membership has decided the best thing to do is close the doors forever. This situation, or ones like it, are playing out across our denomination as well as many others. Could retirement savings have saved this church from closing its doors?

We are doing our best to impress upon our congregations the importance of giving pastors the ability to transition into another phase of ministry–underwritten by retirement savings–so they are able to pass the mantle to the next generation of pastors while allowing the church to begin a new phase of ministry, as well. I am in no way saying we should kick old pastors to the curb; rather, we should be building them up, in part through financial stability, so they have time and resources to mentor and build up the next generation of Free Will Baptist pastors, rather than pastoring as a source of income until they are no longer physically able. We feel a strong call to impart this knowledge to our pastors and churches to protect the future health and stability of our denomination as a whole. Please pray for us as we advocate for increased awareness and attention to this important topic.

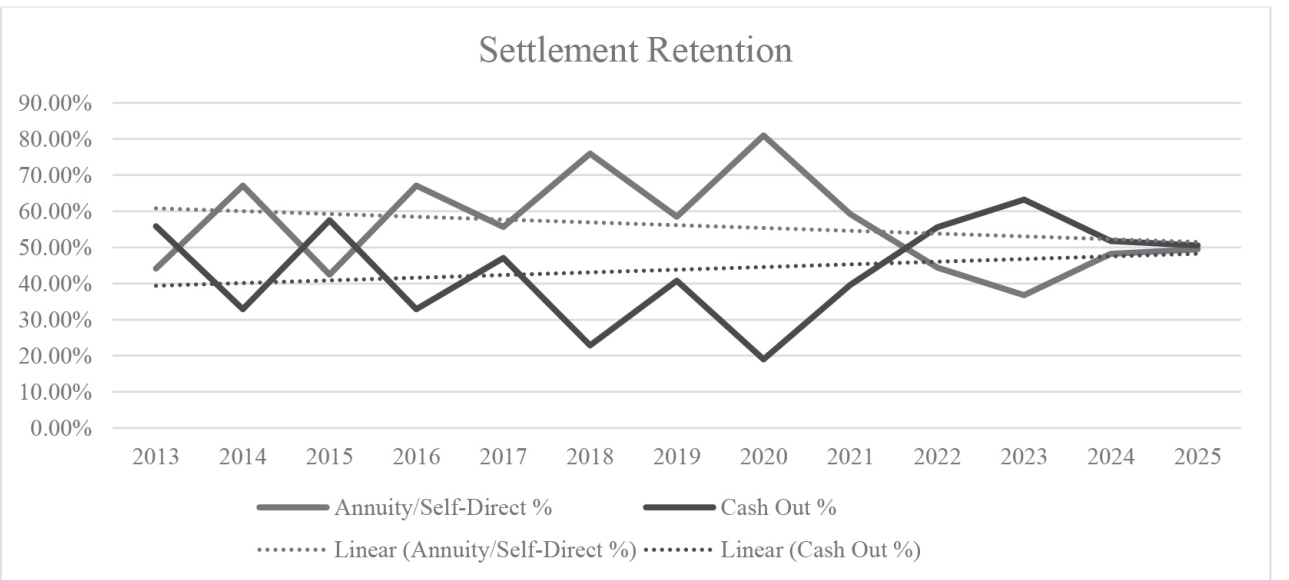


Total contributions in 2025 were just under $8.5M, thanks to a boost from our Institutional Investment accounts. We continue to see a steady stream of interest and new accounts of this type through word of mouth; being able to pay out the Set Rate Bonus in 2025 probably didn't hurt, either. Our performance has outpaced a lot of the other options out there and that information gets around, resulting in many conversations about the benefits a church or ministry organization can gain from this type of investment. We are praying this area will continue to grow so that churches and ministries can pursue all they feel the Lord calling them to provide. We are averaging around $3.88M per year in new contributions to our institutional program, continuing the positive trend upward in total contributions.

SETTLEMENTS

In 2025, we saw a "close-as-makes-no-difference" 50/50 split between cashouts and monthly settlement withdrawals. We would like the annuity and self-directed percentage to be at the higher end since this would indicate we are helping to provide a stable monthly income for our participants. However, every banker or financial advisor that participants encounter question the decision to keep accounts with us rather than moving monies to their particular financial institution or fund. And, plan participants who have invested over the years with us, thus accumulating a large account, are approached more often than someone just starting out.

Rollovers out of our plan typically happen when a financial advisor calls us with the participant sitting in their office, asking what steps need to be taken to roll over the account. Conveniently for the financial advisor, we typically have no warning the participant may be considering such a move until we get the call. We do our best to inform the advisor and participant about important differences between a 403(b)(9) vs. an IRA and the potential loss of substantial tax benefit for those who are ordained ministers. Unfortunately, at this stage of the game, the participant may not feel comfortable or confident enough to stop the process for time to reconsider.



Rollovers are a common topic with every employer-based plan, but we do strive to protect our participants from forfeiture of benefits that can only be realized in a church plan. Ultimately, of course, it is every

participant's right and responsibility to decide what is best for them. We simply want every account holder in our plan to have all the necessary information to best manage the funds which we hold for them.

INVESTMENTS

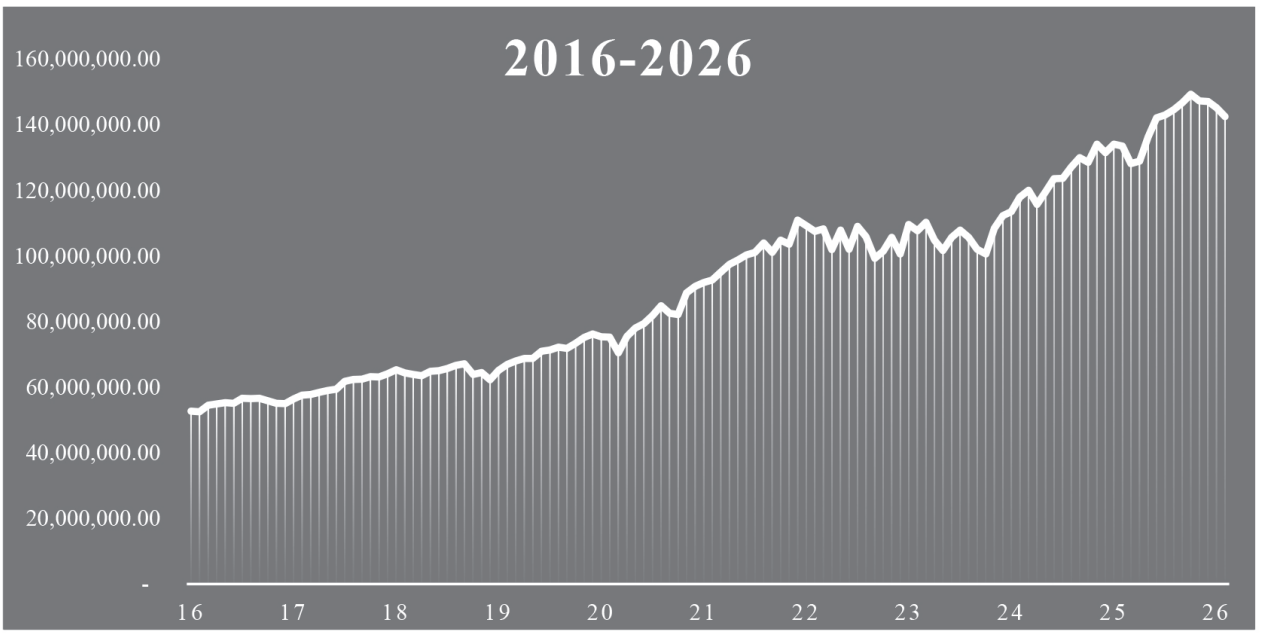
2025 December

Pre-Set Allocation Models	QTD	YTD	3 Year	5 Year	10 Year	20 Year	LTD	1 Year
Default	0.910%	11.180%	19.519%	9.891%	9.868%	6.837%	7.887%	11.180%
Set Rate	3.750%	6.000%	3.483%	2.785%			2.785%	6.000%
Moderate	1.200%	10.420%	15.636%	7.738%	8.158%		6.354%	10.420%
Maximum	0.310%	14.450%	26.385%	14.998%	14.662%		12.344%	14.450%
Individual Asset Allocations								
Large Cap Value*	4.310%	17.750%	27.390%				17.623%	17.750%
Large Cap Growth*	-0.950%	17.020%	35.566%				11.344%	17.020%
All Cap Growth*	0.460%	16.960%	31.311%				20.109%	16.960%
SMID Cap**	-4.520%	-3.430%					0.529%	-3.430%
REIT*	-1.620%	2.980%	8.028%				2.641%	2.980%
Intermediate Fixed*	1.300%	7.080%	5.053%				1.554%	7.080%
Short Term Fixed*	1.080%	5.850%	4.820%				3.423%	5.850%

* Beginning May 2022

**Beginning March 2024

Overall, 2025 was a good year for investments and our participants.



Over the last 10 years, we have seen significant growth for our participants.

SET RATE FUND

In December, our board members voted to add a one-time 3% bonus to accounts currently in the Set Rate Fund. The additional funds were an exciting event for participants and several individuals called to personally thank us for the extra provision. We will continue to manage this fund strategically to hopefully be able to more of this in the future. The Set Rate fund was created as an option for participants seeking a more stable investment to help mitigate some of the volatility of the overall market. While we have no guarantees about what the future holds or how financial markets perform, we pray that the Lord will continue to bless the efforts of our board as they seek to serve our people well.

Jeremiah 29:7 *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.*

GROWTH, 3 FOR 30, AND OUTREACH UPDATE

When the Executive office started the 3 for 30 plan, we were able to insert goals we had already been working on into the overall strategy:

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

In 2016, our office had reached just over $52MM in assets under management; as of December, 2025, we were at more than $147MM, even though that number has scaled back since the beginning of 2026 due to emerging volatility. Looking at the overall growth of assets under management, however, we have averaged an impressive rate of around 18.27% growth per year over the last 10 years.

Although our number of participants has increased to over 1900, we are very top-heavy with accountholders in retirement range (ages 59+) with an average age of around 51. There has been a slight decrease in the average account balance to $51K, down by $1,000 from this time last year, even with the addition of over 1,300 new participants over the past decade. The U.S. national average (depending on which poll you view) is somewhere between $87K and $300K. As you can see, our participants are not as prepared as they should be, although we realize our account may be just one piece of the retirement puzzle for many.

When I came on board in 2006 there was around $3.5MM in the annuity pool. We currently have over $24.5MM in our annuity and self-directed pools and are paying out over $225K per month to these retirees ($2.7MM per year). This is an increase from $208K per month and $2.49MM from 2024.

We are always working to increase outreach to serve our denomination. Participants we have been able to help over the last several years are generating new enrollees and contributions through positive word of mouth, allowing us to reach potential churches and employers. I firmly believe that a healthy retirement program—with broad participation across our churches—will directly impact the overall strength of the denomination. We need a consistent and repeatable framework that enables pastors and congregations to transition in a positive, mutually beneficial manner. If those transitions are handled well, new ideas, approaches, and ministries can flourish alongside the distinctives that define us as Free Will Baptists. If we become stagnant

in this area, we risk losing pastoral and lay leaders from both younger and older generations to other groups that can offer more employment stability and needed benefits, potentially at the expense of doctrinal conviction in order to provide for the needs of their families.

It takes 30-40 years to build a healthy retirement account, so beginning to save as soon as possible is critical. Recognition is increasing, but many of our churches do not understand the importance of retirement benefits for pastors or may have chosen not to prioritize that as part of compensation. We continue to expand what is available but need individual churches to understand and support plan participation to make real progress toward the long-term health of our denomination. Getting back on track is a slow, but necessary process.

CONCLUSION

If you have not started saving for your retirement or need to get started helping your pastor, please contact our office or come by our booth. Starting as soon as possible makes it much easier to accumulate the assets needed for retirement, allowing time and compounding interest to work in your favor. Churches and institutions should also be planning for their future ministry by setting aside funds that can grow and compound to prepare for all eventualities, such as major repairs to facilities or hopefully the need to enlarge and expand due to positive growth.

I am incredibly thankful for this organization and proud to play a role in the ministry entrusted to us by the Lord. We remain committed to serving our denomination in the work the Lord has called us to do.

In Him.

Richland Ave Financial

Synopsis of 2025 Board Meetings

March 25, 2025

All board members were present except Joel Franks; 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 officers, except Assistant Chair (due to Randy Wilson's end of term):

Board Officers	
Lance Boyer, Chair	Don Myers, Secretary
William Smith, Assistant Chair (NEW)	Clayton Hampton, Assistant Secretary

Chairman Lance Boyer appointed committees for the coming year:

Investment and Audit Committee	Budget Committee
Joel Franks, Chair	Don Myers, Chair
Josh Chapman	Brent Nix
William Smith	Clayton Hampton
Vacancy (to be filled)	Travis Moots

Motions made and carried included:

1. To authorize and approve the Richland Ave Financial amended charter as signed by board members.
2. To retain Joel Collum, CPA for the 2025 audit.
3. To approve the 2026 budget as presented.

December 10, 2025

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 give a one-time 3% annualized Set Rate Fund bonus to all participants and institutional accounts in that fund.
2. To reimburse the Board chairperson expenses to the National Convention since attendance is required.
3. To schedule the 2025 Spring board meeting for March 24 in Nashville.

RICHLAND AVE FINANCIAL

COMBINED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

RICHLAND AVE FINANCIAL

DECEMBER 31, 2025 AND 2024

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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, 2025, and 2024, 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, 2025, and 2024, 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.

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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.



Nashville, Tennessee
April 20, 2026

RICHLAND AVE FINANCIAL
COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

ASSETS

	2025	2024
OPERATING ASSETS		
Cash and cash equivalents	$ 214,861	$ 188,887
Investments	2,931,705	2,328,311
Receivable and other assets	305,721	291,416
Property and equipment, net of accumulated depreciation	107,684	82,142
Total operating assets	3,559,971	2,890,756
RETIREMENT ASSETS		
Cash and cash equivalents	249,450	222,013
Investments	147,681,059	131,496,155
Participant loans and other receivables	793,403	909,127
Total retirement assets	148,723,912	132,627,295
TOTAL ASSETS	$ 152,283,883	$ 135,518,051

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses - operating	$ 47,449	$ 23,229
Accounts payable and accrued expenses - retirement	305,681	367,018
Institutional investing program	21,551,889	17,351,747
Held for benefit of annuitants	17,257,203	17,189,439
Self-directed investments	5,093,562	4,642,726
Total liabilities	44,255,784	39,574,159
NET ASSETS		
Net assets without donor restrictions	3,455,518	2,810,523
Net assets with donor restrictions	57,004	57,004
Net assets available for benefits	104,515,577	93,076,365
Total net assets	108,028,099	95,943,892
TOTAL LIABILITIES AND NET ASSETS	$ 152,283,883	$ 135,518,051

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

RICHLAND AVE FINANCIAL
COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	Operations	**Retirement**	**Total**	**Operations**	**Retirement**	**Total**
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS						
Contributions from participants						
Contributions to participant accounts	$ -	$ 5,043,608	$ 5,043,608	$ -	$ 4,704,785	$ 4,704,785
Net unrealized and unrealized gains (losses)	256,446	13,669,051	13,925,497	313,494	17,954,156	18,267,650
Interest and dividends	12,588	1,686,439	1,699,027	6,198	1,645,410	1,651,608
Other income	74,807	4,978	79,785	68,032	-	68,032
Net assets released from restrictions	-	-	-	-	-	-
Total revenue, gains and other support	343,841	20,404,076	20,747,917	387,724	24,304,351	24,692,075
Expenses						
Participant benefits	-	7,660,012	7,660,012	-	6,744,115	6,744,115
Administrative expenses	935,934	-	935,934	787,537	-	787,537
Total expenses	935,934	7,660,012	8,595,946	787,537	6,744,115	7,531,652
Other changes - gain (loss)						
Actuarial change in the value of annuitant liability	-	(67,764)	(67,764)	-	(677,758)	(677,758)
Intercompany service fee	1,237,088	(1,237,088)	-	1,120,154	(1,120,154)	-
Total investment income	1,237,088	(1,304,852)	(67,764)	1,120,154	(1,797,912)	(677,758)
Change in Net Assets Without Donor Restrictions	644,995	11,439,212	12,084,207	720,341	15,762,324	16,482,665
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS						
Grant income	-	-	-	-	-	-
Net assets released from restrictions	-	-	-	-	-	-
Change in Net Assets With Donor Restrictions	-	-	-	-	-	-
Total Changes in Net Assets	644,995	11,439,212	12,084,207	720,341	15,762,324	16,482,665
Net Assets, Beginning of Year	2,867,527	93,076,365	95,943,892	2,147,186	77,314,041	79,461,227
Net Assets, End of Year	$ 3,512,522	$104,515,577	$108,028,099	$ 2,867,527	$93,076,365	$95,943,892

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, 2025 AND 2024

	2025				2024			
	Program Services		Supporting Services		Program Services		Supporting Services	
	Retirement	Operations	Operations	Total	Retirement	Operations	Operations	Total
EXPENSES AND OTHER DEDUCTIONS								
Withdrawals from participants	$ 2,312,445	$ -	$ -	$ 2,312,445	$ 2,087,364	$ -	$ -	$ 2,087,364
Defaulted participant loans	30,100	-	-	30,100	31,481	-	-	31,481
Transfers to annuities by participants	1,167,013	-	-	1,167,013	1,105,416	-	-	1,105,416
Transfers to self-directed by participants	1,377,619	-	-	1,377,619	775,681	-	-	775,681
Income allocated to retirement accounts	1,050,797	-	-	1,050,797	1,707,145	-	-	1,707,145
Income allocated to annuitant obligations	1,486,451	-	-	1,486,451	800,685	-	-	800,685
Income allocated to self-directed accounts	233,685	-	-	233,685	235,113	-	-	235,113
Service fees	1,902	-	-	1,902	1,230	-	-	1,230
Salaries	-	319,145	16,797	335,942	-	267,630	14,086	281,716
Housing	-	46,458	2,445	48,903	-	35,150	1,850	37,000
Fringe Benefits	-	148,722	7,828	156,550	-	131,364	6,914	138,278
Travel and promotional	-	43,226	43,225	86,451	-	30,933	30,933	61,866
Auto maintenance and expense	-	5,240	5,241	10,481	-	3,099	3,099	6,198
Office supplies and expense	-	150,663	7,930	158,593	-	132,198	6,958	139,156
Occupancy	-	42,390	2,231	44,621	-	41,773	2,199	43,972
Board members expense	-	10,165	10,164	20,329	-	8,796	8,795	17,591
Legal and accounting	-	9,624	28,872	38,496	-	5,372	16,116	21,488
Grant expense	-	-	-	-	-	-	-	-
Depreciation	-	-	26,738	26,738	-	-	20,207	20,207
Annuitant benefit payments	-	5,777	-	5,777	-	18,122	-	18,122
Other	-	2,900	153	3,053	-	1,846	97	1,943
Total deductions	$ 7,660,012	$ 784,310	$ 151,624	$ 8,595,946	$ 6,744,115	$ 676,283	$ 111,254	$ 7,531,652

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, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	$ 12,084,207	$ 16,482,665
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	26,739	20,207
Gain on sale of property and equipment	(5,280)	(3,852)
Realized and unrealized (Gain) loss on investments	(13,914,560)	(18,267,650)
Actuarial change in value of annuitant liability	(1,117,734)	677,758
Transfers to annuities by participants	1,898,919	1,030,455
Transfers to self-directed by participants	1,377,619	775,680
Income allocated to annuitant obligations	829,545	800,782
Income allocated to self-directed accounts	233,685	235,113
Income allocated to institutional investments	1,916,394	1,707,145
Changes in operating assets and liabilities:		
(Increase) decrease in receivables and other assets	101,419	(385,053)
Increase (decrease) in accounts payable and accrued expenses	(37,117)	112,957
Net Cash Provided (Used) By Operating Activities	3,393,836	3,186,207
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(47,001)	(35,000)
Purchase of investments	(65,512,402)	(86,874,563)
Sales and maturities of investments	65,183,267	85,066,549
Increase (decrease) in sweep investments	(710,510)	398,489
Increase (decrease) in Matrix investment	(1,834,093)	(195,773)
Net Cash Provided (Used) By Investing Activities	(2,920,739)	(1,640,298)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Distributions to self-directed investment beneficiaries	(1,160,468)	(969,029)
Distributions to annuitants	(1,542,966)	(1,528,674)
Contributions to institutional investing program	3,499,976	1,927,539
Distributions from institutional investing program	(1,216,228)	(970,280)
Net Cash Provided (Used) by Financing Activities	(419,686)	(1,540,444)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	53,411	5,465
Cash and cash equivalents at beginning of years	410,900	405,435
Cash and cash equivalents at end of years	$ 464,311	$ 410,900

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

RICHLAND AVE FINANCIAL
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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.

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.

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

Cash

At December 31, 2025, the Organization's cash accounts exceeded federally insured limits by approximately $214,311 ($160,900 at December 31, 2024).

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.

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.

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

Subsequent Events

Subsequent events have been evaluated through April 20, 2026, 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 $1,237,088 for 2025 ($1,120,154 for 2024). 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 $305,949 were unpaid as of December 31, 2025 ($367,279 as of December 31, 2024) 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:

	2025		2024	
	Operating	Retirement	Operating	Retirement
Cash sweep accounts	$ 2,931,705	$ 6,570,687	$ 2,328,311	$ 4,026,084
Common stocks	-	101,939,769	-	90,964,562
Equities - structured products	-	2,629,285	-	2,559,252
U.S. Government issues	-	15,532,304	-	15,563,046
Corporate bonds and notes	-	13,419,613	-	12,227,905
Fixed income funds	-	751,052	-	1,482,995
Asset backed securities	-	6,503,410	-	4,438,623
Accrued interest	-	334,939	-	233,688
	$ 2,931,705	$147,681,059	$ 2,328,311	$131,496,155

4. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2025 and 2024 consists of:

	2025	2024
Office furniture and fixtures	$ 37,500	$ 37,500
Computer hardware and software	163,810	163,810
Automobiles	133,229	106,159
	334,539	307,469
Less: Accumulated depreciation	(226,855)	(225,327)
	$ 107,684	$ 82,142

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, 2025, the recorded liability amounted to $17,257,203 ($17,189,439 as of December 31, 2024). 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, 2025, the recorded liability amounted to $5,093,562 ($4,642,726 at December 31, 2024).

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 2025, 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:

	2025	2024
Pooled annuity and self-directed reserve programs	$23,909,354	$ 22,450,640
Held for benefit of annuitants	(17,257,203)	(17,189,439)
Self-direct liability	(5,093,562)	(4,642,726)
Excess (deficit) of self-direct reserve account over (under) liability	$ 1,558,589	$ 618,475

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 $44,621 for the year ended December 31, 2025 ($43,972 for the year ended December 31, 2024).

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

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.

The spending of the Organization permits spending on the interest and dividend earnings of the 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, 2025 and 2024 was:

	2025	2024
	Without Donor Restrictions	Without Donor Restrictions
Balance, beginning of year	$ 60,023	$ 50,252
Contributions	1,908	6,310
Investment return	3,409	3,461
Balance, end of year	$ 65,340	$ 60,023

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

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, 2025 and 2024:

		2025 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	$101,939,769	$101,939,769	$ -	$ -
Equities - structured products	2,629,285	-	2,629,285	-
U.S. Government issues	15,532,304	15,532,304	-	-
Corporate bonds and notes	13,419,613	13,419,613	-	-
Fixed income funds	751,052	751,052	-	-
Asset backed securities	6,503,410	-	6,503,410	-
	$140,775,433	$131,642,738	$ 9,132,695	$ -

		2024 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	$ 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	-
	$127,236,383	$120,238,508	$ 6,997,875	$ -

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, 2025 and 2024.

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, 2025 and 2024, comprise the following:

	2025	2024
Operating cash	$ 214,861	$ 188,887
Operating investments	2,928,912	2,328,311
Total liquid financial assets	3,143,773	2,517,198
Board designated endowment	(57,004)	(57,004)
Financial assets available to meet cash needs for general expenditures within one year	$ 3,086,769	$ 2,460,194

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.

Richland Ave Financial

Proposed Budget for 2027

	2025 Actual	2025 Budget	2026 Budget	2027 Proposed Budget
Revenue				
Service Fees From	1,237,087.78	830,000.00	850,000.00	950,000.00
Insurance Administrative	163.50	250.00	250.00	200.00
The Together Way	55,436.45	56,000.00	56,000.00	56,000.00
Other State Gifts	-	300.00	300.00	300.00
Rest Of The Family Offering	6,752.48	1,700.00	5,000.00	5,500.00
Interest Income Checking	7,234.21	500.00	2,000.00	4,000.00
Interest Income Future	5,354.12	-	-	
Investment Income	1,687.70	-	-	
Investment Income	4,253.54	-	-	
Investment Income Net	222,117.56	-	-	
Investment Income Net	24,530.62	-		
Gain Loss On Sale Of Assets	5,279.71	-	-	
Miscellaneous Income	7,175.00	3,000.00	3,000.00	3,000.00
Total Revenue	1,577,072.67	891,750.00	916,550.00	1,019,000.00
Expenses				
Salaries and Wages	335,941.61	277,683.78	319,459.76	350,000.00
Fringe Benefits	156,549.99	140,000.00	155,000.00	170,000.00
Housing	48,903.49	37,000.00	37,000.00	48,000.00
Travel and Promotion	86,451.20	70,000.00	70,000.00	80,000.00
Auto Maintance and Expense	10,481.16	9,000.00	9,000.00	9,000.00
Payments to Annuitants	5,776.69	-	-	
Plant Fund	44,620.80	48,000.00	48,000.00	46,000.00
Office Expense	43,661.52	40,000.00	40,000.00	45,000.00
Equipment	12,215.50	15,000.00	15,000.00	15,000.00
Equipment Lease	5,923.57	6,000.00	6,000.00	6,000.00
Education/Training	17,022.25	22,000.00	24,000.00	24,000.00
Publications	30,691.65	30,000.00	27,000.00	30,000.00
Communications	27,900.00	45,000.00	35,000.00	30,000.00
Board Member Expense	20,328.56	25,000.00	22,000.00	25,000.00
Website	7,271.30	7,500.00	6,500.00	5,000.00
Legal Expense	15,295.50	30,000.00	30,000.00	30,000.00
Auditing Expense	23,200.00	30,000.00	25,000.00	25,000.00
Offsite Backup Storage	-	1,200.00	750.00	750.00
Software Support	12,027.68	20,000.00	15,000.00	15,000.00
Depreciation Expense	26,738.54	27,375.26	27,733.56	28,000.00
Miscellaneous Expense	2,903.06	10,990.96	4,106.68	37,250.00
To/From Retirement	2,030.00	-	-	
Total Expenses	935,934.07	891,750.00	916,550.00	1,019,000.00
Current Year Change	641,138.60	-	-	-

Richland Ave Financial

Compensation Detail
2027 Proposed

President and CEO: John Brummitt		2026 Approved	2027 Proposed
	Salary	$133,396.09	$142,733.82
	Christmas	$2,565.31	$2,744.88
	Retirement	$13,339.61	$14,273.38
	Total	$149,301.01	$159,752.08

Medical, Dental, Vision and Life Insurance is provided.

CFO: Chris Compton		2026 Approved	2027 Proposed
	Salary/Housing	$95,034.62	$101,687.04
	Christmas	$1,827.59	$1,955.52
	Retirement	$9,503.46	$10,168.70
	Total	$106,365.67	$113,811.26

Medical, Dental, Vision and Life Insurance is provided.

Staff		2026 Approved	2027 Proposed
	Salary/Housing	$101,927.88	$109,062.83
	Christmas	$1,960.15	$2,097.36
	Retirement	$10,192.79	$10,906.28
	Total	$114,080.82	$122,066.47

Medical, Dental, Vision and Life Insurance is provided.

FREE WILL BAPTIST FOUNDATION

National Association of Free Will Baptists 2026 Report

A Year of Transition

Over the last year, the Free Will Baptist Foundation has walked through a season of significant transition marked by both challenge and opportunity. Following the departures of our former Chief Executive Officer and Chief Financial Officer, the organization faced a period of uncertainty that tested our resolve, systems, and stability. Yet by God's grace, through the steady commitment of our board of directors, executive committee, staff, and supporters, the Foundation remained faithful to its mission, preserved its core operations, and successfully navigated the complexities of leadership change. Today we are grateful to possess a new vision, energy, and purposeful direction that is already bringing renewed momentum to our work. This new chapter begins with confidence in God's continued provision and with fresh enthusiasm for strengthening the ministries we serve and the legacy we steward together as Free Will Baptists.

With two decades of pastoral ministry, leadership, and financial and organizational management experience, I have the honor and privilege of serving as the new CEO & Director of the FWB Foundation. My passion is to help Free Will Baptists invest wisely, leave a lasting legacy for generations to come, and make an eternal impact.



BRENT PATRICK
CEO | DIRECTOR

- Pastor, Gateway Church (Virginia Beach) | Lakeview Fellowship (Bowling Green, KY) | Shady Grove Church (Durham, NC)
- CFO & Director of Development, Southeastern FWB College
- MBA - Administration | BS - Management
- Wife: Paula of 30 years
- Children: Olivia (26), Blake (22) & Wife Cailey

Back to the Future

Since 1980, the Free Will Baptist Foundation has existed to serve as a trusted steward of God's resources. We partner with individuals, churches, and ministries to provide biblically-grounded financial stewardship. We manage investments, endowments, and legacy gifts. In addition, the Foundation helps believers align their financial goals with eternal impact, ensuring resources are handled with integrity, transparency, and purpose. Simply put, our goal is to help God's people demonstrate Proverbs 21:5, "The plans of the diligent lead surely to abundance."

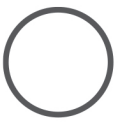
As we continue moving forward, it is essential that we clearly establish and communicate both our mission and vision. A strong mission reminds us why the Foundation was created and keeps us anchored to the biblical and organizational principles that have guided us through the years. A compelling vision, however, allows us to look beyond the present and prepare for the future opportunities God places before us. It provides direction, unity, and purpose as we seek to strengthen ministries, expand our impact, and position the denomination for long-term sustainability.

The Foundation circles highlighted in our logo demonstrate these objectives and serve as a visual reminder of both our mission and future vision:



Green Circle — Serving Free Will Baptist Investors

- Benefiting individuals, churches, & ministries through demand notes, collective investment funds, charitable gift annuities, and estate planning assistance
- Reflecting our commitment to helping God's people steward their resources wisely today while preparing a lasting testimony for tomorrow



Red Circle — Strengthening the Free Will Baptist Financial Base

- Building & growing endowment funds that provide long-term financial stability for future ministry opportunities
- Representing our vision of creating a perpetual source of support that allows ministries to continue impacting lives for generations to come



Gold Circle — Supplying the Free Will Baptist Mission

- Blessing FWB national departments, churches, and ministries through endowment distributions, grants, & financial partnerships
- Resourcing our purpose of ensuring that financial resources are transformed into eternal impact for the Kingdom of God.

As we build upon the faithful foundation laid in the past, we move forward with renewed vision and commitment to steward resources in a way that honors Christ and advances the mission of Free Will Baptists for generations to come.

Financial Snapshot

Over the past three years, the FWB Foundation has experienced healthy growth. As you can see below, total assets and revenues increased, and these numbers reflect:

- More individuals and ministries entrusting resources to the Foundation
- Investment management and stewardship practices producing stability.

Year	Total Assets	Revenues
2023	$82,712,172.07	$2,645,472.02
2024	$89,779,760.68	$2,200,337.98
2025	$95,993,819.15	$4,595,439.67

In addition, the following statistics represent the makeup of participants and investors, along with their respective account balances:

Accounts	Participants	Balances
Endowments	135	$17,260,294.91
Demand Notes	345	$31,421,927.93
Collective Investment Fund	299	$38,515,272.08

Grants

In 2025, after awarding grants in the spring, the Board of Directors felt it was best to cancel grant distributions because of the leadership transition. Since that time, grants provided by the Foundation are under strategic planning review in order to reassess and protect long-term sustainability. The Foundation wants to rebuild principle after years of high distributions by increasing assets under management and strengthening operational reserves. Even the formation of a Grant Endowment is being considered that would fund grants moving forward without depending on market performances.

The Way Forward

Endowments allow funds to be permanently invested, providing a lasting source of income for ministries such as churches, missions work, education, and denominational operations. The original gift (principal) remains untouched, while a portion of the investment earnings is used annually to support the aforementioned causes. The fund is designed to last forever, providing financial means and stability across generations. Instead of spending the entire donation, only a percentage (usually 3% to 5%) is distributed annually, allowing the principle to grow.

"We as a denomination must start building our financial strength that supports ministry today and for generations to come — and that mission operates through the use and funding of endowments."

Endowments are not about storing money — they are about securing ministry. They provide consistent, reliable income for ministry purposes. They protect churches, ministries, and denominational agencies during economic uncertainty and allow pastors, leaders, and directors to focus on mission and not survival. Giving to an endowment allows an individual to turn a one-time gift into perpetual Gospel influence. As Proverbs 13:22 states, "A good man leaves an inheritance to his children's children."

The Free Will Baptist Endowment has already been established to enable you to make such an impact. Much like your yearly support of The Together Way that provides cooperative giving to undergird all Free Will Baptist departments, agencies, and commissions, funding The Free Will Baptist Endowment will yield monies to these same Free Will Baptist ministries to sustain ministry efforts for years to come. Currently, the Free Will Baptist Endowment has a balance of $1.2 million, with plans to begin disbursements from this account once it reaches the $5 million mark.

In addition to contributing a legacy gift to the denomination, you may also give to one of the 135 endowments already established, like the following examples:

IM
- Grow Endowment (provides seed money for launching new missionaries)
- Cornerstone Endowment (establishes long-term income for the IM General Fund)

NAM – Metcalf Home Missions Endowment
D6 Family Ministries – Buck-a-Week Endowment
Women's Ministry – Margorie Workman Endowment
Welch College
- Welch College Endowment
- Tom McCullough Missions Endowment

Randall University Endowment
Southeastern FWB College – Appalachian Ministry Scholarship Endowment.

On the Horizon

The FWB Foundation is prayerfully preparing to introduce new incentives designed to strengthen stewardship, encourage long-term giving, and expand Kingdom impact for future generations.

New Foundation Database
Upgrading participant information & communication services
Providing more timely, clear, & concise statements

"***Foundation Legacy Partners"***
Recognizing a society of endowment donors
Promoting giving to existing endowments
Incentivizing the creation of new endowments

Foundation Digital Newsletter
Creating a channel of communication for existing participants
Educating a new generation of legacy givers

New Foundation Financial Products
Offering several types of annuities to greater benefit participants
Establishing a higher, more stable rate of interest for DN & CIF

Invest Today … Impact Tomorrow!

Those words are more than a motivating, promotional slogan — they are the driving force behind what the Free Will Baptist Foundation is about and what we desire for you to do. We must capitalize on the window of time we have to plant financial seeds, water them with consistent giving, and allow the Lord to give the increase of Kingdom growth (1 Corinthians 3:6-8). Yes, there are real and pressing needs today, but now is our call to action of long-term faithfulness by growing The Free Will Baptist Endowment and including it in our legacy plans and by partnering with the Free Will Baptist Foundation with your investments. Let today's monetary resources become tomorrow's ministry reach!

FREE WILL BAPTIST
FOUNDATION

FREE WILL BAPTIST FOUNDATION
BOARD OF DIRECTORS MEETINGS MINUTES
MAY 2025 – MAY 2026

May 6, 2025
The Board met via Zoom and was given confirmation of conduct by the Director that violated the Foundation's ethical standards and leadership expectations, resulting in his dismissal. An official public notification was developed and approved. The Board was notified of the Chief Financial Officer's resignation, as well. A Transition Team consisting of Scott Coghill, Brent Patrick, and John Brummitt was appointed to handle the day-to-day operations of the Foundation.

May 13, 2025
The Board met via Zoom, and the Transition Team provided updates of news, respective duties, and overall operations.

May 15, 2025
The Board met via email to approve the annual audit to be submitted for the Digest of Reports for the National Convention.

May 22, 2025
The Board met via Zoom, and the Transition Team supplied operational information.

June 6, 2025
The Board met via Zoom and approved the establishment of a committee that will define the criteria for the new Director and develop a job description. That committee included Lee Allen, Corey Minter, and Gene Williams.

June 24, 2025
The Board met via Zoom and authorized a Director Search Committee consisting of the nine elected Board Members that will vet candidates, with the final candidates appearing before the entire Board for election. The Director's search will launch June 27, and resumes will be accepted until July 18, or untl the position is filled.

July 19, 2025
The Elected Board Members met via Zoom and were informed of the candidates that submitted resumes. Because of the leadership transition, it was determined that the distribution of 2025 grants would be paused. In addition, a contract was made with Richland Ave. Financial for accounting services.

July 21 , 2025
The Board met over lunch at the National Convention in Kansas City, MO. Chairman Scott Coghill gave a brief update of overall Foundation operations and a brief synopsis of the Foundtion report that will be presented at the Convention Business Meeting. The Elected Board continued meeting after lunch to develop questions for the Director candidates, and then met following the evening worship service to interview a potential candidate.

July 30, 2025
The Elected Board met via Zoom to interview another potential Director candidate.

FREE WILL BAPTIST FOUNDATION
BOARD OF DIRECTORS MEETINGS MINUTES
MAY 2025 – MAY 2026

August 11, 2025
The Board met in Antioch, TN to formally interview two Director candidates, hear their presentations, and discuss their viability for the role.

August 13, 2025
The Board met via email to vote on their choice for the new Foundation Director. Brent Patrick was selected unanimously for the position.

August 27, 2025
The Board met via Zoom to be informed of Brent Patrick's acceptance as the new Director of the Foundation. After discussion concerning job description, salary, and benefits, a start date of October 15 was set for part-time responsibilities for the new Director until he could finish his term as Pastor of Gateway Church on December 31.

September 2, 2025
The Executive Committee met via Zoom to discuss the benefits package of the new Director. In addition, they set the date of September 5 to inform the Foundation staff of the new Director's hire.

September 5, 2025
The Executive Committee and Transition Team met via Zoom with the Foundation staff to announce to them that Brent Patrick had agreed to become the new Director of the Foundation. Zoom meetings were held to officially introduce Brent to the Board and staff.

December 8, 2025
The Board met at the FWB Leadership Conference in Nashville, TN for its semi-annual meeting. Director Brent Patrick updated the Board on the transition period for Foundation operations, along with spending time discussing the mission and purpose of the Foundation. A financial report was approved, and interest rates were set for January - June 2026 ranging from 3.0% - 3.5%. Also, the Board reviewed an estate planning presentation, voted to retain Joel Collum to do the 2025 Foundation audit, and cancelled officially the distribution of grants for 2025. It was further noted that a replacement for Brent Patrick's elected board position will be filled at the 2026 National Convention.

April 20-21, 2026
The Board met at the National Offices in Antioch, TN for their annual meeting. The Foundation staff joined the Board for a meal and a special time of prayer together. Approval was given to the following reports: Director, Estate Planning, Mike Wooten (Eagle Financial Group), Investment Committee, Director Evaluation Committee, Financial, and Budget Committee. Further, the Board elected officers for the coming year: Scott Coghill (Chairman), Bob Thompson (Vice-Chairman), Melissa Haralson (Secretary), and Corey Minter (Assistant Secretary). The Board Chairman appointed members to the Budget Committee, Investment Commitee, and the Director Evaluation Committee.

FREE WILL BAPTIST FOUNDATION

BUDGET REPORT 2025 | 2026 | 2027

Revenues	2025 Budget	2025 Actual	2026 Budget	2027 Proposed
Restricted Funds				
Donor Investment Earnings	$195,000.00	$3,371,295.83	$195,000.00	$2,750,000.00
Unrestricted Funds				
Gift Income	$7,600.00	$2,424.36	$7,600.00	$3,000.00
Management Fees	$228,012.00	$115,399.13	$228,012.00	$198,850.00
Estate Planning	$473,000.00	$254,875.00	$473,000.00	$270,000.00
Loan Interest	$830,000.00	$847,606.33	$1,100,000.00	$1,200,000.00
Other Income	$625,000.00	$479.02	$625,000.00	$5,500.00
Total Unrestricted Funds	$2,163,612.00	$1,220,783.84	$2,433,612.00	$1,677,350.00
Total Revenue	**$2,358,612.00**	**$4,592,079.67**	**$2,628,612.00**	**$4,427,350.00**

Expenditures	2025 Budget	2025 Actual	2026 Budget	2027 Proposed
Investment Manager Fees		$110,533.69		$112,000.00
Promotion	$357,000.00	$242,360.63	$141,000.00	$201,000.00
Estate Planning	$288,500.00	$364,676.67	$548,500.00	$364,400.00
Legal & Auditing	$165,000.00	$80,743.07	$165,000.00	$90,000.00
Office	$151,000.00	$141,703.16	$194,000.00	$147,500.00
Salaries & Benefits	$761,138.00	$603,785.22	$792,799.00	$728,950.00
Board of Directors	$18,000.00	$38,166.86	$24,000.00	$20,000.00
Other Expenditures	$595,000.00	$15,107.09	$600,000.00	$13,500.00
Total Expenditures	**$2,335,638.00**	**$1,597,076.39**	**$2,465,299.00**	**$1,677,350.00**
Net Profit (Loss)	**$22,974.00**	**$2,995,003.28**	**$163,313.00**	**$2,750,000.00**

FREE WILL BAPTIST FOUNDATION

2027 STAFF COMPENSATION

CEO | Director: Brent Patrick	**2027 Proposed**	**2026 Package**
Salary	$86,710.98	$84,185.42
Housing	$36,050.00	$35,000.00
Health Insurance	$28,545.63	$28,545.63
FICA/Medicare Replacement	$9,117.68	$9,117.68
Retirement	$5,959.27	$5,959.27
Total	$166,383.56	$162,808.00

Chief Financial Officer	**2027**	**2026**
Salary	$108,820.53	$105,651.00
Health Insurance	$12,500.00	$12,500.00
FICA/Medicare Replacement	$8,082.30	$8,082.30
Retirement	$10,565.10	$10,565.10
Total	$139,967.93	$136,798.40

Field Manager: Doug Little	**2027**	**2026**
Salary	$55,796.13	$54,171.00
Housing	$44,671.10	$43,370.00
Health Insurance	$4,800.00	$4,800.00
Retirement	$9,754.10	$9,754.10
Benefits - Other	$2,280.00	$2,280.00
Total	$117,301.33	$114,375.10

Estate Planning Representatives: Todd Smith & Barry Simpson	**2027**	**2026**
Salary	$82,962.08	$80,545.71
Housing	$46,350.00	$45,000.00
Health Insurance	$28,545.63	$28,545.63
Retirement	$4,732.32	$4,732.32
Total	$162,590.03	$158,823.66

Administrative Staff: Tina Williams & Priscilla Hawkins	**2027**	**2026**
Salary	$119,382.02	$115,904.87
Health Insurance Replacement	$10,983.00	$10,983.00
Retirement	$8,629.18	$8,629.18
Benefits - Other	$1,200.00	$1,200.00
Total	$140,194.20	$136,717.05

** Salary & Housing figures denote a 3% raise from 2026 to 2027.*

*** Foundation vehicles provided to CEO, Field Manager, & Estate Planning Represenatives*

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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, 2025 and 2024, 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, 2025 and 2024, 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.

Nashville, Tennessee
May 14, 2026

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FREE WILL BAPTIST FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

ASSETS

	2025	2024
ASSETS		
Cash and cash equivalents	$ 2,443,771	$ 6,981,030
Other receivables	250,059	290,043
Accrued interest receivable	-	74,336
Other assets	45,243	35,862
Office equipment and automobiles, net of accumulated depreciation accumulated depreciation	95,614	120,223
	2,834,687	7,501,494
Investments, at fair market value		
U.S. Government instruments	675,709	505,084
Common stocks	20,959,117	18,185,967
FWB Ministries Partnership	1,137,680	1,137,680
Real estate investments	2,638,997	2,722,604
Mutual funds	30,436,698	27,609,753
Corporate bonds	1,145,311	1,102,261
Municipal bonds	1,956,427	1,968,277
Exchange-traded investments	2,494,037	-
Asset backed securities	334,731	-
Alternative investments	1,962,264	-
Richland Ave Financial investment	12,956,610	12,145,923
Total investments	76,697,581	65,377,549
Notes receivable		
Notes receivable Welch College	14,103,712	14,272,452
Notes receivable Welch College - line of credit	1,310,830	1,306,935
Notes receivable other	1,767,456	1,921,331
Total notes receivable	17,181,998	17,500,718
TOTAL ASSETS	$ 96,714,266	$ 90,379,761

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

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FREE WILL BAPTIST FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION - CONTINUED
DECEMBER 31, 2025 AND 2024

LIABILITIES AND NET ASSETS

	2025	2024
LIABILITIES		
Operating liabilities:		
Accounts payable	$ 6,095	$ -
Demand notes	30,661,678	25,556,297
Collective investment fund	27,806,259	22,901,412
Gift Annuity Pool	1,493,627	1,440,791
Liabilities to beneficial owners		
Individual revocable trusts	-	5,650,778
Organizational revocable trusts	11,359,576	13,370,028
Future gifts payable - Unitrust pool	2,636,731	2,385,423
Funds held in trust - Quasi endowments	7,961,918	7,257,463
Total liabilities	81,925,884	78,562,192
NET ASSETS		
Without donor restrictions		
Operating	5,447,856	2,319,400
Board designated	214,830	214,830
Total net assets without donor restrictions	5,662,686	2,534,230
With donor restrictions		
Endowments	9,353,739	9,079,685
Unrealized gains and losses - unallocated	(228,043)	203,654
Total net assets	14,788,382	11,817,569
TOTAL LIABILITIES AND NET ASSETS	$ 96,714,266	$ 90,379,761

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

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FREE WILL BAPTIST FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
WITHOUT DONOR RESTRICTIONS		
REVENUE AND SUPPORT		
Investment income:		
Interest and dividends, net of investment fees	$ 2,822,767	$ 2,547,616
Realized gains (losses) on sale of investments	1,049,695	858,271
Unrealized gains (losses) from investments	2,568,646	1,858,002
Total investment income	6,441,108	5,263,889
Support through "The Together Way"		
Plan and other contributions	3,723	12,192
Gain (loss) on sale of property and equipment	-	60,529
Estate planning fees	258,325	331,400
Interest income - note receivable	983,747	1,095,214
Net assets released from restrictions:		
Restrictions satisfied by payments	-	410,613
Total Support and Revenue	7,686,903	7,173,837
Allocation of earnings to revocable trusts, beneficiaries and annuitants	(3,065,857)	(4,813,552)
Revenue and support after allocations	4,621,046	2,360,285
EXPENSES		
Operating	1,130,314	1,120,229
Grants	-	595,077
Estate Planning	362,276	589,059
Withdrawals (restrictions satisfied by payments)	-	410,613
	1,492,590	2,714,978
Increase (decrease) in net assets without donor restrictions	3,128,456	(354,693)
WITH DONOR RESTRICTIONS		
REVENUE AND SUPPORT		
Contributions	-	764,442
Earnings on investments	274,054	487,268
Unrealized gains (losses) from investments	(431,697)	1,910,220
Net assets released from restrictions:		
Restrictions satisfied by payments - withdrawals	-	(410,613)
Increase (decrease) in net assets with donor restrictions	(157,643)	2,751,317
Total increase (decrease) in net assets	2,970,813	2,396,624
Net assets - beginning of year	11,817,569	9,420,945
Net assets - end of year	14,788,382	11,817,569

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

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FREE WILL BAPTIST FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025				
	With Donor Restrictions	Without Donor Restrictions			
	Withdrawals	Operating	Grants	Estate Planning	Total
EXPENSES					
Salaries and benefits	$ -	$ 605,974	$ -	$ -	$ 605,974
Equipment expense	-	28,490	-	-	28,490
Travel	-	82,611	-	91,788	174,399
Promotion	-	75,483	-	16,176	91,659
Board expense	-	38,167	-	-	38,167
Office expense	-	40,418	-	-	40,418
Rent expense	-	59,616	-	-	59,616
Printing and publications	-	3,899	-	-	3,899
One magazine	-	55,138	-	-	55,138
Convention expense	-	29,288	-	-	29,288
Training and education	-	211	-	-	211
Legal and accounting	-	80,743	-	-	80,743
Depreciation	-	24,609	-	-	24,609
Ministry gifts	-	-	-	-	-
Grants	-	-	-	-	-
Fees	-	-	-	247,112	247,112
Cancellations	-	-	-	7,200	7,200
Miscellaneous	-	5,667	-	-	5,667
Payments to beneficiaries and annuitants	-	-	-	-	-
Total expenses	$ -	$1,130,314	$ -	$ 362,276	$1,492,590

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

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FREE WILL BAPTIST FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2024				
	With Donor Restrictions	Without Donor Restrictions			
	Withdrawals	Operating	Grants	Estate Planning	Total
EXPENSES					
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
Convention expense	-	-	-	-	-
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	$ 410,613	$1,120,229	$ 595,077	$ 589,059	$2,714,978

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

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FREE WILL BAPTIST FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received for:		
Contributions	$ -	$ 764,442
Donations and other support	3,723	12,192
Interest and dividends	2,897,103	2,473,280
Other income	1,272,675	1,445,245
Payments to beneficiaries and annuitants	-	(410,613)
Cash paid to suppliers and employees	(1,461,886)	(2,282,720)
Allocation of earnings to revocable trusts, beneficiaries and annuitants	274,054	487,268
Allocation to unrealized gains and losses - unallocated	(3,065,857)	(4,813,552)
Net Cash Provided (Used) By Operating Activities	(80,188)	(2,324,458)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of office equipment and automobiles	-	(120,843)
Proceeds from the sale of office equipment and automobiles	-	75,132
New loans made	(238,469)	(1,127,596)
Principal payments received on notes receivable	557,189	1,347,068
Proceeds from sale or call of investment securities	11,869,818	15,520,644
Purchase of investment securities	(20,003,206)	(14,073,887)
Net Cash Provided (Used) By Investing Activities	(7,814,668)	1,620,518
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from additions, net of withdrawals, to future gift interest and revocable trusts	-	10,602,141
Contributions to funds held in trust	-	(8,855,922)
Earnings allocated to funds held in trust	-	(841,097)
Trust earnings	3,357,597	4,365,843
Proceeds from line of credit	-	-
Repayment of line of credit	-	-
Net Cash Provided (Used) by Financing Activities	3,357,597	5,270,965
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,537,259)	4,567,025
Cash and cash equivalents at beginning of years	6,981,030	2,414,005
Cash and cash equivalents at end of years	$ 2,443,771	$ 6,981,030

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

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FREE WILL BAPTIST FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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 2025 and 2024.

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.

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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, 2025 no amounts were past due on any of the loans.

3. INVESTMENTS

A summary of investments at market value is as follows:

	2025 Market Value
Investments:	
Marketable Securities:	
U.S. Government instruments	$ 675,709
Common stocks	20,959,117
FWB Ministries Partnership	1,137,680
Mutual Funds	30,436,698
Corporate bonds	1,145,311
Municipal bonds	1,956,427
Exchange-traded investments	2,494,037
Asset backed securities	334,731
Alternative investments	1,962,264
Real estate investment trust	2,638,997
Richland Ave Financial Investment	12,956,610
Total Investments	$ 76,697,581

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3. INVESTMENTS - CONTINUED

	2024 Market Value
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

Total investment income (loss) amounted to $6,009,411 for 2025, consisting of investment gains (losses) of $3,440,765 and interest and dividends of $2,568,646 (net of investment fees of $347,729).

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).

4. DEMAND NOTES

The Foundation sold Notes which totaled $30,661,678 and $25,556,297 at December 31, 2025 and 2024, 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 $27,806,259 and $22,901,412 at December 31, 2025 and 2024 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 $5,560,778 at December 31, 2025 and 2024, 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.

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7. ORGANIZATIONAL REVOCABLE TRUST

The Foundation maintains a organization revocable trust which totaled $11,359,576 and $13,370,028 at December 31, 2025 and 2024, 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 $2,636,731 and $2,385,423 and gift annuities amounting to $1,493,627 and $1,440,791 as of December 31, 2025 and 2024, 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, 2025 and 2024, the endowment funds totaled $7,961,918 and $7,257,463 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, 2025 and 2024 the Foundation's accounts exceeded the federally insured limits by approximately $1,315,514 and $1,315,514 respectively.

11. OFFICE EQUIPMENT AND AUTOMOBILES

A summary of office equipment and automobiles is as follows:

	2025	2024
Automobiles - four	$ 154,680	$ 154,680
Office equipment	47,825	47,825
Furnishings	19,463	19,463
Software	29,581	29,581
	251,549	251,549
Accumulated Depreciation	(155,935)	(131,326)
	$ 95,614	$ 120,223

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 $59,616 and $57,753 for the years ended December 31, 2025 and 2024, respectively.

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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, 2025 and 2024 respectively. During 2025 the Foundation paid $-0- in interest payments related to borrowings on the line of credit ($-0- in 2024).

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 $51,817 ($46,918 in 2024). 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, 2025 and 2024 respectively.

During the year ended December 31, 2025 the Foundation had gains from the sale of stocks in the amount of $-0- ($971,978 in 2024). 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:

	2025	2024
Endowments	$ 9,353,739	$ 9,079,685

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 $-0- at December 31, 2025 ($-0- at December 31, 2024).

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18. CONCENTRATION

The notes receivable from Welch College represent 15.94% 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, 2025 Using			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government instruments	$ 675,709	$ 675,709	$ -	$ -
Common stocks	20,959,117	20,959,117	-	-
FWB Ministries Partnership	1,137,680	-	1,137,680	-
Real estate investments	2,638,997	2,638,997	-	-
Mutual funds	30,436,698	30,436,698	-	-
Corporate bonds	1,145,311	-	1,145,311	-
Exchange-traded investments	1,956,427	-	1,956,427	-
Asset backed securities	2,494,037	-	2,494,037	-
Alternative investments	334,731	-	334,731	-
Municipal bonds	1,962,264	-	1,962,264	-
Richland Ave Financial Invest	12,956,610	12,956,610	-	-
	$76,697,581	$67,667,131	$ 9,030,450	$ -

	Fair Value Measurements at December 31, 2024 Using			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government instruments	$ 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	-	-
	$65,377,549	$61,169,331	$ 4,208,218	$ -

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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:

	2025	2024
Real estate investments:		
Beginning balance	$ -	$ 88,750
Purchases	-	-
Transfer to Level 1	-	-
Gains (losses) on value	-	-
Sales	-	(88,750)
Ending balance	$ -	$ -
Total gains or losses for the year included in the statement of activities attributable to the change in unrealized gains or losses relating to investments still held at the reporting date.	$ -	$ -

20. UNCERTAINTY IN INCOME TAXES

Accounting principals generally accepted in the United States of America require the Foundation's management to evaluate tax positions taken by the Foundation and recognize a tax liability (or asset) if the Foundation has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Foundation's director has analyzed tax positions taken and has concluded that as of December 31, 2025, 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.

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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, 2025 and 2024 was $14,103,712 and $14,272,452.

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, 2025 and 2024 was $1,311,494 and $1,306,935.

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 2025 amounted to $887,249 ($896,618 for 2024) net of interest paid on its line of credit of $61,316 ($61,389 for 2024).

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 2025 being 6.00%. The balance on the note at December 31, 2025 and 2024 was $1,248,042 and $1,343,400.

23. SUBSEQUENT EVENTS

Subsequent events have been evaluated by Management through May 12, 2026 which is the date the financial statements were available to be issued.

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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.

	2025	2024
Financial assets at year-end	$ 96,573,409	$ 90,149,340
Less those unavailable for general expenditures within one year due to:		
Reserved for beneficial owners	(81,691,746)	(78,765,846)
Board designated net assets	(214,830)	(214,830)
Net assets with donor restrictions	(9,353,739)	(9,079,685)
Financial assets available to meet cash needs for general expenditures within one year	$ 5,313,094	$ 2,088,979

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:

	2025	2024
Beginning balance	$ 203,654	$ (1,706,566)
Gains (losses) on value	(431,697)	1,910,220
Ending balance	$ (228,043)	$ 203,654

NORTH AMERICAN MINISTRIES

And Jesus came and spake unto them, saying, "All power is given unto me in heaven and in earth. Go ye therefore, and teach all nations, baptizing them in the name of the Father, and of the Son, and of the Holy Ghost: Teaching them to observe all things whatsoever I have commanded you: and, lo, I am with you always, even unto the end of the world."
Matthew 28:18-20

Dear Friends of North American Ministries,

Over 2000 years ago, Jesus gathered His disciples and gave His final teaching - the Great Commission. He called them to ***multiply,*** to grow the Kingdom**,** by reaching, teaching, and baptizing others in the name of the Father, the Son, and the Holy Spirit.

Not only did Jesus send them out to make more disciples, but He also filled them with His power to accomplish His plan.

Though centuries have passed, the Great Commission is still our calling, and North American Ministries answers the call by equipping and sending church planters and chaplains to ***multiply***, planting healthy churches and replicating disciples across North America.

Multiplying Churches and Believers

North American Ministries church planters continue to demonstrate outstanding dedication to the Lord, following His calling on their lives with faithful obedience. In 2025, NAM church plants saw over 220 individuals place their faith in Jesus and baptized over 180 believers. We currently have 54 church planters serving in over 36 plants across the nation, with new church plants in Hilo, Hawaii; San Diego, California; and Bozeman, Montana. Cross-cultural ministry opportunities continue to expand as well, with a network of Spanish-speaking church plants and congregations discipling hundreds in their own language. This year, the NAM Hispanic Bible Institute continued its renewed efforts and graduated its second class of ministerial students since relocating to North Carolina in 2024. The class of 2026 is enrolling now.

Multiplying Ministry to Service Members

In addition to our church planting efforts, North American Ministries continues to endorse and support our Free Will Baptist chaplains serving in the United States Army, Navy, National Guard, and Reserve forces. We thank these men and their families for their faithful service to

our country and the Lord, and we look forward to adding more chaplains to our numbers in the future.

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 (MAJ) David Dodson, US Army
CH (LTC) W. Lee Frye, Jr. US Army
CH (LTJG, CHC) Joshua Hampton, US Navy
CH (COL) Brad Hanna, Army National Guard
CH(CPT) Shaun Hembree, US Army
CH (LCDR, CHC) Hal Jones, US Navy
CH (LCDR, CHC) Mark McCraney, US Navy
CH (LTC) Kevin Trimble, US Army
CH (CPT) Jonathan Truett, US Army
CH Chris Dotson, Secret Service
Ethan McCraney, Ministry Partner, Cadence International
Terry Austin, US Army (CH COL-Retired) Chaplain Support Officer

Multiplying Ministry Opportunities

Master's Men continues to serve our denomination through discipleship, fellowship, and service, such as their work through Disaster Response Teams (DRT). Through DRT and local chapters, Master's Men has organized and equipped multiple teams across the US to respond to natural disasters at home and around the world. Last year, DRTs served in Tennessee, Florida, Alabama, Georgia, North Carolina, and internationally in Jamaica.

In addition to our established ministry paths, North American Ministries desires to further engage with students, equipping them for present and future ministry opportunities. We are overjoyed to announce the launch of a brand-new ministry at NAM, Frontier Student Missions. Frontier exists to engage students with church planting and ministry leadership, fanning into flame their gifts and callings and empowering them to blaze new trails in planting and leading churches across North America. Through leadership training, summer mission trips, and continuing opportunities to deepen their ministry experience, Frontier will equip students to lead in multiplication ministry now and prepare them for wherever God leads in the future.

Multiplying Your Gifts and Resources

Without the support of fellow Free Will Baptists, our work would not be possible. Thank you for your faithful giving, service, and engagement in the mission of North American Ministries. God truly multiplies your resources to accomplish His purposes in astounding ways. Total gifts for 2025 exceeded $4.7 million! We are grateful to report that your generosity allowed us to exceed our annual Mission North America Offering goal, raising over $800,000 that will directly impact multiplying ministries like church planting, chaplaincy, student missions, and other outreach

efforts.

Listed below are the top ten states for giving this year.

Tennessee	$900,019.28
North Carolina	$848,026.63
Alabama	$641,507.87
Oklahoma	$395,469.92
Missouri	$210,017.60
Georgia	$183,553.27
Virginia	$152,042.28
Florida	$146,831.20
California	$138,582.39
Ohio	$128,361.46

Finally, I must express my profound appreciation to our staff members, Brad Ransom, Chief Training Officer; Ken Akers, Director of Master's Men and Chief Financial Officer; Terry Austin, Chaplain Support Officer; Rick Bowling, Cross Cultural Officer; Josh Bennett, Chief Strategy Officer; Teresa Womack, CELF Accounting Administrator; Paula Kivette, NAM Accounting Administrator; Kylah Walker, Student Impact Coordinator; and Bethany Douglas, Publications Editor and Administrative Assistant. 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 dedication and wisdom, enabling us to carry out the work the Lord has entrusted to our department and its partners.

In 2026, we're praying for God to ***multiply*** His Kingdom through us – more growing disciples, more thriving churches, and more lives forever changed by the Gospel. We're committing to be ***multipliers*** by answering His call to reach the lost, no matter the cost.

Join us in this mission!

Together, we can proclaim the Gospel and make His name known across North America and around the world.



Dr. H David Crowe
Executive Director
North American Ministries

Free Will Baptist North American Ministries
Synopsis of Board Minutes 2025

February 18, 2025

Motion, seconded, and carried to approve Dwayne & Tina James and Kip & Megan McNeill as church planters to Jackson, TN, as a joint project with the TN FWB Mission Board.

May 6, 2025

Motion, seconded, and carried to approve the 2026 Proposed Budget.

May 7, 2025

Motion, seconded, and carried to approve the updated National Church Planter Salary Policy.

Motion, seconded, and carried to approve Layton and Stephanie Smith as Church Planters in Sumterville, FL, as a joint project with the Florida State Mission Board.

May 22, 2025

Motion, seconded, and carried to approve the *Dual Affiliation Policy* presented by Dr. Brad Ransom.

September 23, 2025

Motion, seconded, and carried to approve Lory and Danielle Rawlinson as Lead Church Planters in Pueblo, Colorado, replacing Mark and Donna Thomas, who are retiring at the end of 2025.

October 28, 2025

Motion, seconded, and carried to lower the Church Extension Loan Fund's investment interest rate by 0.5% beginning January 1, 2026.

December 10, 2025

Motion, seconded, and carried to approve increasing the loan for The Bridge Church, Fredericksburg, VA.

Motion, seconded, and carried to adopt the Church Restart Policy.

Motion, seconded, and carried to adopt the Mandatory Reporting Policy.

Motion, seconded, and carried to adopt the Joint Project Policy.

Motion, seconded, and carried to award "I Will Build My Church" grants of $30,000 each to Greg Smith, The Well (Ypsilanti, MI), and Armon Jorden, Ho'omana Church (Hilo, HI).

Motion, seconded, and carried to approve Hansel and Ellie Morell as church planters to Lebanon, TN, in a joint project with TDF and the TNFWB Home Mission Board, pending a successful on-site assessment.

Motion, seconded, and carried to continue independent paths regarding TeamWork Missions and Frontier Student Missions.

Motion, seconded, and carried to give Church Planters a 3% raise for 2026.

Motion, seconded, and carried to give the NAM office staff a 3% raise for 2026.



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, 2025 and 2024, 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, 2025 and 2024, 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

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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.



Nashville, Tennessee
April 29, 2026

FREE WILL BAPTIST NORTH AMERICAN MINISTRIES, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Cash	$ 312,904	$ 126,495
Investments	2,471	1,689
Investments in Church Extension Fund	1,071,232	815,660
Investments in Free Will Baptist Foundation	8,287	8,194
Endowments	709,889	704,075
Property & equipment, at cost less accumulated less accumulated depreciation of $303,405 ($263,859 in 2024)	246,807	233,192
Right of use asset	15,376	21,526
TOTAL ASSETS	$ 2,366,966	$ 1,910,831
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 48,298	$ 7,819
Lease liability	16,299	22,290
Total liabilities	64,597	30,109
COMMITMENTS		
NET ASSETS		
NET ASSETS		
Without donor restrictions		
Operating	1,019,561	468,262
Total Without Donor Restrictions	1,019,561	468,262
With donor restrictions	1,282,808	1,412,460
Total net assets	2,302,369	1,880,722
TOTAL LIABILITIES AND NET ASSETS	$ 2,366,966	$ 1,910,831

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, 2025 AND 2024

	2025	2024
WITHOUT DONOR RESTRICTIONS		
REVENUES		
Designated contributions	$ 920,486	$ 770,950
Fund-raising special events	11,227	11,039
Management fees	1,626,000	1,290,000
Investment income	58,854	36,028
Unrealized gain (loss) on value of investment	41,226	41,623
Gain (loss) on sale of property and equipment	13,000	9,250
Net assets released from restrictions:		
Restrictions satisfied by payments	3,896,363	3,505,059
Total revenue	6,567,156	5,663,949
EXPENSES		
North American Ministries' management and general expenses	2,065,604	1,862,919
North American Ministries' missionary expenses	3,815,161	3,343,894
Master's Men management and general expenses	45,042	41,713
Master's Men fundraising expenses	8,848	12,369
Master's Men disaster relief expenses	81,202	161,165
Total expenses	6,015,857	5,422,060
Increase (decrease) in net assets without donor restrictions	551,299	241,889
WITH DONOR RESTRICTIONS		
REVENUES		
Designated contributions	3,766,711	3,455,012
Net assets released from restrictions:		
Restrictions satisfied by payments		
Missionary expenses	(3,815,161)	(3,343,894)
Master's Men disaster relief fund	(81,202)	(161,165)
Increase (decrease) in net assets with donor restrictions	(129,652)	(50,047)
Total increase (decrease) in net assets	421,647	191,842
Net assets - beginning of year	1,880,722	1,688,880
Net assets - end of year	$ 2,302,369	$ 1,880,722

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, 2025 AND 2024

	2025					
	Master's Men			North American Ministries		
	Program services	Operations		Program services	Operations	
	Disaster Relief	Management and General	Fundraising	Missionaries	Management and General	Total
EXPENSES AND OTHER DEDUCTIONS						
Salaries and wages	$ -	$ -	$ -	$ 3,060,724	$ 607,217	$ 3,667,941
Payroll taxes	-	-	-	-	21,628	21,628
Housing allowance and employee benefits	-	-	-	-	84,900	84,900
Retirement	-	-	-	80,357	11,714	92,071
Literature	-	-	-	-	1,490	1,490
Promotion expense	-	9,979	-	10,591	61,806	82,376
Utilities	-	-	-	-	25,069	25,069
Office expense	-	-	-	-	35,314	35,314
Printing and postage	-	-	-	11,412	41,093	52,505
Rent expense	-	6,063	-	-	75,426	81,489
Professional fees	-	-	-	10,255	10,600	20,855
Auto and travel expense	3,417	132	80	197,296	342,061	542,986
Board meeting expense	-	-	-	-	19,205	19,205
Conference expense	-	-	-	-	-	-
Insurance expense	822	862	-	72,497	183,355	257,536
Telephone	-	-	-	-	4,166	4,166
Scholarships	-	-	-	-	5,000	5,000
Flowers and gifts	5,000	3,200	-	3,500	177,028	188,728
Lease payments	-	-	-	-	6,150	6,150
Miscellaneous	71,963	2,996	8,768	124,561	232,369	440,657
One magazine	-	8,783	-	-	74,417	83,200
Missionary land and buildings	-	-	-	243,968	-	243,968
Interest expense	-	-	-	-	943	943
Depreciation	-	13,027	-	-	44,653	57,680
Total expenses and other deductions	$ 81,202	$ 45,042	$ 8,848	$ 3,815,161	$ 2,065,604	$ 6,015,857

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, 2025 AND 2024

	2024					
	Master's Men			North American Ministries		
	Program services	Operations		Program services	Operations	
	Disaster Relief	Management and General	Fundraising	Missionaries	Management and General	Total
EXPENSES AND OTHER DEDUCTIONS						
Salaries and wages	$ -	$ -	$ -	$ 2,744,459	$ 678,443	$ 3,422,902
Payroll taxes	-	-	-	-	31,670	31,670
Housing allowance and employee benefits	-	-	-	-	93,900	93,900
Retirement	-	-	-	76,115	17,094	93,209
Literature	-	-	-	213	988	1,201
Promotion expense	-	2,622	1,906	7,552	63,158	75,238
Utilities	-	-	-	-	24,844	24,844
Office expense	-	492	-	-	50,745	51,237
Printing and postage	-	-	-	11,085	44,876	55,961
Rent expense	228	4,357	-	-	85,897	90,482
Professional fees	-	-	-	-	10,480	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	186,735	248,714
Telephone	-	-	-	-	4,361	4,361
Scholarships	-	-	-	-	5,000	5,000
Flowers and gifts	146,080	100	-	-	115,225	261,405
Lease payments	-	-	-	-	6,150	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	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 CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	$ 421,647	$ 191,842
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	57,680	49,462
(Gain) loss on value of investment	(41,226)	(41,623)
(Gain) loss on sale of property and equipment	(13,000)	(9,250)
Amortization of right of use asset	6,150	6,150
Amortization of lease liability	(5,991)	(5,708)
Changes in operating assets and liabilities:		
Increase (decrease) in accounts payable and accrued expenses	40,479	(45,385)
Net Cash Provided (Used) By Operating Activities	465,739	145,488
CASH FLOWS FROM INVESTING ACTIVITIES:		
Redemption of investments	83,085	-
Acquisition of investments	(333,417)	(231,471)
Distributions received from beneficial trust	29,297	29,416
Proceeds from the sale of property and equipment	13,000	15,000
Purchases of property and equipment	(71,295)	(57,091)
Net Cash Provided (Used) By Investing Activities	(279,330)	(244,146)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Financing lease payments made	-	-
Net Cash Provided (Used) by Financing Activities	-	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	186,409	(98,658)
Cash and cash equivalents at beginning of years	126,495	225,153
Cash and cash equivalents at end of years	$ 312,904	$ 126,495
SUPPLEMENTAL DISCLOSURES		
Interest paid	$ 943	$ 1,225

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, 2025 AND 2024

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 2025 or 2024.

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, 2025 and 2024.

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.

2. PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

	2025	2024
Land - Puerto Rico	$ 105,000	$ 105,000
Automobile	119,183	119,183
Computer equipment	-	1,228
Equipment	95,380	82,537
Trailers	53,090	13,640
Office furniture & equipment	177,559	175,463
	550,212	497,051
Less: Accumulated depreciation	(303,405)	(263,859)
	$ 246,807	$ 233,192
Depreciation for the year	$ 57,680	$ 49,462

3. RESTRICTIONS ON NET ASSETS

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

	2025	2024
Missionaries	$ 997,095	$ 1,071,527
Build a House program	50,181	50,181
Disaster Relief Program	202,557	257,777
Ridge Church	(68,275)	(68,275)
Life Member endowment	101,250	101,250
	$ 1,282,808	$ 1,412,460

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 2025 was an increase of $5,030 (a increase of $4,825 for 2024).

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 $1,626,000 ($1,290,000 in 2024) 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, 2025 and 2024 was $1,071,232 and $815,660 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, 2025 and 2024, the excess amount over the federally insured limit was $62,904 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 $1,071,232 and $815,660 invested in a demand note of the Church Extension Loan Fund at December 31, 2025 and 2024 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 $92,071 ($93,209 in 2024). The pension plan is a defined contribution plan. Under the plan, an account is maintained for each participant and upon retirement the participant can either receive a lump-sum distribution or purchase one of several types of annuity contracts.

8. UNCERTAINTY IN INCOME TAXES

Accounting principals generally accepted in the United States of America require the Board's management to evaluate tax positions taken by the Board and recognize a tax liability (or asset) if the Board has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Board's executive director has analyzed tax positions taken and has concluded that as of December 31, 2025 and 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 Board is exempt from filing annual tax returns.

9. FUNDRAISING EXPENSES

Fundraising expenses amounted to $8,848 and $12,369 for the years ended December 31, 2025 and 2024.

10. INVESTMENTS

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

	December 31, 2025		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Equity securities	$ 5,685	$ 2,471	$ (3,214)

Investment return is summarized as follows:

Net realized and unrealized income (loss)	$ 782

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

Investment return is summarized as follows:

Net realized and unrealized income (loss)	$ 1,107

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:

	2025	2024
Build A House	$ 8,287	$ 7,843
Ridge Trust	-	351
East Nashville Church Endowment	600,610	595,580
Life Member Endowment	109,279	108,495
	$ 718,176	$ 712,269

Investment return is summarized as follows:

Net realized and unrealized income (loss)	$ 40,444	$ 40,516

12. FAIR VALUE MEASUREMENTS

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

	Fair Value Measurements at December 31, 2025		
	Fair Value	(Level 1)	(Level 2)
Equity securities	$ 2,471	$ 2,471	$ -
Investment in the FWB Foundation	718,176	-	718,176
	$ 720,647	$ 2,471	$ 718,176

	Fair Value Measurements at December 31, 2024		
	Fair Value	(Level 1)	(Level 2)
Equity securities	$ 1,689	$ 1,689	$ -
Investment in the FWB Foundation	712,269	-	712,269
	$ 713,958	$ 1,689	$ 712,269

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, 2025 and 2024 amounted to $81,489 and $90,482.

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:

	2025	2024
Operating Lease:		
Right of use asset	$ 15,376	$ 21,526
Lease liability	$ 16,299	$ 22,290

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

	2025	2024
Operating Lease:		
Weighted average remaining lease term	2	3
Weighted average discount rate	4.8%	4.8%

13. COMMITMENTS - LEASING ACTIVITIES - CONTINUED

The maturities of the lease liabilities at December 31, 2025 were as follows:

Year ended December 31,	Amount
2026	$ 6,286
2027	6,595
2028	3,418
2029	-
Total	$ 16,299

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

	2025	2024
Operating lease cost in rent expense	$ 81,489	$ 90,482
Operating lease included in lease payments	$ 6,150	$ 6,150

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

Cash paid for amounts included in the measurement of measurement of lease liabilities:	2025	2024
Operating cash flows from operating leases:	$ 6,150	$ 6,150

14. SUBSEQUENT EVENTS

Subsequent events have been evaluated by Management through April 29, 2026 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.

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 door restrictions is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

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

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

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donors have required the Organization to retain as a fund of perpetual duration. There was a deficiency of $-0- of as of December 31, 2025 ($-0- at December 31, 2024).

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, 2025		
Board designated endowment funds	$ 8,029	$ -	$ 8,029
Donor-restricted endowment funds	-	701,860	701,860
	$ 8,029	$ 701,860	$ 709,889

15. ENDOWMENT - CONTINUED

	December 31, 2024		
Board designated endowment funds	$ 7,245	$ -	$ 7,245
Donor-restricted endowment funds	-	696,830	696,830
	$ 7,245	$ 696,830	$ 704,075

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

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Net Assets
	December 31, 2025		
Beginning balance	$ 7,245	$ 696,830	$ 704,075
Total gains or losses (realized and unrealized) included in the Statement of Activities	784	34,327	35,111
Purchases, issuances, settlements, and transfers from unallocated to allocated (net)	-	(29,297)	(29,297)
Ending balance	$ 8,029	$ 701,860	$ 709,889
	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	$ 7,245	$ 696,830	$ 704,075

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.

	2025	2024
Total assets	$ 113,066,380	$ 99,964,105
Total liabilities	$ 118,665,411	$ 100,478,891
Net assets	$ (5,599,031)	$ (514,786)
Revenue	$ 6,741,206	$ 5,471,124
Expenses	$ 11,825,451	$ 10,302,640

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.

	2025	**2024**
Financial assets at year-end	$ 2,104,783	$ 1,656,113
Less those unavailable for general expenditures within one year due to:		
Reserved for net assets with donor restrictions	(1,282,808)	(1,412,460)
Financial assets available to meet cash needs for general expenditures within one year	$ 821,975	$ 243,653

FREE WILL BAPTIST NORTH AMERICAN MINISTRIES
Compensation Detail

	2025 Actual	2026 Approved	2027 Proposed
Chief Executive Officer: David Crowe			
Salary	$ 103,926.72	$ 106,502.23	$ 106,502.23
Housing	$ 18,000.00	$ 18,000.00	$ 18,000.00
Utilities	$ 3,144.99	$ 5,000.00	$ 5,000.00
Retirement	$ 5,788.44	$ 5,000.00	$ 6,000.00
Insurance	$ 24,000.00	$ 24,000.00	$ 24,000.00
TOTALS	$ 154,860.15	$ 158,502.23	$ 159,502.23
Office car furnished			
Chief Training Officer: Brad Ransom			
Salary	$ 85,626.96	$ 88,259.11	$ 88,259.11
Housing	$ 18,000.00	$ 18,000.00	$ 18,000.00
Utilities	$ 2,491.45	$ 5,000.00	$ 5,000.00
Retirement	$ 5,107.92	$ 5,000.00	$ 5,200.00
Insurance	$ 24,000.00	$ 24,000.00	$ 24,000.00
TOTALS	$ 135,226.33	$ 140,259.11	$ 140,459.11
Office car furnished			
Master's Men Director/Chief Financial Officer: Ken Akers			
Salary	$ 81,984.84	$ 80,951.70	$ 80,951.70
Housing	$ 24,000.00	$ 24,000.00	$ 24,000.00
Utilities	$ 3,435.41	$ 5,000.00	$ 5,000.00
Retirement	$ 5,054.28	$ 5,000.00	$ 5,200.00
Insurance	$ 24,000.00	$ 24,000.00	$ 24,000.00
TOTALS	$ 138,474.53	$ 138,951.70	$ 139,151.70
Office car furnished			
Cross Cultural Officer: Rick Bowling			
Salary	$ 76,372.12	$ 73,535.70	$ 77,000.00
Housing	$ 21,600.00	$ 21,600.00	$ 21,600.00
Utilities	$ -	$ -	$ -
Retirement	$ -	$ -	$ -
Insurance	$ -	$ -	$ -
TOTALS	$ 97,972.12	$ 95,135.70	$ 98,600.00
Office car furnished			

FREE WILL BAPTIST NORTH AMERICAN MINISTRIES
2025 Budget and Expenses

	Adm. Budget	Actual Expenses	Missionary Budget	Actual Expenses	Total Budget	Total Expenses
Year 2025						
Salaries/Housing	$ 700,000.00	$ 780,413.02	$ 2,600,000.00	$ 2,967,007.97	$ 3,300,000.00	$ 3,747,420.99
Retirement	$ 18,000.00	$ 11,713.84	$ 61,000.00	$ 80,356.85	$ 79,000.00	$ 92,070.69
Insurance	$ 155,000.00	$ 185,209.65	$ 63,000.00	$ 72,496.88	$ 218,000.00	$ 257,706.53
Auto and Travel	$ 260,000.00	$ 340,606.54	$ 176,000.00	$ 199,729.20	$ 436,000.00	$ 540,335.74
Postage	$ 15,000.00	$ 15,131.08	$ 1,000.00	$ 492.12	$ 16,000.00	$ 15,623.20
Printing	$ 50,000.00	$ 27,192.75	$ 6,000.00	$ 10,920.05	$ 56,000.00	$ 38,112.80
Promotion/Advertising	$ 120,000.00	$ 72,217.75	$ 25,000.00	$ 10,591.02	$ 145,000.00	$ 82,808.77
Office Supplies/Maintenance	$ 40,000.00	$ 36,082.17			$ 40,000.00	$ 36,082.17
ONE Magazine	$ 85,000.00	$ 83,199.93			$ 85,000.00	$ 83,199.93
Utilities	$ 32,000.00	$ 23,778.33			$ 32,000.00	$ 23,778.33
Board Expense	$ 15,000.00	$ 14,823.50			$ 15,000.00	$ 14,823.50
Literature	$ 3,000.00	$ 1,489.62	$ 15,000.00		$ 18,000.00	$ 1,489.62
Rent	$ 80,000.00	$ 81,129.59			$ 80,000.00	$ 81,129.59
Phone and FAX	$ 2,000.00	$ 4,984.29			$ 2,000.00	$ 4,984.29
Depreciation	$ 55,000.00	$ 49,672.76			$ 55,000.00	$ 49,672.76
Payroll Taxes	$ 15,000.00	$ 16,845.95			$ 15,000.00	$ 16,845.95
Medicare Taxes	$ 4,000.00	$ 4,781.69			$ 4,000.00	$ 4,781.69
Legal and Audit	$ 15,000.00	$ 10,600.00		$ 10,255.00	$ 15,000.00	$ 20,855.00
Misc.	$ 100,000.00	$ 300,611.01	$ 100,000.00	$ 96,487.89	$ 200,000.00	$ 397,098.90
Scholarships	$ 5,000.00	$ 5,000.00			$ 5,000.00	$ 5,000.00
Bank Service Charges	$ 1,500.00	$ 1,391.40			$ 1,500.00	$ 1,391.40
Copier Lease Payment	$ 7,500.00	$ 7,502.76			$ 7,500.00	$ 7,502.76
Flowers/Gifts	$ 55,000.00	$ 185,016.77		$ 3,500.00	$ 55,000.00	$ 188,516.77
Misc. Receipts			$ 2,000.00		$ 2,000.00	$ -
Land/Building			$ 100,000.00	$ 240,068.23	$ 100,000.00	$ 240,068.23
Foreign Missions Exchange			$ 18,000.00	$ 28,068.35	$ 18,000.00	$ 28,068.35
TOTALS	$ 1,833,000.00	$2,259,394.40	$ 3,167,000.00	$ 3,719,973.56	$ 5,000,000.00	$ 5,979,367.96

FREE WILL BAPTIST NORTH AMERICAN MINISTRIES

2025 State Quotas

STATE	QUOTA	GIVEN
Alabama	$525,000.00	$641,507.87
Alaska	$1,000.00	$20,540.00
Arizona	$70,000.00	$23,615.95
Arkansas	$170,000.00	$123,082.55
California	$125,000.00	$138,582.39
Canada	$5,000.00	$631.53
Colorado	$50,000.00	$77,727.04
Connecticut	$500.00	$0.00
Delaware	$500.00	$530.85
Florida	$125,000.00	$146,831.20
FWB Foundation	$10,000.00	$14,574.70
Georgia	$175,000.00	$183,553.27
Hawaii	$1,500.00	$2,385.00
Idaho	$1,000.00	$4,576.00
Illinois	$150,000.00	$78,946.81
Indiana	$60,000.00	$3,140.78
Iowa	$2,500.00	$1,380.00
Kansas	$10,000.00	$48,436.09
Kentucky	$130,000.00	$73,837.30
Louisiana	$500.00	$0.00
Maine	$2,500.00	$0.00
Maryland	$500.00	$1,514.00
Massachusetts	$1,000.00	$130.00
Michigan	$85,000.00	$79,741.09
Mid-Atlantic	$20,000.00	$2,048.15
Minnesota	$500.00	$0.00
Mississippi	$190,000.00	$119,234.49
Missouri	$225,000.00	$210,017.60
Montana	$4,000.00	$8,627.00
Nebraska	$500.00	$0.00
Nevada	$500.00	$0.00
New Hampshire	$2,000.00	$500.00
New Jersey	$500.00	$0.00
New Mexico	$2,000.00	$4,074.61
New York	$10,000.00	$20,245.06
North Carolina	$750,000.00	$848,026.63
North Dakota	$500.00	$0.00
Ohio	$200,000.00	$128,361.46
Oklahoma	$250,000.00	$395,469.92
Oregon	$1,000.00	$1,157.29
Other	$350,000.00	$286,145.81
Pennsylvania	$50,000.00	$9,465.90
Puerto Rico	$500.00	$120.00
Rhode Island	$5,000.00	$0.00
South Carolina	$150,000.00	$60,836.67
South Dakota	$500.00	$0.00
Tennessee	$650,000.00	$900,019.28
Texas	$110,000.00	$86,474.64
Utah	$3,000.00	$0.00
Vermont	$500.00	$0.00
Virgin Islands	$60,000.00	$60,729.32
Virginia	$200,000.00	$152,042.28
Washington	$5,000.00	$3,860.03
West Virginia	$10,000.00	$17,956.90
Wisconsin	$25,000.00	$8,860.00
WNAC	$20,000.00	$8,185.00
Wyoming	$2,500.00	$725.00
TOTALS	$5,000,000.00	$4,998,447.46

FREE WILL BAPTIST NORTH AMERICAN MINISTRIES
Proposed 2027 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	$160,000.00	$63,000.00	$223,000.00
Auto and Travel	$200,000.00	$175,000.00	$375,000.00
Postage	$15,000.00	$1,500.00	$16,500.00
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	$95,000.00		$95,000.00
Utilities	$25,000.00		$25,000.00
Board Expense	$25,000.00		$25,000.00
Literature	$2,000.00	$1,000.00	$3,000.00
Rent	$90,000.00		$90,000.00
Phone/Fax	$4,500.00		$4,500.00
Depreciation	$55,000.00		$55,000.00
Payroll Taxes	$25,000.00		$25,000.00
Medicare Taxes	$5,000.00		$5,000.00
Legal/Audit	$11,000.00		$11,000.00
Misc.	$100,000.00	$100,000.00	$200,000.00
Scholarships	$5,000.00		$5,000.00
Flowers/Gifts	$100,000.00		$100,000.00
Misc. Receipts		$1,000.00	$1,000.00
Land/Building		$100,000.00	$100,000.00
FM Exchange		$18,000.00	$18,000.00
TOTALS	$1,884,500.00	$3,305,500.00	$5,190,000.00

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, 2025 and 2024, 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, 2025 and 2024, 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

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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.



Nashville, Tennessee
April 27, 2026

CHURCH EXTENSION LOAN FUND, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

ASSETS

	2025	2024
ASSETS		
Cash	$ 15,735,508	$ 8,994,875
Investment in the Free Will Baptist Foundation	10,203,174	4,007,541
Investment in the Free Will Baptist Ministries Partnership I	1,054,305	1,020,555
Notes receivable, net of allowance for doubtful accounts of $4,156,567 ($311,579 in 2024)	84,074,672	83,970,037
Accrued interest receivable	456,082	420,958
Welch College line of credit	1,517,014	1,517,014
Property & equipment, at cost less accumulated depreciation of $61,262 ($53,762 in 2024)	25,625	33,125
TOTAL ASSETS	$ 113,066,380	$ 99,964,105

LIABILITIES AND NET ASSETS

LIABILITIES		
Irrevocable trusts	$ 742,579	$ 769,286
Notes payable	117,917,147	99,682,098
Line of credit payable	-	21,822
Other accrued liabilities	5,685	5,685
Total liabilities	118,665,411	100,478,891
NET ASSETS		
Without donor restrictions		
Operating	(5,599,031)	(514,786)
Total Net Assets	(5,599,031)	(514,786)
TOTAL LIABILITIES AND NET ASSETS	$ 113,066,380	$ 99,964,105

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, 2025 AND 2024

	2025	2024
	Without Donor Restrictions	
REVENUES		
Investment income	$ 536,152	$ 87,651
Interest income on notes receivable	4,925,463	5,349,630
Gain (loss) on value of investment	33,750	33,843
Miscelaneous income	1,245,841	-
Total revenue	6,741,206	5,471,124
EXPENSES		
Program expenses		
Interest expense	6,109,479	5,453,530
Build My Church Project expense	60,000	60,000
Bad debt expense	3,844,988	3,351,612
Total program expenses	10,014,467	8,865,142
Operating expenses		
Office expense	339	1,261
Management fee - Note 4	1,626,000	1,290,000
Promotion	32,137	22,447
Professional fees	16,895	21,442
Miscellaneous	126,313	91,527
Depreciation	7,500	4,375
Unrelated Business Income Tax	1,800	6,446
Total operating expenses	1,810,984	1,437,498
Total expenses	11,825,451	10,302,640
Increase (decrease) in operating net assets	(5,084,245)	(4,831,516)
Net assets - beginning of year	(514,786)	4,316,730
Net assets - end of year	$ (5,599,031)	$ (514,786)

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, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	$ (5,084,245)	$ (4,831,516)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	7,500	4,375
Bad debt expense	3,844,988	3,351,602
(Gain) loss on value of investment	(33,750)	(33,843)
Changes in operating assets and liabilities:		
(Increase) decrease in accrued interest receivable	(35,124)	143,015
Net Cash Provided (Used) By Operating Activities	(1,300,631)	(1,366,367)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	-	(37,500)
Collection on notes receivable	4,108,421	14,999,133
Additions to notes and bonds receivable	(8,058,044)	(3,937,469)
Purchase of Free Will Baptist Foundation investment	(6,195,633)	(4,007,541)
Additions to Welch line of credit	-	(303,403)
Net Cash Provided (Used) By Investing Activities	(10,145,256)	6,713,220
CASH FLOWS FROM FINANCING ACTIVITIES:		
Additions to trust	35,128	42,135
Terminations of trust	(61,835)	(123,343)
Proceeds from line of credit	-	419,369
Repayment of line of credit	(21,822)	(897,547)
Additions to notes payable	33,805,375	22,881,013
Repayment of notes payable	(15,570,326)	(19,650,297)
Net Cash Provided (Used) by Financing Activities	18,186,520	2,671,330
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,740,633	8,018,183
Cash and cash equivalents at beginning of years	8,994,875	976,692
Cash and cash equivalents at end of years	$ 15,735,508	$ 8,994,875
SUPPLEMENTAL DISCLOSURES		
Interest received	$ 4,960,587	$ 5,214,490
Interest paid	$ 6,109,479	$ 5,453,530

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

CHURCH EXTENSION LOAN FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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 $85,783 unrelated business income for 2025 ($87,381 for 2024).

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

Basis of Accounting:

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

Basis of Presentation:

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

Use of Estimates:

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

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

Cash equivalents

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - CONTINUED

Cost Allocation

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

Property and Equipment and Depreciation:

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

Automobile	5 Years
Office equipment	5 Years

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

2. PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

	2025	2024
Office equipment	$ 49,387	$ 49,387
Automobile	37,500	37,500
	86,887	86,887
Less: Accumulated depreciation	(61,262)	(53,762)
	$ 25,625	$ 33,125
Depreciation for the year	$ 7,500	$ 4,375

3. NOTES PAYABLE

Notes payable consist of 3.5 - 5.5% (4.0 - 6.0% in 2024) 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 $1,626,000 ($1,290,000 at December 31, 2024) 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, 2024).

Several directors and trustees were invested in the Church Extension Loan Fund's notes payable described in Note 3 at December 31, 2025. The interest rate paid on these notes was based on the balance of the account as prescribed by the program guidelines.

5. DESIGNATED CONTRIBUTIONS

The designated contributions are amounts given to the "Build My Church" program. The monies given to this program are loaned to churches in the same manner that other funds are loaned to churches. The total amount given for the first phase of the Build My Church program, called the Richard Adams Fund, has reached $1,000,000. In accordance with the provisions of the program payments totaling $60,000 ($60,000 at December 31, 2024) 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, 2025 was $187,750 ($187,750 at December 31, 2024).

6. CONCENTRATION OF CREDIT RISK

The Fund maintains cash deposits in excess of the federally insured amount of $250,000. At December 31, 2025, the excess amount over the federally insured limit was $15,485,508 ($8,744,875 in 2024). 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 $10,203,174 ($4,007,541 at December 31, 2024) invested with the Free Will Baptist Foundation, Inc. at December 31, 2025.

7. CONCENTRATION

Included in notes receivable at December 31, 2025 are twenty-one loans which total $59,436,797 (nineteen which total $54,537,560 in 2024). This balance represents 67.36% (64.71% in 2024) of total notes receivable.

Notes payable include fifty-three notes which total $55,025,812 or 46.67% (forty-four notes which total $41,085,329 or 41.22% in 2024) 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, 2025, 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, 2023 through 2025 are subject to examination.

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, 2025 amounted to $60,406 ($63,031 at December 31, 2024).

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:

	2025	2024
Investment in the Free Will Baptist Foundation	$ 10,203,174	$ 4,007,541
Income earned on the trust	$ 195,633	$ 7,541

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:

	2025	2024
Investment in the FWB Ministries Partnership	$ 1,054,305	$ 1,020,555
Income earned on the partnership	$ 33,750	$ 33,843

12. SUBSEQUENT EVENTS

Subsequent events have been evaluated by Management through April 27, 2026 which is the date the financial statements were available to be issued.

13. 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 2025 the balance on the account was $1,517,014 ($1,517,014 at December 31, 2024).

14. 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, 2025		
	Fair Value	(Level 1)	(Level 2)
Investment in the FWB Foundation	$ 10,203,174	$ -	$ 10,203,174
Invest. in the FWB Ministries Partnership	1,054,305	-	1,054,305
	$ 11,257,479	$ -	$ 11,257,479

	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	1,020,555	-	1,020,555
	$ 5,028,096	$ -	$ 5,028,096

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.

15. 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 2024) 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.

15. 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 $4,156,567 ($311,579 in 2024) 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:

	2025	2024
Beginning balance	$ 311,579	$ 34,729
Loan written off	-	-
Current year provision	3,844,988	276,850
Ending balance	$ 4,156,567	$ 311,579

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

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

Loans evaluated individually	2025	2024
	$ 4,156,567	$ 311,579

The ending balance of notes evaluated individually as follows:

Loans evaluated individually	$ 41,227,875	$ 41,341,163

16. 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:

		Amortized Cost	
	Collateral Type	2025	2024
Church mortgage loans	Commercial real estate	$ 41,227,875	$ 41,341,163

17. 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 four notes that are 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, 2025 was $-0- ($-0- for 2024).

The following tables provide informative data at December 31, 2025 and 2024 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, 2025			For the Year Ended December 31, 2025	
	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	$ 9,993,868	$ 9,993,868	$ 3,916,941	$ 1,998,774	$ -

	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	$ 8,932,903	$ 8,932,903	$ 311,579	$ 4,466,452	$ -

18. 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, 2025. The amount shown as past due represent the total amount of loans in each category that have past due amounts.

	Current	30-59 Days	60-89 Days	90 Days or Greater	Total Past Due	Total Financing Receivables	Total Financing Receivables on Nonaccrual Status	Financing Receivables Past Due 90 Days or Greater and Still Accruing Interest
Notes receivable	$47,003,364	$ 708,301	$ 6,718,920	$33,800,654	$41,227,875	$88,231,239	$11,734,368	$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.

There is one note in the nonaccrual status column for $1,500,000, where the church has an agreement where they do not make payments for five years. Accordingly, this note is not included in the past due amounts.

19. 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.

	2025	2024
Financial assets at year-end	$ 112,584,673	$ 99,510,022
Less those unavailable for general expenditures within one year due to:		
Reserved for holders of notes payable	(117,917,147)	(99,682,098)
Reserved for holders of irrevocable trusts	(742,579)	(769,286)
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	($ 8,262,803)	($ 3,129,112)

20. RESTATEMENT OF THE FINANCIAL STATEMENTS

The Fund determined during the year that the investment in the Free Will Baptist Ministries Partnership was not valued properly as they had never recored accumulated earnings on the partnership. Assordingly, certain amount from prior years have been restated.

	2024	
	As Previously Reported	As Restated
Assets		
Investment in the Free Will Baptist Ministries Partnership	$ 750,000	$ 1,020,555
Total assets	99,693,550	99,964,105
Net assets		
Without donor restrictions - Operating	(785,341)	(514,786)
Total net assets	(784,341)	(514,786)
Revenues		
Gain (loss) on value of investments	-	33,843
Total revenue	5,437,281	5,471,124
Increase (decrease) in operating net assets	(4,865,359)	(4,831,516)
Net assets - beginning of year	4,080,018	4,316,730
Net assets - end of year	(785,341)	(514,786)



2026 REPORT FROM IM

TWENTY MILES EAST OF THE EQUATOR

I have been asked several times if I would ever write a book, to which I generally respond, "Have you been in a library lately?" The point is, once you see all the unread books, you begin to wonder about the value of writing another one just to place it on a shelf.

Sure, there may be a few friends and family members who would read it, but as my friend and former colleague Neil Gilliland says about the books he has authored, "by the end of the first week, they will be on the discount rack."

However, I have thought about it, and if I were to write a book, the title would be *Twenty Miles East of the Equator*. I don't know about you, but I think it is a catchy title precisely because it isn't logical. It suggests **there is an underlying meaning not immediately obvious**.

We all know that you can't go twenty miles east of the equator. The statement makes no geographical sense. But if you've lived long enough—especially in missions—you realize that much of life feels exactly like that. **God often leads us to places that don't fit the maps we have drawn.**

Those who have ministered cross-culturally would affirm that missionary life is full of unexpected paths, cultural surprises, and faith-driven decisions. The world of missions does not follow normal coordinates. It is a journey where logic, geography, and expectations don't always align. God sometimes leads us off the map, and the question is—are we willing to follow Him there?

STRATEGIC CHANGE OF DIRECTION PAYS OFF:

For example, I recall just nine years ago when we, as a mission agency, were moving away from the "general giving" model and sensing we were heading toward a cliff. At that time, we had approximately **$400,000 in liquid reserves**. While we had committed to this system to support all aspects of our ministries, the reality was that we were on a path toward serious difficulty. It felt as though we had ventured "twenty miles east of the equator."

It did not make sense to continue down that road. A change was necessary, and the only viable option was to return to the designated giving system. This was not an easy decision. It felt like admitting failure, especially since the general giving model appeared sound from both a missiological and theoretical perspective.

However, it simply was not a good fit for Free Will Baptists. It reminded us that when a path no longer makes sense, **we must be willing to recalculate.**

In 2015, the IM leadership team recommended returning to the designated giving system. It quickly became clear that this was a wise decision. By 2017, the transition was largely complete, and we began to see a strong upward trend in giving.

Now, in 2026, all indicators affirm that decision. In the February 2026 IM financial report, we showed over **$4 million in liquid reserves**. Let's praise the Lord that we were willing to make a necessary course correction and continue in that direction until He leads otherwise.

STAYING TRUE TO OUR MISSION STATEMENT:

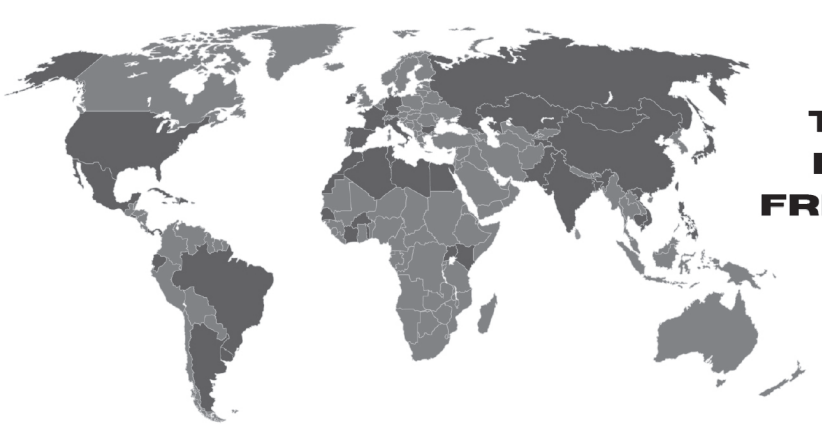
I believe one of the strongest elements of IM as an organization is our commitment to our mission statement:

IM LABORS WITH THE BODY OF CHRIST TO FULFILL THE GREAT COMMISSION.

There was a time when certain ideologies influenced our thinking in ways that unintentionally limited our view of the Body of Christ, particularly in relation to missions. At times, if a missionary or agency was not under IM, it was viewed as competition—and occasionally even as adversarial.

There was a defining moment in 2017 when God impressed upon my heart: "Be obedient to My direction. Say 'yes' when I open doors that align with your mission to labor with the Body of Christ." In His wisdom, God led us beyond patterns of isolation and into meaningful partnership.

Today, we have established more than **30 partnerships**, all with a Free Will Baptist connection. As of April 1, 2026, we have **92 missionaries serving in 6 countries and 14 serving alongside our partners**, for a total of **106 IM missionaries**.



IM

THROUGH THESE PARTNERSHIPS, FREE WILL BAPTISTS NOW HAVE A PRESENCE IN 38 COUNTRIES.

Where would we be today if we had not stepped off the map of exclusivity and fully embraced our mission to labor with the Body of Christ?

WHERE TO FROM HERE?



Where will God lead us as a mission? I cannot say with certainty, but I believe in faith that He has new territories for us.

In recent months, I have spoken with several college students who are deeply committed to following God's will. **We are blessed as Free Will Baptists to have young people who genuinely love the Lord and are passionate for the lost.** Many have expressed a desire to go to the unreached—to step into the unknown. We know from experience that the places God calls us to are often the places where we must trust Him most deeply.

Each Sunday that I am in town, Leslie Nichols, IM's Director of Mobilization, along with Neil Gilliland, and I meet with a group of Welch College students we call the "THINK TANK."

One of the primary challenges we give them is to **seek God's will and follow it faithfully**—like following a GPS. Of course, it is far more than that; it is the leading of the Holy Spirit, not a satellite in the sky.

As we pursue our **HORIZON GOAL** of **commissioning 100 new missionaries by 2035,** we must actively challenge young people through **ETEAM, CMP,** and other avenues to follow the "compass of His calling." Following Him may not make the path easier, but it makes the direction clear.

One of the realities of living "Twenty Miles East of the Equator" is that the map we start with is rarely the map we finish with. As we step into new cultures, challenges, and opportunities, we discover territory we didn't know existed. When that happens, faithful stewardship requires not only courage, but clarity.

In a world of shifting priorities and competing voices, the call of God becomes our true north—fixed, unchanging, and worthy of full obedience. **If we are to have a strong future at IM, we must be preparing for it now.**

Scan now!

LEARN MORE ABOUT 2027 STUDENT MISSIONS OPPORTUNITIES

DETOURS AND DISTRACTIONS:

Few things challenge our faith more than interruptions to our plans. Scripture consistently shows that what appears to be a detour is often the means by which God accomplishes a greater purpose.

We have experienced our share of detours and distractions in recent months and years. Yet, in the hands of God, they have become strategic movements within a larger plan. My prayer is that these moments have strengthened us and that, for IM, "the win" is found in maintaining our integrity.

I want to thank those of you who have supported us during challenging times. One of the strengths of the IM leadership team is our commitment to carefully evaluate each decision, distraction, or detour—learning from it and applying those lessons moving forward.

Many of you have encouraged us and engaged in meaningful dialogue as we navigated difficult seasons.

TOGETHER, WE HAVE DEMONSTRATED THE TRUTH THAT WE ARE INDEED "BETTER TOGETHER."

Detours remind us that this work is not merely human. While we may not seek them, God uses them to refine our faith, sharpen our discernment, and deepen our dependence on Him.

We will likely face more such moments in the future. My prayer is that we never lose our way—that detours will not lead to disaster, but to a deeper understanding of who we are as a mission and how we can honor God in all things.

THE FRUIT OF 'LABORING TOGETHER'

One of the great joys of following God's direction is seeing the fruit of our labor. While numbers are not the sole measure of success, they do help us see the visible impact of **your** investment in IM and its partners.

The year 2025 was a strong year in many ways.

The reports show that God has not only given fruit, but much fruit. Looking back to 2020 and up to 2025, we see remarkable results and consistent growth in our churches outside the United States.

COUNTRIES
WHERE IMB HAS REACH

ARGENTINA • BANGLADESH • BRAZIL • BULGARIA • BURKINA FASO
CAMBODIA • CHINA • CUBA • DOMINICAN REPUBLIC • ECUADOR
EL SALVADOR • FRANCE • GERMANY • HONDURAS • INDIA • IRELAND
ITALY • IVORY COAST • JAMAICA • JAPAN • KAZAKHSTAN • KENYA
MEXICO • MONGOLIA • NORTH AFRICA • PAKISTAN • PANAMA
PHILIPPINES • RUSSIA • SENEGAL • SPAIN • TAJIKISTAN • THAILAND
TOGO • UGANDA • UNITED STATES • URUGUAY • VIETNAM

Our churches and partners outside North America reported the following for 2025:

GOD'S MIGHTY WORKS in 2025

3,612 conversions

3,312 baptisms

67,061 average Sunday attendance

That final number is especially significant when compared to **just over 35,000 in 2020**. While other organizations may report greater numerical growth, we rejoice in what God has allowed us to experience.

I once heard the great preacher and teacher Haddon Robinson share his testimony. Reflecting on his difficult childhood, he said, "When you see where I came from, you may be impressed—but if you could see where I am going, you would be awed."

As we seek to follow God's direction, we anticipate the harvest ahead. Perhaps we, too, can say: **if you see where we came from—35,000 to over 67,000—you may be impressed. But if you could see where we are going as we labor together, you would be awed.**

> **When you see where I came from, you may be impressed—but if you could see where I am going, you would be awed.**
>
> Haddon Robinson, Pastor & Teacher

HONORING THE 'MAPMAKERS'

Before our missionaries ever arrived on their fields, others had gone before them. These pioneers walked where there were no paths, spoke when there were no listeners, and labored when there was little visible fruit. They carried the gospel across barriers with a faith that was tested in ways we can scarcely imagine. We stand where they once stood—not because the work was easy, but because they were faithful and drew the maps we now follow.



IM recently lost one of our pioneers, **Eddie Payne,** who passed away on February 23, 2026. There are some men whose lives cannot be measured merely by years lived, but by the lives they shaped. Eddie Payne was one of those men—a trusted colleague, mentor, problem-solver, and dear friend.



We also honor Brother **Fred Warner**, who went to be with the Lord on March 10, 2026. He served IM faithfully for 13 years and also on the IM Board. He was a respected pastor, a faithful preacher, and a passionate advocate for missions. His influence strengthened our denomination's mission and vision, and his life left a lasting impression on all who knew him.

LOOKING TOWARD THE FUTURES

The IM leadership team, staff, and board are excited about where we believe God is leading us. After much prayer and refinement, we have clarified our **HORIZON GOALS (2025-2035)** and are moving forward with purpose.

#1 COMMISSION 100 NEW MISSIONARIES

We are working toward commissioning 100 new missionaries by 2035, building on strong pipelines including ETEAM, CMP, and THP. This will require both faith and increased support.

#2 MEET THREE MAJOR FINANCIAL GOALS:

1. Reach and sustain at least **$1 million annually for the World Missions Offering** (WMO)
2. Utilize earnings from the **$3 million GROW Endowment** to help launch new missionaries
3. Build the **Cornerstone Endowment to $10 million** for long-term General Fund sustainability



#3 DOUBLE THE NUMBER OF FREE WILL BAPTISTS OUTSIDE NORTH AMERICA:
Our goal is to grow from just over 60,000 to 120,000+ believers. This includes:

1. Sharing the Gospel with 1 million people
2. Planting 1,000 new churches

These are not merely numerical goals—they represent transformed lives and communities reached with the Gospel.

Logically, these goals may seem beyond reach.

SHARE THE GOSPEL
Give a million. Reach a million.

BUT WE ARE NOT RELYING ON LOGIC.
WE ARE RELYING ON GOD. THESE ARE FAITH GOALS.

CONCLUSION

We set goals based on our limited understanding, and then God shows us that the boundaries we imagined are far too small. In His sovereignty, He does not simply guide us along our map—He redraws it.

And when He does, we are faced with a choice: to cling to what we understand, or to trust the God who sees beyond it—and follow Him "twenty miles east of the equator."



Clint Morgan
IM General Director

IM
WWW.IMINC.ORG

MORE NEWS FROM IM

The **Board of IM** met three times in person and twice by video conference from May 1, 2025, to April 30, 2026. Board members for the period included: Rodney Yerby (AL, Chairman), Cameron Lane (AR, Vice-Chairman), Darren Walker (NC, Secretary), Casey Cariker (OK), Rick Cason (GA), Paul Etterling (OH), Will Harmon (AR), Jeff Nichols (TN), and Chris Todd (OK).

At the April 2026 IM Board Meeting, significant steps were taken to expand and support the work of the Gospel through **new missionary appointments, IMpact Projects, framework budgets, and transitions**.

In the last year, five individuals were commissioned as IM missionaries:

- **Cody and Lauren Herren** (Nashville, TN) were commissioned to serve as IM missionaries in France for their two-year internship.
- **Tiffany Carpenter** (South Point, OH) will be joining the IM team in Bulgaria for her two-year internship as an IM missionary.
- **Bea Provow** (Shumen, Bulgaria) was commissioned as an IM missionary intern and will minister alongside her husband, Josh Provow, and the Bulgaria field team for two years.
- **Andie Greenwood** (Nashville, TN) was commissioned as a missionary to Tokyo, where she will also join the Hope Alive team, for her two-year internship.



In the last year, two IMpact Projects were approved: **IMpact Kids & Family Ministry Japanese Resources (Japan)** and **IMpact Project 2:2 – Evangelistic Narratives (Ivory Coast).**

The board accepted the resignation of **Jeff and Susana Turnbough,** recalled **Eddy and Amanda Simmons** from their appointment as IM missionaries in Kenya, and accepted the leave of absence for **Dennis and Mary Heath** (Bulgaria), as well as **Keren Delgado** (Spain).

Additionally, the IM Board accepted the 2026 budget totaling $17,902,874.42 and adopted the 2027 framework budget of $11.7 million. We celebrate a record-breaking income year for 2025 and the acceptance of the 2025 audit from Blankenship CPA Group.

These updates highlight IM's ongoing commitment to sending faithful workers who are dedicated to sharing the Gospel with people around the world. We are grateful for all that God is doing through each of these individuals as they step into new areas of Kingdom service and use their gifts and passions to serve Him.

IM

TOP TEN STATES IN GIVING 2025

State	Amount Given
Tennessee	$1,827,100.30
North Carolina	$1,281,622.97
Arkansas	$959,301.85
Oklahoma	$947,505.70
Missouri	$834,808.57
Georgia	$569,802.07
Alabama	$560,767.99
Illinois	$504,970.05
South Carolina	$437,854.41
Virginia	$220,008.88

2025 Consolidated Unaudited Income:
$11,104,392.54

TOP 25 CHURCHES IN GIVING 2025

Church Name	Amount Given	City, State
The Donelson Fellowship	$262,106.76	Nashville, TN
Unity FWB Church	$234,473.58	Greenville, NC
Cavanaugh FWB Church	$118,963.20	Fort Smith, AR
Bethel FWB Church	$95,905.13	Kinston, NC
Legacy Church	$85,799.33	Gastonia, NC
Union Grove FWB Church	$81,564.00	Atkins, AR
Skyridge FWB Church	$77,433.66	Noble, OK
First FWB Church	$70,177.85	O'Fallon, MO
Horse Branch FWB Church	$62,344.84	Turbeville, SC
First FWB Church Washington	$62,199.00	Washington, NC
New Hope FWB Church	$62,188.21	Joelton, TN
Cofer's Chapel FWB Church	$60,433.75	Nashville, TN
Connect Church	$51,201.52	Russellville, AR
Bethany FWB Church	$50,997.14	Broken Arrow, OK
First FWB Church Poteau	$47,900.00	Poteau, OK
First FWB Church Albany	$47,614.25	Albany, GA
Hilltop FWB Church	$47,200.00	Fuquay Varina, NC
Peace FWB Church	$47,000.16	Wilson, NC
Bethel FWB Church	$45,942.90	Chapmansboro, TN
Zephyr Hills FWB Church	$45,602.35	Asheville, NC
Good Springs FWB Church	$45,300.34	Pleasant View, TN
Ebenezer FWB Church	$43,751.28	Glennville, GA
Blue Point FWB Church	$41,722.63	Cisne, IL
Rejoice FWB Church	$38,715.33	Owasso, OK
Kirby FWB Church	$33,402.00	Flat Rock, MI

When you give to IM, you are a part of discipling new believers, planting churches, training leaders, and reaching the lost with the Good News of Jesus. **Thank you** for your faithfulness in giving to IM missionaries, ministries, and partnerships.

Scan now!

BE A PART OF WHAT GOD IS DOING BY GIVING HERE.



In 2025, **$868,176.63** of undesignated funds were disbursed from the WMO. Below is a list of the **top 25 giving churches to the WMO** in 2025.

Constituent Name	Amount Given	City, State
Cavanaugh FWB Church	$116,443.20	Fort Smith, AR
Unity FWB Church	$48,985.95	Greenville, NC
Zephyr Hills FWB Church	$38,907.35	Asheville, NC
First FWB Church Poteau	$37,500.00	Poteau, OK
Bethel FWB Church	$35,000.00	Kinston, NC
Ebenezer FWB Church	$27,000.00	Glennville, GA
Cofer's Chapel FWB Church	$23,140.00	Nashville, TN
Macedonia FWB Church Women's Auxiliary	$20,000.00	Purdy, MO
New Hope FWB Church	$17,304.99	Joelton, TN
Limestone FWB Church	$17,142.76	Limestone, TN
Sutton FWB Church	$15,101.65	Pocahontas, AR
Madison FWB Church	$14,673.00	Madison, AL
Heads FWB Church	$14,099.68	Cedar Hill, TN
Good Springs FWB Church	$10,039.42	Pleasant View, TN
Sulphur FWB Church	$10,006.00	Sulphur, OK
First FWB Church Springfield	$10,000.00	Springfield, MO
Legacy Church	$10,000.00	Gastonia, NC
First FWB Church Walnut Ridge	$8,795.00	Walnut Ridge, AR
First FWB Church	$8,450.00	Dickson, TN
First FWB Church Albany	$7,463.00	Albany, GA
Sherwood Forest FWB Church	$6,755.00	El Sobrante, CA
Connect Church	$6,393.00	Russellville, AR
Bethany FWB Church	$6,340.00	Timmonsville, SC
Victory FWB Church	$6,238.61	O'Fallon, IL
Connect Church	$6,200.00	Tupelo, MS

THANK YOU for being a part of sharing the Gospel through the World Missions Offering.

IMINC.ORG/WMO

2027 Operational Budget Summary

Category	2025 Approved Budget	2025 Actuals	2026 Approved Budget	2027 Proposed Budget
Field Ministries & Projects	2,438,000.00	2,060,891.84	2,576,000.00	2,691,000.00
Missionary Compensation & Benefits	5,088,000.00	4,792,255.32	5,376,000.00	5,616,000.00
Missionary Travel/Transportation	848,000.00	759,416.20	896,000.00	936,000.00
Mobilization & Development	848,000.00	1,206,488.11	896,000.00	936,000.00
Administration	1,378,000.00	967,588.94	1,456,000.00	1,521,000.00
Grand Totals	**10,600,000.00**	**9,786,640.41**	**11,200,000.00**	**11,700,000.00**

IM Directors - Compensation Proposals 2027

	2025 Actual	2026 Actual	2027 Proposed
General Director - Clint Morgan			
Salary	82,727.81	86,000.00	89,500.00
Housing and Utilities	24,000.00	24,000.00	24,000.00
Social Security	17,899.25	18,448.02	19,035.00
Retirement	5,336.39	5,500.00	5,675.00
Insurance	25,109.76	27,613.20	28,993.86
Christmas Bonus	2,052.46	2,115.38	2,182.69
Total Cost of Employment	157,125.67	163,676.61	169,386.56
CFO/Director of Financial Operations - Robert Conley			
Salary	86,376.17	89,000.00	92,000.00
Social Security	14,585.48	15,028.54	15,535.12
Retirement	4,318.81	4,450.00	4,600.00
Insurance	25,186.68	27,714.00	29,099.70
Christmas Bonus	1,661.08	1,711.54	1,769.23
Total Cost of Employment	132,128.22	137,904.08	143,004.05
Director of Field Ministry Personnel - Curt Holland			
Salary	56,376.17	59,000.00	62,000.00
Housing and Utilities	30,000.00	30,000.00	30,000.00
Social Security	14,486.09	14,926.13	15,429.25
Retirement	4,318.81	4,450.00	4,600.00
Insurance	33,513.96	37,115.52	38,971.30
Christmas Bonus	1,661.08	1,711.54	1,769.23
Total Cost of Employment	140,356.11	147,203.19	152,769.78
Director of Development - Don Matchett			
Salary	37,130.65	41,000.00	44,000.00
Housing and Utilities	45,000.00	45,000.00	45,000.00
Social Security	13,774.07	14,423.00	14,926.13
Retirement	4,106.53	4,300.00	4,450.00
Insurance	33,513.96	37,115.52	38,971.30
Christmas Bonus	1,579.44	1,653.85	1,711.54
Total Cost of Employment	135,104.65	143,492.37	149,058.96
Director of THP - Danny Gasperson			
Salary	56,156.88	59,000.00	53,500.00
Housing and Utilities	24,000.00	24,000.00	32,000.00
Social Security	13,443.05	13,919.87	14,339.14
Retirement	4,007.84	4,150.00	4,275.00
Insurance	25,186.68	27,714.00	29,099.70
Christmas Bonus	1,541.48	1,596.15	1,644.23
Total Cost of Employment	124,335.94	130,380.02	134,858.07
Director of Mobilization - Leslie Nichols			
Salary	73,645.00	76,000.00	78,500.00
Social Security	12,435.70	12,833.36	13,255.51
Retirement	3,682.25	3,800.00	3,925.00
Insurance	12,677.28	13,941.00	14,638.05
Christmas Bonus	1,416.25	1,461.54	1,509.62
Total Cost of Employment	103,856.48	108,035.90	111,828.18
Director of Global Partnerships - Kenneth Eagleton			
Salary	51,461.66	55,000.00	57,500.00
Housing and Utilities	28,000.00	28,000.00	28,000.00
Social Security	13,326.46	13,919.87	14,339.14
Retirement	4,767.70	4,980.00	5,130.00
Insurance	25,186.68	27,714.00	29,099.70
Christmas Bonus	1,528.11	1,596.15	1,644.23
Total Cost of Employment	124,270.60	131,210.02	135,713.07

BLANKENSHIP

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, 2025 and 2024, 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, 2025 and 2024, 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 3, 2026

BLANKENSHIP

IM, Inc. and Subsidiary
Consolidated Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 1,774,006	$ 1,644,143
Investments	3,085,836	2,215,569
Endowment investments in trusts	689,273	513,289
Prepaid expenses	258,222	291,452
Advances and receivables	564,370	618,973
Other assets	63,434	-
Property and equipment, net	1,336,327	1,412,651
Total assets	**$ 7,771,468**	**$ 6,696,077**
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 317,148	$ 210,316
Accrued employee benefits	74,297	68,570
Total liabilities	391,445	278,886
Net assets		
Without donor restrictions	1,272,580	964,090
With donor restrictions	6,107,443	5,453,101
Total net assets	7,380,023	6,417,191
Total liabilities and net assets	**$ 7,771,468**	**$ 6,696,077**

See notes to consolidated financial statements

IM, Inc. and Subsidiary
Consolidated Statement of Activities
For the Year Ended December 31, 2025

	Without donor restrictions	With donor restrictions	Total
Revenues, Gains, and Other Support			
Contributions of cash and other financial assets	$ 1,865,090	$ 8,927,457	$ 10,792,547
Investment and interest income	289,756	-	289,756
Gain on disposal of property and equipment	58,914	-	58,914
Other income	33,028	-	33,028
Net assets released from restrictions	8,273,115	(8,273,115)	-
Total revenues, gains, and other support	10,519,903	654,342	11,174,245
Expenses			
Program services	8,995,360	-	8,995,360
Management and general	580,308	-	580,308
Fundraising	635,745	-	635,745
Total expenses	10,211,413	-	10,211,413
Change in net assets	308,490	654,342	962,832
Net assets, beginning of year	964,090	5,453,101	6,417,191
Net assets, end of year	**$ 1,272,580**	**$ 6,107,443**	**$ 7,380,023**

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
Revenues, Gains, and Other Support			9,803,741
Contributions of cash and other financial assets	$ 1,598,457	$ 8,205,284	$ 217,805
Investment and interest income	217,805	-	24,541
Gain on disposal of property and equipment	24,541	-	
Net assets released from restrictions	7,926,017	(7,926,017)	-
Total revenues, gains, and other support	9,766,820	279,267	10,046,087
Expenses			
Program services	8,489,286	-	8,489,286
Management and general	547,291	-	547,291
Fundraising	642,586	-	642,586
Total expenses	9,679,163	-	9,679,163
	87,657		366,924
Change in net assets		279,267	
Net assets, beginning of year	876,433		6,050,267
Net assets, end of year		5,173,834	
	$ 964,090	**$ 5,453,101**	**$ 6,417,191**

See notes to consolidated financial statements

IM, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program services	Supporting services: Management and general	Supporting services: Fundraising	Total
Compensation and benefits	$ 4,813,186	$ 233,205	$ 412,973	$ 5,459,364
Depreciation	184,373	88,104	-	272,477
Equipment and supplies	51,190	127,462	6,96	185,612
Facilities and utilities	171,863	141,900	0	321,801
Field housing and education	1,132,263	-	8,03	1,132,263
Field projects	1,000,517	-	8 -	1,000,517
Marketing and development	62,679	7,268	114,703	184,650
National convention	19,783	4,765	24,057	48,605
Professional services	20,085	15,000	-	35,085
Training	148,946	846	5,645	155,437
Travel	1,170,643	39,613	37,160	1,247,416
WMO campaign	48	-	24,695	24,743
Bank and credit card charges	10,263	70,507	-	80,770
Miscellaneous	59,763	1,396	1,514	62,673
Total expenses before allocation	8,845,602	730,066	635,745	10,211,413
Indirect missionary expense allocation	149,758	(149,758)	-	-
Total expenses	**$ 8,995,360**	**$ 580,308**	**$ 635,745**	**$ 10,211,413**

See notes to consolidated financial statements

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

	Program services	Supporting services: Management and general	Supporting services: Fundraising	Total
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	**$ 8,489,286**	**$ 547,291**	**$ 642,586**	**$ 9,679,163**

See notes to consolidated financial statements

IM, Inc. and Subsidiary
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash and cash equivalents, beginning of year	$ 1,644,143	$ 1,277,128
Cash flows from operating activities		
Change in net assets	962,832	366,924
Adjustments to reconcile change in net assets to net cash provided by (used) operating activities:		
Depreciation	272,477	277,484
Unrealized gain on investment	(247,315)	(162,704)
Net book value of property tranfered to ministry partners	32,625	-
Gain on disposal of property and equipment	(58,914)	(24,541)
Change in:	33,230	(57,200)
Prepaid expenses	54,603	37,917
Advances and receivables	(63,434)	
Other assets		-
Account payable and accrued expenses	106,832	(118,125)
Accrued employee benefits	5,727	314
Net cash provided by (used) operating activities	1,098,663	320,069
Cash flows from investing activities		
Purchases of investments	(1,098,936)	(24,027)
Sale of investments	300,000	300,000
Purchases of property and equipment	(396,047)	(311,163)
Proceeds from sale of property and equipment	226,183	82,136
Net cash provided (used) by investing activities	(968,800)	46,946
Net change in cash and cash equivalents	129,863	367,015
Cash and cash equivalents, end of year	**$ 1,774,006**	**$ 1,644,143**

See notes to consolidated financial statements

IM, Inc. andSubsidiary
Notes to ConsolidatedFinancial Statements
For the Years Ended December 31, 2025 and 2024

Note1. **OrganizationandNatureofActivities**

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 ofConsolidation

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 with Richland Ave Financial (A Free Will Baptist Ministry) in mutual funds and equity securities that are carried at fair value.

Note 2. **Summary of Significant Accounting Policies**

Property andEquipment

The Organization's policy is to capitalize all property and equipment over 0.1% of its annual framework budget (approximately $11,000). 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.

Other Assets

Other assets include an amount due from an overseas ministry partner to assist with facilities purchases and renovations. This amount is essentially an interest free loan with monthly payments with imputed interest at 6%. Final payment is expected in February 2036.

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.

Note 2. **Summary of Significant Accounting Policies**

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:

	Method of allocation
Compensation and benefits	Time and effort
Facilities and utilities	Time and effort
Depreciation	Time and effort
Equipment and supplies	Time and effort

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.

Note3. **LiquidityandAvailability**

The following represents the Organization'sfinancial assets:

	2025	**2024**
Financial assets		
Cash and cashequivalents	$ 1,774,006	$ 1,644,143
Investments	3,085,836	2,215,569
Endowmentinvestmentsintrusts	689,273	513,289
Advances andreceivables	564,370	618,973
Total financialassets	6,113,485	4,991,974
Less amountsnotavailabletobeusedwithin one year		
Advances forlong-termuse	(76,879)	(70,480)
Restricted portionofinvestments	(373,798)	(372,758)
	(450,677)	(443,238)
Financial assetsavailabletomeetcashneeds for general expendituresoverthenext12months	**$ 5,662,808**	**$ 4,548,736**

The Organization'sgoalistomaintainfinancial assets to meet six months of operating expenses. As part of its liquidity plan, ithasapolicytostructureitsfinancial assets to be available as its general expenditures, liabilities, and other obligationscomedue.TheOrganization receives year-round donations from individuals and churches and the Organizationmakesspecificappealsatstrategic times of the year for specific projects. Cash flow is tracked through regularbudgettoactualcomparisons which are monitored by management and the Board of Directors.

Note4. **Investments**

The Organization's non-endowmentinvestments consist of the following:

	2025	2024
General Reserves Trust, held by FreeWill Baptist Foundation	$ 1,634,774	$ 1,890,881
MK Scholarship Trust, held by FreeWill Baptist Foundation	3,262	3,141
Mutual funds, held with Richland AveFinancial	1,440,740	315,151
Equity securities, held with broker	7,060	6,396
	$ 3,085,836	**$ 2,215,569**

The total investment income on the non-endowment investments was $214,210 and $135,547for2025 and 2024, respectively.

Note5. **EndowmentInvestments**

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:

	2025	2024
IM Cornerstone Endowment	$ 683,291	$ 507,627
IM Grow Endowment	5,982	5,662
	$ 689,273	**$ 513,289**

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 theendowment assets are as follows:

	Without donor restrictions	With donor restrictions	Total
December 31, 2023	$ 90,557	$ 371,548	$ 462,105
Contributions	22,152	-	22,152
Investment gain	29,032	-	29,032
December 31, 2024	141,741	371,548	513,289
Contributions	141,839	1,040	142,879
Investment gain	33,105	-	33,105
December 31, 2025	**$ 316,685**	**$ 372,588**	**$ 689,273**

Note6. **FairValueMeasurements**

The *FairValueMeasurements andDisclosure* topic of the Financial Accounting Standards Board Accounting StandardsCodification establishesafairvalue hierarchy that prioritizes the inputs to valuation techniques used to measurefairvalue. This hierarchyconsists of 3 broad levels: Level 1 inputs consist of unadjusted quoted prices in active marketsfor identical assetsandhave the highest priority, Level 2 inputs consist of observable inputs other than quotedprices for identical assets,and Level 3 inputs have the lowest priority. The Organization uses appropriate valuationtechniques based on theavailable inputs to measure the fair value of its investments. When available, the Organizationmeasures fair valueusingLevel 1 inputs because they generally provide the most reliable evidence of fair value.Level3 inputs are onlyusedwhen Level 1 or Level 2 inputs are not available.

The followingtable presents thefairvalue measurements of assets and liabilities recognized in the accompanying statementsoffinancial positionmeasured at fair value on a recurring basis and the level within the fair value hierarchy inwhich the fair valuemeasurements at December 31, 2025:

	Level 1	Level 2	Level 3	Total
Non-endowment investments				
Cash funds	$ 452,800	$ -	$ -	$ 452,800
Equities	1,393,544	-	-	1,393,544
REIT	-	647,024	-	647,024
Fixed income instruments	-	592,468	-	592,468
	1,846,344	1,239,492	-	3,085,836
Endowment investments			-	36,807
Cash funds	36,807	-	-	404,672
Equities	404,672	-	-	34,808
REIT	-	34,808	-	212,986
Fixed income instruments	-	212,986	-	689,273
	441,479	247,794	-	
Total investments	**$ 2,287,823**	**$ 1,487,286**	**$**	**$ 3,775,109**

Note6. **FairValueMeasurements**

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	401,228	-	-	401,228
	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	-	57,180	-	57,180
	296,168	217,121	-	513,289
Total investments	**$ 1,896,814**	**$ 832,044**	**$ -**	**$ 2,728,858**

Note7. **AdvancesandReceivables**

Included in advances and receivables is $561,746 and $617,315 at December 31, 2025 and 2024, 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.

Note8. **PropertyandEquipment**

Asummary of property and equipment is as follows:

	2025	2024
Land	$ 155,983	$ 178,483
Buildings	898,739	966,239
Office furniture and equipment	79,097	79,097
Cameras and projectors	101,689	98,754
Automobiles	1,400,238	1,473,227
Computer equipment and software	44,713	47,648
	2,680,459	2,843,448
Less: accumulated depreciation	(1,344,132)	(1,430,797)
Property and equipment, net	**$ 1,336,327**	**$ 1,412,651**

Note9. **AccruedEmployeeBenefits**

Accrued employee benefits consist 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.

Note10. **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 $132,471 and $132,115 for 2025 and 2024, respectively.

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

Net assets with donor restrictions arerestricted for the following purposes:

	2025	2024
Subject to expenditure for missionpersonnel and projects	$ 5,733,645	$ 5,080,343
Endowment investments in perpetuity	372,588	371,548
Other investments in perpetuity	1,210	1,210
	$ 6,107,443	**$ 5,453,101**

The Organization has a policy of allocating certain indirect missionary costs to missionary/field net assets. The administrative allocation totaled $727,446 and $647,072 for 2025 and 2024, respectively, and is recorded as a direct transfer from net assets with donor restrictions to net assets without donor restrictions. The support allocation totaled $149,758 and $162,188 for 2025 and 2024, respectively, and is recorded as an increase in program services and a reduction of management and general expenses on the statements of functional expenses.

Note12. **DesignatedNetAssetsWithoutDonorRestrictions**

Included in net assets without donorrestrictions are funds designated by the Board of Directorstofund missionary accounts with deficit balances andtofund specific mission projects. Additional funds are designated by the Board of Directors to assist in funding theIMCornerstone Endowment (see note 5). Balances are asfollows:

	2025	2024
Designated for missionary accounts	$ 326,414	$ 333,625
Endowment investments	316,685	141,741
	$ 643,099	**$ 475,366**

Note13. **PensionPlan**

The Organization participates in the master pension plan provided for Free Will ministries through Richland Ave Financial. 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 $142,175 and $137,436 for 2025 and 2024, 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.

Note14. **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 financial assets and property and equipment residing outside of the United States totaled $1,109,985 and $972,124 at December 31, 2025 and 2024, respectively.

Note15. **RelatedParties**

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, ministries, 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.

Note16. **SubsequentEvents**

The Organization has evaluated subsequent events through March 3, 2026, the date on which the financial statements were available for issuance.

President's Report
Welch College
2026

The Beginnings of a Bounce Back in Enrollment

This year Welch experienced a major increase in enrollment. The college had its highest enrollment in 42 years and the highest ministry enrollment in 44 years.

Overall enrollment this year was 11% higher than last year. Ministry enrollment was also 11% higher than last year. Full-time equivalent enrollment increased by 14%. What is most significant is that our traditional (dorm and commuter) enrollment was 22% higher than last fall's. The reason for this is not only that we enrolled a large freshman class but also that we had the highest freshman-to-sophomore retention rate in Welch history: 90% for full-time, first-time, bachelor's degree-seeking freshmen.

Last fall we enrolled 50% more new traditional (dorm and commuter) students (81) than the previous fall—more than in any fall semester since before COVID. As we continue this trend over the next three falls, we will be back to pre-COVID norms in net student revenue.

And it looks as though we will continue this trend: the number of admitted students for this coming fall is about 10% higher than last year at this time. We are on an exceptionally good trajectory in terms of enrollment! This is especially true of dorm and commuter enrollment, and the full rebound of this segment of our enrollment is key to our return to pre-COVID financial norms.

Looking beneath the surface, another especially interesting fact is that our Free Will Baptist enrollment jumped 20% from last year (the overwhelming majority of our dorm students are Free Will Baptist). We have only 21% fewer Free Will Baptist students than when I came to Welch as president 24 years ago. We are thankful for this since, in this same period, reported church membership has declined 47% in the National Association of Free Will Baptists.

The increase in Free Will Baptist enrollment dovetails with an increase in out-of-state enrollment. While Tennessee enrollment increased 8%, there were notable increases in out-of-state enrollment. Among our typically larger-enrolling states were Florida (up 10%), Illinois (up 18%), and North Carolina (up 19%). Alabama, the highest-enrolling state after Tennessee and Florida, remained the same at 21 students. Other states also saw notable gains (the percentages are higher because the numbers are lower): Missouri (up 67%), South Carolina (up 67%), Ohio (up 50%), and Arkansas (up 200%).

This unprecedented increase is truly an answer to prayer. We have been praying and hoping (and informing our constituency) that the fall of 2025, after the two lowest COVID freshman classes had cycled out, would be when we began our ascent back up. Yet this boost is larger than we anticipated.

Qualitative, Not Just Quantitative, Gains

However, it is not just the quantitative we celebrate but the qualitative. We had a great incoming class, and the level of spiritual engagement, excitement, and morale on campus has been palpable. This was true even though Jon Forlines retired as Vice President for Student Services and Dean of Students after suffering a stroke last summer, and we have not yet been able to replace him with a full-time employee. Yet after Daniel Webster was named Vice President for Administration and Student Engagement and Whitney Lute was named Interim Dean of Students early in the spring semester, student life and student perceptions took a huge leap forward from earlier in the academic year.

We continue to make notable qualitative gains. The higher number of ministerial students, many of whom are in the joint B.A.-to-M.Div. (Master of Divinity) program, as well as the number of on-campus students who are enrolled in master's degrees, is enriching the spirituality and maturity of our overall student body. There is an increased interest in spiritual formation, ministry, and new student-initiated Christian service projects such as Nashville Outreach. Much of this is driven by the increased number of students studying for ministry.

One graduating senior, Caleb Sampsell, recently summed up what Welch is all about: "In my four years at Welch, I have been challenged to do all things to the best of my ability for the glory of God so that others may see the gospel through my service and work." Living out a life of excellence and investing oneself in a calling in service to God and others, for His glory and for the sake of the gospel—that remains Welch's heartbeat.

Faculty quality continues to increase in terms of credentialing and professional involvement. Our percentage of doctorates among full-time teaching faculty is now at a high of 81% and will exceed 90% within the next two years. Our faculty involvement in the annual national meeting of the Evangelical Theological Society is exceeded only by the six Southern Baptist seminaries and another six or seven leading Christian universities and seminaries that are many times larger than Welch in enrollments and budgets. Our faculty are engaging in spiritual and leadership mentoring more than ever, especially ministry and theology professors, who are seeing more young men who are preachers come by for conversations than ever.

There is no measure of academic quality in which we have not gone up. In addition to the above-mentioned 90% retention rate, which is unheard of for small academically non-selective colleges like ours, our graduation rate continues to be much higher than such institutions. Our percentage of legacy students (enrollment of children of alumni) is twice the average for Christian colleges.

Our excellence is recognized by the academic community. For example, this year we went from being ranked #4 to #3 among 33 collegiate teacher education programs in the Tennessee Department of Education's 2026 Teacher Preparation Report Card (and #1 in principals' evaluations of first-year teachers). Our stellar faculty and staff are producing results that other small Christian colleges simply do not produce.

Gradual Financial Recovery

At the time of this printing (May 1), it still seems possible to balance the budget, with a strong May giving season and income from real estate transactions. However, one year's enrollment increase does not get the college "out of the woods" financially. With such a great increase in enrollment, one might ask, why are we not out of the woods? The answer is fourfold: (1) since COVID, our capital campaign has been about half what we need it to be to meet budget and pay the debt service on the new campus.

However, enrollment recovery is what will put us back in a sustainable posture in 3–4 years, and thankfully we are in the first year of that trend. That brings me to the second point: (2) It's going to take *more than one* good freshman class to be recovered and be back up to our traditional (dorm and commuter) student enrollment, after four years of low-enrolling freshman classes following COVID and one year (last year) of a low-enrolling freshman class because of the federal financial aid form debacle that hurt so many college's enrollment in the fall of 2024. But given this year's enrollment, and 10% more admitted students for next fall, we are clearly on the road to recovery.

(3) We awarded more scholarships than ever this year, which helped us with our high enrollment. (4) Gifts are not going to be as high as last year's extremely high number. Donors, especially prospective capital campaign donors and those who have already pledged to the capital campaign, are citing the economy, including tariffs and the war in Iran, as reasons why they cannot make new pledges or fulfill existing ones. While we are not out of the woods, we can see the light at the edge of the woods! This year is the first of 3–4 "bounce back" years.

Our four-point financial recovery plan shows that, three years from now, we will be back to pre-COVID norms financially. (1) We will repeat last year's strong fall freshman class (in dorm and commuter students) the next three years, continuing to add new programs gradually. (2) We will increase gifts at a modest rate (given the economy) of 6% per year, including estate gifts from the many individuals who have named Welch in their estate plans. (3) We will *use the new campus to fund the new campus*, helping fund our annual $1.6 million in debt service and depreciation on the new campus by leveraging rapidly appreciating land investments we acquired in the relocation process. Most of this will be leases in which Welch will retain land ownership while generating revenue to pay down debt on the new campus. (4) That debt repayment will also mean we will be paying much less in annual interest. These four strategies will place the college in a very strong financial position in which surpluses will be generated that can further reduce debt.

All the above will occur while still retaining the vast majority of our investment property. Also, this plan also *does not take into account* future gifts from donors who are planning extremely large gifts when the economy improves and their cash reserves recover.

Sometimes people ask me this: "Welch has land that has increased in value sevenfold since you bought it. Why doesn't the college just sell it and be debt-free?" The answer is simple: Our

consultants, higher education financial advisors, and major donors insist that doing this would be highly inadvisable in the second fastest growing suburb in Tennessee with commercial land becoming increasingly scarce and thus more and more valuable.

Even with our mammoth financial challenges since the pandemic—which are still very real and will be for the next few years—amazingly, the big picture financially looks better than any of us would have expected, with total net assets going up 6% while total debt/liabilities have gone up less than 3%:

	Total Assets	Total Liabilities	Total Net Assets
2025	$43,412,198	$18,942,557	$24,469,641
2024	$42,028,044	$18,543,152	$23,484,892
2023	$41,010,283	$18,214,046	$22,796,237
2022	$43,361,784	$17,712,868	$25,648,916
2021	$41,850,199	$17,552,119	$24,298,080
2020	$41,472,780	$18,427,571	$23,045,209

Summary and Conclusion

The years since COVID have been very difficult years for Welch in quantitative terms of enrollment and capital campaign giving, which fell far short of our financial goals. Still, as seen in the net assets and debt chart above, we have by God's grace been able to increase our net assets by 6% while increasing debt/liabilities by less than 3%. Thanks be to God!

However, qualitatively, in these lean years, with God's help we have been able to increase our quality and excellence by leaps and bounds. We now have the first M.Div. program in the denomination's history with around 25 students. We have more students enrolled in ministry programs than at any point in the past 44 years. We have several master's programs with graduate students remaining for a fifth year in the dorms and mixing with the undergraduate student population, thus adding to the spiritual and intellectual maturity as well as the leadership and Great Commission focus of our student body.

The percentage of doctorates on the faculty is 81% and will increase to 90% in the next two years. Our percentage of students who are children of alumni steadily increases. We are ranked #3 among college and university education departments in the state (#1 in principals' evaluations of first-year teachers). And the list could go on. There is simply no metric of quality in the higher education industry on which our wonderful faculty and staff have not continued to increase in these quantitatively challenging years.

Furthermore, we have a coherent plan for continuing our quantitative ascent back up. We have logged the first year of strong fall freshman enrollment and have an admitted student number for this fall that is 10% higher than it was last year. We have amazingly high prospects for *using the new campus to fund the new campus*. These two (increasing enrollment and alternative revenue generation) are the two primary planks of recovery, and we are well on our way. This plan *does not*

account for very large gifts from a small number of donors whose plans are to help us when the economy improves and their cash reserves are replenished.

I deeply appreciate our alumni, supporters, parents, pastors, and youth pastors. All you do to pray and fast, to encourage, and to support *your* college makes it possible for the Welch team to face our challenges with hope for the future. Thank you for your continued, prayerful support at this important time as we continue to recover and prepare for the greatest era of mission fulfillment in the history of our beloved institution.

Respectfully submitted,

Matthew Pinson
President

Registration Report
2025–2026

ENROLLMENT 503

States

Alabama 21
Arizona 1
Arkansas 3
California 8
Florida 23
Georgia 5
Illinois 13
Indiana 6
Kentucky 9
Louisiana 2
Michigan 1
Mississippi 7
Missouri 10
Montana 1
North Carolina 19
Ohio 6
Oklahoma 11
Rhode Island 3
South Carolina 5
South Dakota 2
Tennessee 306
Virgina 8
District of Columbia 1
US Virgin Islands 1
International 31

The student body represents twenty-two states, one US territory (USVI), and ten international countries (Canada, Dominican Republic, Ecuador, France, Indonesia, Japan, Panama, Puerto Rico, Spain, and Sweden).

Classification*

Freshman 81
Sophomore 77
Junior 48
Senior 56
Graduate (Degree seeking) 65
Non-degree Part Time 41
Dual Enrollment 156

Academic Vocation*

Christian Ministry (Grad) 31
Christian Ministry (Bach) 51
Christian Ministry (Assoc) . . . 17
Christian Ministry (Certif) . . . 36
Missions 8
Biology 17
Business 55
English 10
Exercise Science 20
General Studies 7
History 8
Humanities 11
Leadership 6
Mathematics 4
Music 16
Psychology 7
Science/Nursing 10
Teacher Education 56
Non-degree Part-time 41
Dual Enrollment 156

Other Categories

Full-Time 225
Part-Time 278

Male 254
Female 249

Single 421
Married 82

Undergraduate Dorm . . . 130
Commuter 65
Graduate Dorm 26
Non-residential Graduate . 39
Adult Studies 47
Spanish Institute 39
French Institute 1
Dual Enrollment 156

New 104
Transfer 4
Continuing 220

Free Will Baptist 214
Other 289

**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 2025–December 2025

Welch College Campus
May 7–8, 2025
The Board of Trustees heard reports from the President, Provost, and Vice Presidents, approved the 2025–2026 budget, voted to move Dr. Matthew Bracey's rank from Assistant to Associate Professor and Dr. Christ Talbot's rank from Instructor to Assistant Professor. They also voted to commend the Welch College faculty and staff for their steadfast, sacrificial service to Welch in times of financial difficulty and to extend their heartfelt gratitude to Welch College's real estate consultant Bob Bass for his sacrificial volunteer service to his *alma mater*.

Email Vote
May 27–29, 2025
The Trustees, via email vote, approved the sale of a 16+ acre parcel of land at the northwest corner of the Welch campus.

Email Vote
June 10–12, 2025
The Board voted to give a salary bonus for the 2026 fiscal year to all regular Welch College faculty and staff.

Welch College Campus
December 10, 2025
The Trustees heard reports from the President, Provost, and Vice Presidents. They reviewed the mission statement of the college, voting to affirm its continued viability as an appropriate guide for the institution. They also signed the board code of conduct and conflict of interest policy, as well as the tenets of faith for the Association for Biblical Higher Education, one of the college's accrediting bodies.

WELCH COLLEGE

CONSOLIDATED FINANCIAL STATEMENTS

MAY 31, 2025 AND 2024

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

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, 2025 and 2024, 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, 2025 and 2024, 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. 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.

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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 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, 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 8, 2025

WELCH COLLEGE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	May 31, 2025	May 31, 2024
ASSETS		
Cash and cash equivalents	$ 1,930,768	$ 318,911
Restricted cash for student loans	277,434	282,205
Accounts receivable, net of allowance of $26,022 and $39,288, respectively	31,804	47,946
Prepaid expenses and other	2,236,918	154,939
Investments	1,061,911	1,676,689
Beneficial interests in perpetual trusts	2,330,993	2,284,013
Campaign pledges receivable, net of allowance of $19,504 and $23,334, respectively	872,625	1,006,275
Other notes receivable	2,873,923	3,855,080
Operating right of use assets, net	10,470	14,145
Property and equipment, net	31,785,352	32,387,841
Total assets	$ 43,412,198	$ 42,028,044
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 500,022	$ 556,251
Lines-of-credit	3,556,343	3,081,343
Operating right of use liabilities	10,470	14,145
Financing lease liabilities	149,650	147,180
Notes payable	14,473,137	14,527,235
Student deposits and agency funds	188,202	173,318
Deferred revenues	64,733	43,680
Total liabilities	18,942,557	18,543,152
Net assets:		
Net assets without donor restrictions:		
Attributable to College	16,210,601	15,240,989
Attributable to noncontrolling interests	1,713,676	1,719,200
Total net assets without donor restrictions	17,924,277	16,960,189
Net assets with donor restrictions:		
Purpose restrictions	1,808,761	1,934,583
Invested in perpetuity	4,736,603	4,590,120
Total net assets with donor restrictions	6,545,364	6,524,703
Total net assets	24,469,641	23,484,892
Total liabilities and net assets	$ 43,412,198	$ 42,028,044

See accompanying notes to consolidated financial statements.

WELCH COLLEGE
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues, gains and other support:			
Tuition and fees, net of student aid discounts of $2,213,780	$ 1,993,180	$ -	$ 1,993,180
Private gifts and grants	4,028,203	1,250,862	5,279,065
Government grants and contracts	80	14,013	14,093
Investment income	89,568	68,689	158,257
Other income	32,692	-	32,692
Auxiliary enterprises	1,295,518	-	1,295,518
	7,439,241	1,333,564	8,772,805
Net assets released from operating restrictions and reclassifications	643,767	(643,767)	-
Total operating revenues, gains and other support	8,083,008	689,797	8,772,805
Operating expenses and losses:			
Academic and general:			
Instruction	1,669,080	-	1,669,080
Institutional support	2,119,706	-	2,119,706
Academic support	669,931	-	669,931
Student services	752,093	-	752,093
Plant maintenance	763,279	-	763,279
Interest expense	1,089,920	-	1,089,920
Auxiliary enterprises	987,304	-	987,304
Total operating expenses and losses	8,051,313	-	8,051,313
Total changes in net assets from operating activity	31,695	689,797	721,492
Nonoperating activity:			
Contributions	-	235,996	235,996
Realized and unrealized loss	-	89,378	89,378
Change in value of beneficial interests in perpetual trusts	-	49,995	49,995
Loss on disposition of property and equipment	(23,246)	-	(23,246)
Relocation expenses	(14,060)	-	(14,060)
Other	(74,806)	-	(74,806)
	(112,112)	375,369	263,257
Net assets released from nonoperating restrictions and reclassifications	1,044,505	(1,044,505)	-
Total changes in net assets from nonoperating activity	932,393	(669,136)	263,257
Change in net assets	964,088	20,661	984,749
Change in net assets attributable to noncontrolling interests	(5,524)	-	(5,524)
Change in net assets attributable to college	969,612	20,661	990,273
Net assets, beginning of year	16,960,189	6,524,703	23,484,892
Net assets, end of year	$ 17,924,277	$ 6,545,364	$ 24,469,641

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
	5,923,217	2,288,368	8,211,585
Net assets released from operating restrictions and reclassifications	1,268,068	(1,268,068)	-
Total operating revenues, gains and other support	7,191,285	1,020,300	8,211,585
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	7,629,551	-	7,629,551
Total changes in net assets from operating activity	(438,266)	1,020,300	582,034
Nonoperating activity:			
Contributions	-	56,298	56,298
Realized and unrealized losses	-	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)
	(76,830)	183,451	106,621
Net assets released from nonoperating restrictions and reclassifications	47,101	(47,101)	-
Total changes in net assets from nonoperating activity	(29,729)	136,350	106,621
Change in net assets	(467,995)	1,156,650	688,655
Change in net assets attributable to noncontrolling interests	(308)	-	(308)
Change in net assets attributable to college	(467,687)	1,156,650	688,963
Net assets, beginning of year	17,428,184	5,368,053	22,796,237
Net assets, end of year	$ 16,960,189	$ 6,524,703	$ 23,484,892

See accompanying notes to consolidated financial statements.

WELCH COLLEGE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2025

	Instruction	Institutional Support	Academic Support	Student Services	Plant Maintenance	Interest Expense	Auxiliary Enterprises	Total
Employee compensation	$ 1,481,486	$ 856,488	$ 377,588	$ 500,933	$ 120,189	$ -	$ 162,056	$ 3,498,740
Professional services	-	116,398	-	-	-	-	3,271	119,669
Advertising	398	78,703	-	18,474	-	-	-	97,575
Office expenses	20,251	140,534	7,449	70,394	34,954	-	-	273,582
Information technology	-	41,176	185,090	24,746	-	-	-	251,012
Utilities and maintenance	-	892	-	-	548,831	-	137,407	687,130
Travel	15,801	389,544	9,196	17,634	-	-	-	432,175
Conferences and meetings	-	80	-	-	-	-	-	80
Interest	-	-	-	-	-	1,089,920	-	1,089,920
Depreciation	88,247	178,662	59,758	85,087	17,991	-	233,104	662,849
Insurance	-	76,099	-	-	38,507	-	-	114,606
Athletics equipment and fees	-	112,408	-	-	-	-	-	112,408
Instruction assistance	-	-	-	-	-	-	37,846	37,846
Other expenses	34,354	-	3,462	-	-	-	-	37,816
Campus store	28,543	49,409	17,026	6,231	2,807	-	426	104,442
Food services	-	-	-	-	-	-	413,194	413,194
On-campus events	-	40,938	10,362	28,594	-	-	-	79,894
Student accounts write-offs	-	38,375	-	-	-	-	-	38,375
	$ 1,669,080	$ 2,119,706	$ 669,931	$ 752,093	$ 763,279	$1,089,920	$ 987,304	$ 8,051,313

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
	$ 1,699,212	$ 2,023,252	$ 632,356	$ 657,500	$ 735,962	$ 908,564	$ 972,705	$ 7,629,551

See accompanying notes to consolidated financial statements.

WELCH COLLEGE
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended May 31, 2025	Years Ended May 31, 2024
Operating activities:		
Change in net assets before attribution of noncontrolling interests	$ 984,749	$ 688,655
Change in net assets attributable to noncontrolling interests	(5,524)	(5,574)
Change in net assets attributable to the College	990,273	694,229
Items not requiring providing cash:		
Depreciation and amortization	662,847	691,544
Loss on disposition of property and equipment	16,907	470
Loss on disposition of land	27,585	-
Realized and unrealized losses (gains)	(89,378)	(82,975)
Change in value of beneficial interests in perpetual trusts	(46,789)	(44,178)
Contributions restricted for acquisition of long-lived assets	(935,208)	(233,311)
Contributions restricted for long-term investment	(81,249)	(136,022)
Changes in:		
Noncontrolling interests	(5,524)	(5,574)
Accounts receivable, net of allowance	16,142	(20,253)
Accounts payable and accrued expenses	43,776	(39,119)
Other assets and liabilities	(1,912,314)	(792,530)
Net cash provided by (used in) operating activities	(1,312,932)	32,281
Investing activities:		
Purchases of property and equipment	(77,264)	(150,419)
Proceeds from sale of land, net of expenses	999,190	-
Notes issued from sale of land	(100,000)	(1,100,000)
Proceeds from notes receivable	54,386	44,920
Proceeds from sale of equipment, net of expenses	-	52,404
Purchases of securities	(185,439)	(152,248)
Proceeds from sale of investments	889,399	171,187
Net cash used in investing activities	1,580,272	(1,134,156)
Financing activities:		
Proceeds from contributions restricted for acquisition of long-lived assets	935,208	233,311
Proceeds from contributions restricted for long-term investment	81,249	136,022
Borrowings on line-of-credit agreement	775,000	611,282
Principal payments on line-of-credit agreement	(300,000)	-
Borrowings on notes payable	30,344	3,703
Principal payments on notes payable	(184,441)	(284,029)
Borrowings under financing lease obligations	44,270	92,412
Principal payments under financing lease obligations	(41,884)	(39,905)
Net cash provided by financing activities	1,339,746	752,796
Net (decrease) increase in cash, cash equivalents, and restricted cash	1,607,086	(349,079)
Cash, cash equivalents, and restricted cash, beginning of year	601,116	950,195
Cash, cash equivalents and restricted cash, end of year	$ 2,208,202	$ 601,116
Supplemental cash flows information:		
Interest paid, net of capitalized interest	$ 1,089,920	$ 908,564
Purchase of land	$ 2,826,770	$ -
Sale of Land	$ 1,800,000	$ -
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases (i.e. interest)	$ 4,809	$ 2,768
Financing cash flows from finance leases (i.e. principal portion)	$ 46,258	$ 62,454
Operating cash flows from operating leases	$ 4,066	$ 4,066
ROU assets obtained in exchange for new finance lease liabilities	$ 64,099	$ 122,341

See accompanying notes to consolidated financial statements.

WELCH COLLEGE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2025 AND 2024

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.

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.

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, 2025 and 2024, 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, 2025 and 2024, are as follows:

	2025	2024
Restricted Cash for Student Loans	$277,434	$282,205

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.

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, 2025 or 2024.

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, 2025 and 2024 were $2,213,780 and $2,134,478, respectively.

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.

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 $339,971 and $356,349 for the years ended May 31, 2025 and 2024, respectively.

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

The table below represents financial assets available for general expenditures within one year at May 31, 2025 and 2024:

Financial assets at year-end:	2025	2024
Cash and cash equivalents	$2,208,202	$ 601,116
Accounts and pledges receivable, net	904,429	1,054,221
Investments, at fair value	1,061,911	1,676,689
Other notes receivable	2,873,923	3,855,080
Total financial assets	7,048,465	7,187,106
Less amounts not available to be used for general expenditures within one year:		
Subject to donor restrictions	1,808,761	1,934,583
Long-term portion of notes receivables	1,056,287	3,636,941
Endowments	2,405,645	2,306,107
Total financial assets not available to be used within one year	5,270,693	7,877,631
Financial assets(deficit of financial assets) available to be used within one year	$1,777,772	$(690,525)

B. LIQUIDITY AND AVAILABILITY OF RESOURCES - Continued

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.

C. INVESTMENTS AND INVESTMENT RETURN

Investments at May 31, 2025 and 2024 consisted of the following:

	2025	2024
In-house securities	$ 3,724	$ 3,723
Investments held with FirstBank	1,000	680,638
Investments held with the Free Will Baptist Foundation	1,057,187	992,328
	$1,061,911	$1,676,689

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. As of May 31, 2025, investments held with the Free Will Baptist Foundation consisted of 2% cash and cash equivalents, 53% equities, and 45% fixed income. Investments held by FirstBank as of May 31, 2024 consisted of 44% cash and cash equivalents, 43% equities, and 13% fixed income. Investments held by FirstBank as of May 31, 2025 consisted of 100% cash and cash equivalents.

D. CAMPAIGN PLEDGES RECEIVABLE

Campaign pledges receivable consisted of the following at May 31, 2025 and 2024:

	2025	2024
Due within one year	$377,000	$ 294,501
Due within five years	587,337	839,797
	964,337	1,134,298
Less		
Allowance for uncollectible receivables	19,504	23,334
Unamortized discount	72,207	104,689
	$872,625	$1,006,275

A discount rate of 2.0% was applied to 2025 and 2024 pledges. The campaign pledges receivable are largely restricted for the construction of the new campus or other campus projects.

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 related to the sale of land. The note called 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 would have matured in full on February 5, 2038. The interest rate on the note was fixed at 5.89% per annum. On April 12, 2025, the note was restructured breaking it into two separate notes, a note for $2,326,770 and a note for $400,000, both maturing in May 31, 2053. The interest rates for these notes were 5.78% and 6.5% per annum, respectively. On May 30, 2025, the College repurchased the land back from Fourth Council Properties, LLC and the notes were settled. The balance of the note receivable on May 31, 2025 and 2024 were $-0- and $2,764,448, respectively.

On May 30, 2025, the College entered into two note agreements with Friends of Welch, LLC ("the Borrower"), in the amount $1,400,000 and $400,000 related to the sale of land. The notes are both non-interest-bearing notes until they reach maturity at which date the notes will bear interest at the maximum rate of interest which may be charged on the date hereof, or on the maturity date, whichever is greater. Both notes will mature in full on May 31, 2028. The balance of the notes receivable on May 31, 2025 were $1,800,000.

E. NOTES RECEIVABLE - Continued

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, 2025 and 2024, the note receivable balance was $1,073,923 and $1,090,632, respectively, 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 $2,330,993 and $2,284,013, which represents the fair value of the trust assets at May 31, 2025 and 2024, respectively. The change in value of beneficial interests in perpetual trusts for 2025 and 2024 was $46,980 and $44,178, respectively.

G. PROPERTY, BUILDINGS, AND EQUIPMENT

Property, buildings, and equipment at May 31, 2025 and 2024 consisted of the following:

	2025	2024
Land and land improvements	$ 6,434,957	$ 6,434,957
Buildings and building improvements	28,619,362	28,619,362
Library books and periodicals	1,124,048	1,116,118
Furniture and equipment	3,193,113	3,208,313
Total plant facilities	39,371,480	39,378,750
Less accumulated depreciation and amortization	7,586,128	6,990,909
Net property, buildings, and equipment	$31,785,352	$32,387,841

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, 2025 and 2024, there was $1,281,343 and $1,281,343 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, 2025 and 2024, there was $775,000 and $600,000 borrowed against this line, respectively. The line is secured by a portion of the College's real property. Interest accrues at the rate of the prime plus 1% (8.50% and 9.50% at May 31, 2025 and 2024, 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, 2025 and 2024, there was $1,500,000 and $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

	2025	2024
Notes payable (A)	$ 183,741	$ 174,277
Fourth Council Note Payable (B)	100,000	-
Construction line-of-credit note (C)	14,189,396	14,352,958
	$14,473,137	$14,527,235

(A) The balance of $183,741 and $174,277 at May 31, 2025 and 2024, respectively, represents various notes payable to individuals. These notes are due upon demand with annual interest rates of 4.00%.

(B) On May 30, 2025, the College entered into an $100,000 note with Fourth Council Properties, LLC. Interest accrues at a fixed rate of 6% per annum starting on October 1, 2025 and will mature on December 31, 2025.

I. NOTES PAYABLE - Continued

(C) During 2017, the College entered into an $11,000,000 non-revolving construction line-of-credit note with the Free Will Baptist Foundation. In 2018, this agreement was amended to increase the maximum principal amount to $14,000,000. In September 2018 (fiscal year 2019), the agreement was amended to increase the principal amount to approximately $15,900,000. Interest accrues at a fixed rate of 4.5%. In April 2021, the Board of the Free Will Baptist Foundation voted to approve a renewal of the loan for six additional years as of September 1, 2021, renewable in the fifth year, with a fixed interest rate of 4.75% annually and a loan amortization period of twenty-four years. In the absence of renewal, all remaining principal and accrued interest will be due and payable on October 1, 2027. 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, 2025 are:

	Notes Payable
2026	$ 271,544
2027	341,626
2028	412,849
2029	432,892
2030	453,908
Thereafter	12,560,318
	$14,473,137

J. NET ASSETS WITH DONOR RESTRICTIONS

Net assets at May 31, 2025 and 2024 have been restricted by the donors as follows:

	2025	2024
Subject to purpose restrictions:		
Scholarships, endowed	$ 372,356	$ 266,185
Scholarships, time restricted	194,629	219,683
Campus relocation	1,069,582	1,192,486
Accelerated pastoral degree program	24,531	163,000
Other	147,663	93,229
Total subject to purpose restrictions	1,808,761	1,934,583
Endowments and perpetual trusts:		
Perpetual trusts	2,330,993	2,284,013
Endowments	2,108,496	2,009,313
Loans to students	297,114	296,794
Total endowments and perpetual trusts	4,736,603	4,590,120
Total net assets with donor restrictions	$6,545,364	$6,524,703

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.

	2025	2024
Purpose restrictions accomplished		
Scholarship	$ 423,344	$1,160,728
Campus construction	1,044,505	47,101
Other	220,423	107,340
	$1,688,272	$1,315,169

J. NET ASSETS WITH DONOR RESTRICTIONS - Continued

Net Asset Transactions With Noncontrolling Interests

For the years ended May 31, 2025 and 2024, changes in consolidated net assets attributable to the controlling and noncontrolling financial interests are:

	Net Assets Without Donor Restrictions	Net Assets Attributable to Welch College	Noncontrolling Interests
Balance, June 1, 2023	$ 17,428,184	$ 15,708,676	$ 1,719,508
Change in net assets without donor restrictions	(467,995)	(467,687)	(308)
Balance, May 31, 2024	16,960,189	15,240,989	1,719,200
Change in net assets without donor restrictions	964,088	969,612	(5,524)
Balance, May 31, 2025	$ 17,924,277	$ 16,210,601	$ 1,713,676

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.

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, 2025 and 2024 was as follows:

		With Donor Restrictions		
	Without Donor Restrictions	Temporary In Nature	Perpetual In Nature	Total
May 31, 2025				
Donor-restricted endowment funds	$1,057	$356,117	$4,427,447	$4,784,621
May 31, 2024				
Donor-restricted endowment funds	$4,684	$266,184	$4,296,420	$4,567,288

K. ENDOWMENT - Continued

Changes in endowment net assets for the years ended May 31, 2025 and 2024 were:

	Without Donor Restrictions	With Donor Restrictions: Temporary In Nature	With Donor Restrictions: Perpetual In Nature	Total
Endowment net assets, June 1, 2023	$ 3,623	$ 221,853	$ 4,113,218	$ 4,338,694
Investment return				
Change in beneficial interests in perpetual trusts	-	-	44,178	44,178
Investment income (loss)	39,754	147,347	-	187,101
Contributions	-	-	139,024	139,024
Appropriation of endowment assets for expenditure	(38,693)	(103,016)	-	(141,709)
Endowment net assets, May 31, 2024	4,684	266,184	4,296,420	4,567,288
Investment return				
Change in beneficial interests in perpetual trusts	-	-	49,995	49,995
Investment income	37,628	148,463	-	186,091
Contributions	-	-	81,032	81,032
Appropriation of endowment assets for expenditure	(41,255)	(58,530)	-	(99,785)
Endowment net assets, May 31, 2025	$ 1,057	$ 356,117	$4,427,447	$ 4,784,621

K. ENDOWMENT - Continued

Amounts of donor-restricted endowment funds classified as net assets with donor restrictions at May 31, 2025 and 2024 consisted of:

	2025	2024
Permanently restricted net assets - portion of perpetual endowment funds required to be retained permanently by explicit donor stipulation or USPMIFA	$4,427,447	$4,296,420
Temporarily restricted net assets - portion of perpetual endowment under USPMIFA With purpose restriction	356,117	266,184
	$4,783,564	$4,562,604

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).

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, 2025 and 2024 disaggregated by the major classification of student type is as follows:

Student Classification	Tuition and Education Fees, Net	
	2025	2024
Undergraduate tuition	$1,595,300	$1,751,221
Graduate tuition	164,827	135,065
Non-traditional tuition	233,053	254,594
Total	$1,993,180	$2,140,880

A summary of revenue from contracts with customers related to auxiliary enterprises revenue for the years ended May 31, 2025 and 2024 disaggregated by type is as follows:

Revenue Classification	Amount	
	2025	2024
Housing	$ 492,293	$ 460,272
Food Service	697,276	682,642
Other	105,949	92,502
Total	$1,295,518	$1,235,416

L. REVENUES - Continued

Contract balances

A summary of receivables and contract liabilities from contracts with customers is as follows at May 31, 2025, 2024 and 2023:

	2025	2024	2023
Student accounts receivable, net	$ 31,804	$ 47,946	$ 27,693
Other notes receivable	2,873,923	3,855,080	2,800,000
Student accounts and deposits collected in advance	188,202	173,318	158,621
Deferred revenue	64,733	43,680	70,044

Substantially all of the deferred revenue at June 1, 2024 and 2023 was recognized as revenue during fiscal years 2025 and 2024, 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, 2025 represent cash received from students during fiscal year 2025 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

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, 2025 and 2024:

		Fair Value Measurements Using		
May 31, 2025:	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities	$ 3,724	$ 3,724	$ -	$ -
Investments held with FirstBank	1,000	1,000	-	-
Investments held with the Free Will Baptist Foundation (1)	1,057,187	-	-	1,057,187
Total investments	1,061,911	4,724	-	1,057,187
Beneficial interests in perpetual trusts	2,330,993	-	-	2,330,993
May 31, 2024:				
Equity securities	$ 3,723	$ 3,723	$ -	$ -
Investments held with FirstBank	680,638	680,638	-	-
Investments held with the Free Will Baptist Foundation (1)	992,328	-	-	992,328
Total investments	1,676,689	684,361	-	992,328
Beneficial interests in perpetual trusts	2,284,013	-	-	2,284,013

(1) See Note C for an analysis of the types of investments within the investments held with the Free Will Baptist Foundation and FirstBank.

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, 2025. 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.

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, 2023,	$ 939,012	$ 2,226,996
Transfers into Level 3	-	-
Total gains 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	-	3,000
Closing balance -May 31, 2024	992,328	2,284,013
Transfers into Level 3	-	-
Total gains or (losses) for the period	64,859	138,508
included in change in net assets	-	-
Purchases, issues, sales and settlements		
Purchases	-	195
Issues	-	-
Sales	-	(91,723)
Settlements	-	-
Other	-	-
Closing balance -May 31, 2025,	$1,057,187	$ 2,330,993

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 $622,492 and $457,465, respectively, at May 31, 2025, and $723,877 and $528,571, respectively, at May 31, 2024.

The components of lease expense for May 31, 2025 and 2024 is as follows:

	2025	2024
Operating lease expense	$ 4,066	$ 4,066
Finance lease expense		
Amortization of ROU assets	41,852	63,283
Interest on lease liabilities	4,809	2,768
	$50,727	$70,117

O. LEASES - Continued

Additional supplemental information regarding assumptions for leases is as follows for May 31, 2025 and 2024:

Weighted-average remaining lease term (years)	2025	2024
Operating leases	2.67	3.67
Finance leases	4.03	3.59
Weighted-average discount rate		
Operating leases	2.93%	2.93%
Finance leases	3.68%	1.67%

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

Maturity	Operating	Finance
2026	$ 4,066	$ 43,992
2027	4,066	43,992
2028	2,763	43,161
2029	-	18,668
2030	-	12,220
Total undiscounted cash flows	10,895	162,033
Less: present value discount	(425)	(12,383)
Total lease liabilities	$ 10,470	$ 149,650

P. OTHER ASSETS

On May 27, 2025, Welch College entered into a donation agreement with FC Station Properties, LLC, a real estate developer in the nearby McCain's Station Development, under which the developer agreed to donate and deliver 50,000 cubic yards of heterogeneous fill material (a mix of soil and shot rock) to the college at no cost. Ownership of the material transferred to Welch College on the date of delivery, and the College bears full responsibility for processing, testing, and utilizing the material, with unrestricted rights to use or sell it.

A third-party valuation letter dated June 16, 2025, from a qualified construction industry expert, estimated the fair market value of the donated material to be between $35 to $50 per cubic yard. Based on this range, the college recorded the contribution at the average of the estimated range, or $42.50 per cubic yard, resulting in the recognition of an in-kind, non-cash contribution totaling $2,125,000 in May 2025. This amount is reflected in the Statement of Activities under contributions and in the Statement of Financial Position under Other Assets.

P. OTHER ASSETS - Continued.

The College and other agencies of the National Association of Free Will Baptists will be using the material to help with construction of the Jenkins Lane extension in conjunction with support from the City of Gallatin. Upon completion of the extension, the College will donate the road to the City as an in kind donation.

Q. RELATED PARTY

For the year ended May 31, 2025 and 2024, 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.

R. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 8, 2025, the date the financial statements were available for issuance, and has determined that there are no subsequent events requiring disclosure.

Salary Information

	2023–2024	2024–2025	2025–2026
President*			
Salary	$71,540	$71,540	$71,540
Social Security	5,473	5,473	5,473
Retirement	0	0	0
Medical Insurance	21,058	19,251	22,559
Life Insurance**	360	718	1,988
	$98,431	$96,982	$101,560
Provost			
Salary	$61,986	$61,386	$61,386
Social Security	4,742	4,696	4,696
Retirement	0	0	0
Medical Insurance	21,058	19,251	22,559
Life Insurance**	360	601	1,593
	$88,146	$85,934	$90,234
Vice President for Financial Affairs			
Salary	$58,061	$58,061	$58,061
Social Security	4,442	4,442	4,442
Retirement	0	0	0
Medical Insurance	6,938	6,377	7,467
Life Insurance**	360	618	1,654
	$69,801	$69,498	$71,624
Vice President for Institutional Advancement			
Salary	$56,774	$57,603	$57,603
Social Security	4,343	4,407	4,407
Retirement	0	0	0
Medical Insurance	6,938	6,377	7,467
Life Insurance**	360	582	1,527
	$68,415	$68,969	$71,004

** Housing provided (with Social Security variation). Vehicle provided.*
*** During 2024–2025, Welch added short and long-term disability to life insurance coverage for all benefits-eligible employees.*



WOMEN NATIONALLY ACTIVE FOR CHRIST

Welcome to the 2026 National Convention! I'm Kristi Johnson, and I am serving as the new Executive Director of WNAC. As I've stepped into the leadership of WNAC, I'm excited about what God is doing through YOU. The ministry that began in 1935 is being extended throughout our denomination as we **help women fulfill their role in the Great Commission both at home and abroad.**

This year's convention theme is FOCUS, and it's such a great theme. For the past 90 years, women have been focused on discipling teens, equipping women, caring for missionaries, and advancing the Gospel worldwide. That vision continues as we move into the future of women's ministry!

Focus on Discipling Teens

We work to involve women of every age, beginning with teens, through our *Shine!* Simulcasts. This year, around 800 teen girls ages 12-18, spead out over 22 churches across the country, experienced worship, teaching, and fun together.



The *Shine!* Simulcast helped disciple teen girls from coast to coast.



WNAC also helps young people in college through our scholarship program. Each year, we give scholarships to women in our FWB colleges. These young women will be working in our churches one day, where they will be making decisions about the future of ministry. These scholarships also extend to people in other countries who are studying in Bible institutes or seminaries. Many times, they could never afford these studies, but because of you and your generous gifts, students are learning how to lead in their churches, and they are finding their role in the Great Commission.

Focus on Equipping Women

There are many opportunities throughout the year for women to have discipleship moments together. Whether it be here at the National Convention, at local and state retreats, by Zoom in our "Growing Together" meet-ups, or by reading *Treasure Bible Study Guide*, women are connecting with other women, and they are being equipped to serve.





Missionaries are thankful for the Provision Closet.

Focus on Caring for Missionaries

Not only is WNAC helping students and future workers, but we also have the Steward Provision Closet, where all of our NAM church planters and IM missionaries can find items they need for their homes. We have shelves and shelves of things that fill the homes—and the hearts—of our missionaries around the world.

Focus on Advancing the Gospel Worldwide

Free Will Baptist Women's Ministries is all about advancing the Gospel. Each gift that is given, each prayer that is prayed, each Bible study that is done, and each time women serve our missionaries, the name of Christ is advanced around the world.

I want to personally thank you for your support of WNAC. Ministries like these happen because women like you give generously. One of the ways you can give back is through our **Giving Tree**, where you can support WNAC monthly. Just like any tree, the roots of the WNAC operating fund need to be nurtured for fruit to be produced. Currently, WNAC is severely underfunded, with cut-backs that have been challenging. We want to be strategic in how we steward the funds that are available. Partner with WNAC and commit to give a monthly gift that will keep the ministry thriving for generations to come.

We hope you'll join us as we focus on discipling teens, equipping women, caring for missionaries, and advancing the Gospel. We want women all across our denomination to be a part of what God is doing around the world. **WNAC is about helping women share the Great Commission** with people next door and people around the world…*one woman at a time*.



Kristi Johnson
WNAC Director

Synopsis of Minutes
WNAC Board
July 2025—December 2025

July 22, 2025
The following officers were elected for the WNAC Board: Tracy Payne (Chairman) and Jessica Edwards (Vice Chairman).

October 3, 2025
The WNAC Board accepted the resignation of Director Ruth McDonald. Phyllis York was appointed as Interim Director effective November 21, 2025.

November 24, 2025
The Finance Committee was directed to begin the process of creating a pay package for the new Director's position.

December 15, 2025
The WNAC Board discussed the following items:

- Received monthly finance reports
- Scheduled regular Zoom meetings with the WNAC Board and Director
- Voted to meet with the auditor annually upon completion of the audit
- Received details regarding promotion of the *Shine!* Simulcast

To make an impact through WNAC, visit www.wnac.org.

HHA

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

Independent Auditors' Report

Board of Trustees of the
Women Nationally Active for Christ
of the National Association of Free Will Baptists, Inc.

Report on the Audit of the Financial Statements
Opinion

We have audited the accompanying financial statements of Women Nationally Active for Christ of the National Association of Free Will Baptists, Inc. - a nonprofit organization (hereafter WNAC) which comprise the statements of financial position as of December 31, 2025 and 2024 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 WNAC, as of December 31, 2025 and 2024, and results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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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
March 31, 2026

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

Statements of Financial Position

December 31, 2025 and 2024

Assets

	2025	2024
Current assets:		
Cash and cash equivalents:		
Cash in bank	$ 58,999	77,464
Funds held by Free Will Baptist Foundation (including $32,908 in 2025 and $30,297 in 2024 of funds with donor restrictions)	37,732	56,932
	96,731	134,396
Investments for operations with Free Will Baptist entities	179,125	182,623
Inventory and prepaid expenses	13,605	12,515
Total current assets	289,461	329,534
Long lived assets:		
Depreciable assets:		
Vehicle	23,740	23,740
Office equipment and furniture	33,260	33,260
	57,000	57,000
Less accumulated depreciation	56,870	55,773
	130	1,227
Right of use assets, net of amortization	9,166	2,562
Investments for endowments with Free Will Baptist entities	89,738	80,335
Total long lived assets	99,034	84,124
	$ 388,495	413,658

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued payroll withholdings	$ 6,673	11,851
Deferred revenues	1,442	3,978
Current portion of right of use liability	2,173	2,562
Total current liabilities	10,288	18,391
Long term right of use liability, less current portion	6,993	-
Total liabilities	17,281	18,391
Net assets:		
Net assets without donor restrictions	44,631	75,267
Net assets with donor restrictions	326,583	320,000
Total net assets	371,214	395,267
	$ 388,495	413,658

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, 2025 and 2024

	2025			2024		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals
Revenue and Support:						
Funds for other agencies and departments:						
Amount received	$ 32,666	-	32,666	32,520	-	32,520
Amount incurred	(32,666)	-	(32,666)	(32,520)	-	(32,520)
Operations:						
Gifts, grants and offerings	102,727	49,571	152,298	116,142	77,652	193,794
Together Way Plan distribution	103,274	-	103,274	92,384	-	92,384
Interest income	2,032	128	2,160	2,496	114	2,610
Other revenue	659	-	659	675	-	675
Convention and retreats:						
Convention revenues	18,722	-	18,722	22,720	-	22,720
Total revenue and support	227,414	49,699	277,113	234,417	77,766	312,183
Net assets released from restrictions	67,220	(67,220)	-	16,061	(16,061)	-
Net revenue and support	294,634	(17,521)	277,113	250,478	61,705	312,183
Operating expenses:						
Program services	295,273	-	295,273	287,854	-	287,854
Supporting service	36,799	-	36,799	34,925	-	34,925
	332,072	-	332,072	322,779	-	322,779
Net change - operating activities	(37,438)	(17,521)	(54,959)	(72,301)	61,705	(10,596)
Non-operating activities:						
Gain from investment assets	6,802	24,104	30,906	8,445	27,619	36,064
Net change - non-operating activities	6,802	24,104	30,906	8,445	27,619	36,064
Change in net assets	(30,636)	6,583	(24,053)	(63,856)	89,324	25,468
Net assets:						
Beginning of year	75,267	320,000	395,267	139,123	230,676	369,799
End of year	$ 44,631	326,583	371,214	75,267	320,000	395,267

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, 2025 and 2024

	2025			2024		
	Program Services	Supporting Services	Totals	Program Services	Supporting Services	Totals
Operations:						
Salaries	$ 104,679	19,099	123,778	112,609	15,566	128,175
Employee benefits, payroll taxes, and health insurance	25,020	6,475	31,495	25,699	6,205	31,904
Rent	35,040	-	35,040	33,945	-	33,945
Travel	6,626	-	6,626	11,444	-	11,444
Office expense and other	19,872	-	19,872	31,718	-	31,718
Vehicle expense	1,560	-	1,560	3,368	-	3,368
Legal and audit	-	6,448	6,448	-	6,250	6,250
Postage and shipping	723	-	723	864	-	864
WNAC Board of Trustees	-	4,217	4,217	-	6,585	6,585
Promotion	3,092	-	3,092	4,169	-	4,169
Dues, subscriptions and continuing education	-	560	560	-	319	319
Treasure magazine	1,012	-	1,012	-	-	-
Depreciation	1,098	-	1,098	1,338	-	1,338
Support for One Magazine	14,372	-	14,372	13,953	-	13,953
Restricted expenditures:						
C. Pursell Foreign Scholarship	-	-	-	1,500	-	1,500
Mary Wisehart Student Scholarship	4,000	-	4,000	5,000	-	5,000
Steward Provision Closet	8,289	-	8,289	9,561	-	9,561
Shine	54,931	-	54,931	-	-	-
Total expenses of operations	280,314	36,799	317,113	255,168	34,925	290,093
Convention:						
Annual convention	14,959	-	14,959	24,496	-	24,496
Retreats -						
see restricted expenditures above	-	-	-	8,190	-	8,190
Total expenses	$ 295,273	36,799	332,072	287,854	34,925	322,779

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, 2025 and 2024

		2025	2024
Cash Flows from Operating Activities			
Change in net assets	$	(24,053)	25,468
Adjustments to reconcile change in net assets to net operating activities:			
Depreciation		1,098	1,338
Gain on endowment funds held by FWB entities		(21,502)	(11,506)
Gain on operating investments with FWB entities		(9,403)	(24,558)
(Increase) decrease in:			
Receivables		-	420
Inventory and prepaid expenses		(1,091)	(5,389)
Increase (decrease) in:			
Deferred revenues		(2,536)	3,978
Accounts payable and accrued expenses		(5,178)	1,328
Net operating activities		(62,665)	(8,921)
Cash Flows from Investing Activities			
Investments held by Richland Avenue Financial		-	(25,000)
Proceeds from withdrawal of investment held by Richland Avenue Financial		25,000	5,066
Net investing activities		25,000	(19,934)
Decrease in cash and cash equivalents		(37,665)	(28,855)
Cash and cash equivalents:			
Beginning of year		134,396	163,251
End of year	$	96,731	134,396
Cash and cash equivalents consist of:			
Cash in bank	$	58,999	77,464
Funds held by Free Will Baptist Foundation		37,732	56,932
	$	96,731	134,396
Non cash transactions:			
Lease assets obtained in exchange for lease obligations	$	9,342	-
Amortization of right-of-use assets	$	2,738	2,438

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, 2025 and 2024

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.

(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)

Treasure Magazine is available online at no cost and printed for a nominal fee. 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 the 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 2025 and 2024. 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 March 31, 2026, 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:

		2025	2024
Financial assets:			
Cash and cash equivalents	$	96,731	134,396
Investments with Richland Avenue Financial (net of endowment investment of $87,301 in 2025 and $78,029 in 2024)		179,125	182,623
		275,856	317,019
Donor restricted net assets included in financial assets above			
Mary Wisehart Student Scholarship Fund		111,668	102,651
C. Pursell Foreign Scholarship Fund		1,165	276
Steward Provision Closet (providing supplies and other benefit to missionaries)		97,860	86,077
Shine 2025		26,153	50,661
		236,846	239,665
Financial assets available to meet general expenditures over the next twelve months	$	39,010	77,354

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.

(4) Investments

The following is summary of investments:

	2025			2024		
	Cost or Basis	Market Value	Change Gain (loss)	Cost or Basis	Market Value	Change Gain (loss)
Endowment	$ 52,163	89,738	37,575	52,163	80,335	28,172
Operations	$ 107,865	179,125	71,260	132,725	182,623	49,898
Totals	$ 160,028	268,863	108,835	184,888	262,958	78,070

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

		2025	2024
Endowment:			
Free Will Baptist Foundation	$	2,437	2,306
Richland Avenue Financial		87,301	78,029
	$	89,738	80,335
Operations - Richland Avenue Financial	$	179,125	182,623

	2025	2024
Change in investment balances:		
Change in market value to cost	$ 30,765	36,066
Change - Shine 2025	(25,000)	25,000
Withdrawals	-	(5,070)
Gifts to funds	140	-
Change in investments	$ 5,905	55,996

(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%.

(5) Endowment Funds, continued

The balances relating to endowment funds are as follows:

		2025	2024
Amounts required to be invested in perpetuity:			
Balance at beginning of year	$	52,138	52,138
Donor gifts		-	-
	$	52,138	52,138
Funds accumulated for appropriations:			
Balance at beginning of year	$	28,197	16,562
Investment earnings, including investment gains and losses		9,403	11,635
Distributions of earnings		-	-
	$	37,600	28,197
Total invested funds with Free Will Baptist entities as endowment	$	89,738	80,335

(6) Net Assets With Donor Restrictions

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

		2025	2024
Specific purposes:			
Mary Wisehart Student Scholarship Fund	$	111,667	102,651
C. Pursell Foreign Scholarship Fund		1,165	276
Steward Provision Closet		97,860	86,077
Shine grant from FWB Foundation		26,153	50,661
		236,845	239,665
Endowment fund components:			
Undesignated funds invested in perpetuity		52,138	52,138
Funds available for distributions		37,600	28,197
		89,738	80,335
Total net assets with donor restrictions	$	326,583	320,000

(7) Net Assets Released From Donor Restrictions

Net assets were released from donor restrictions during the year ended December 31, 2025 by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors:

Mary Wisehart Student Scholarship Fund	$	4,000
C. Pursell Foreign Scholarship Fund		-
Steward Provision Closet		8,289
Shine grant		54,931
Net assets released	$	67,220

(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. An error was made in prior years in determining the lease maturity date. The effect of the error reduced reported assets and liabilities by $2,464 and had no effect on net assets.

(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:

		2025	2024
Right of use assets as long lived assets	$	9,166	2,562
Amortization of right to use assets	$	2,738	2,438
Current portion of right of use liability	$	2,173	2,562
Long term right of use liability, less current maturities	$	6,993	-

Maturities of operating lease liabilities are as follows:

		Required Payments	Interest Amount	Lease Maturities
2026	$	2,582	409	2,173
2027		2,582	298	2,284
2028		2,582	181	2,401
2029		2,367	61	2,308
	$	10,113	949	9,166

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 $35,040 in 2025, and $33,945 in 2024. Further, rental expense for the office equipment capitalized above amounted to $2,679 in 2025 and $2,756 in 2024.

(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 $15,285 in 2025 and $15,724 in 2024. 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 $14,372 in 2025 and $13,953 in 2024.

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:		2025	2024
Cooperative giving through the Together Way Plan (including $4,853 in 2025 and $4,978 in 2024 from the Executive Office of NAFWB)	$	103,274	92,384
Free Will Baptist Foundation			
Unrestricted grant		-	10,000
Shine		-	50,000
North American Ministries		15,951	15,757
International Missions		3,951	3,747

WOMEN NATIONALLY ACTIVE FOR CHRIST
2027 Proposed Budget

Projected Revenue	2025 Proposed	2025 Actuals	2026 Proposed	2027 Proposed
Gifts and Offerings	126,000	152,298	156,000	151,546.20
Together Way Funds	100,000	103,274	100,000	100,000.00
Foundation Gift	10,000	-	-	-
Shine! Simulcast	-	-	-	13,000.00
Shine! Restricted Grant Released Income	50,000	-	-	-
Other Revenue	2,000	659	2,000	600.00
Convention and Retreats	25,000	18,722	20,000	14,000.00
Interest Income	1,500	2,160	1,500	500.00
Endowment Income	200	-	1,500	-
Gain from Investment Assets	2,000	-	2,000	-
Treasure Bible Study Guide	-	-	-	6,160.00
Restricted Revenue	-	-	50,000	-
Total	**316,700**	**277,113**	**333,000**	**285,806.20**
Projected Operating Expenses				
Salaries and Wages	134,369	123,778	143,762.88	101,203.00
Payroll Taxes and Employee Benefits	32,387	31,495.00	36,271.64	31,776.08
Rent	34,931	35,040	35,000	37,230.00
Travel	8,000	6,626	7,000	10,600.00
Special Projects	1,000	-	-	-
Auto Expenses	8,000	1,560	6,000	6,000.00
Promotion	2,000	3,092	2,000	3,000.00
Office Expenses	20,000	20,432	20,000	20,000.00
Professional Services	6,500	6,448	6,500	6,750.00
Postage and Shipping	1,000	723	1,000	1,500.00
WNAC Board Expenses	7,000	4,217	6,000	2,185.00
Conventions & Retreats	20,000	14,959	20,000	15,000.00
Treasure Bible Study Guide	-	1,012	-	5,500.00
Support for ONE Magazine	9,600	14,372	13,953	15,864.12
Depreciation	-	1,098.00	1,412.48	1,098.00
Shine! Simulcast	26,150	54,931	20,000	6,100.00
Flourish	2,663	-	1,000	1,000.00
PushPay	3,100	-	3,100	6,000.00
Scholarships	-	4,000	5,000	7,000.00
Provision Closet	-	8,289	5,000	8,000.00
Total	**316,700**	**332,072**	**333,000**	**285,806.20**

WNAC SALARIES AND BENEFITS BREAKDOWN

Executive Director	2025	2026	2027
Salary	58,833.60	58,833.60	58,833.60
Social Security/Medicare	4,500.77	4,500.77	4,500.77
Retirement	8,825.04	8,825.04	8,825.04
Insurance (Travel, Dental/Optical, Life)	1,000.00	3,806.68	600.48
Christmas Bonus	1,000.00	1,000.00	1,000.00
Total Salary and Benefits	74,159.41	76,966.09	73,759.89
Administrative Assistant			
Salary	47,969.88	48,929.28	24,464.64
Social Security/Medicare	3,669.69	3,743.08	1,871.54
Retirement	7,195.48	7,339.39	3,669.70
Insurance (Dental/Optical & Life)	3,556.68	3,556.68	1,778.34
Christmas Bonus	1,000.00	1,000.00	500.00
Total Salary and Benefits	63,391.73	64,568.43	32,284.22
Office Staff (part time)			
Salary	27,566.00	36,000.00	25,724.80
Social Security/Medicare	1,339.00	2,000.00	710.64
Christmas Bonus	300.00	500.00	500.00
Total Salary and Benefits	29,205.00	38,500.00	26,935.44
Grand Total of Salaries and Benefits	**166,756.14**	**180,034.52**	**132,979.55**

WNAC Receipts 2025

			FWB FOUNDATION										
State	General Fund	Together Way	Provision Closet (Gift cards)	Provision Closet (Cash)	Workman Endowment	Wisehart Student Scholarship	Purcell Foreign Scholarship	IM	NAM	State Programs	Children's Homes	Collleges	Total
AL	$1,957.45	510.60	655.00	25.00									**3,148.05**
AR	$8,555.02	17382.70		1,525.00									**27,462.72**
AZ	$190.00			445.98									**635.98**
CA	$690.00	397.41											**1,087.41**
CN		268.38											**268.38**
CO													
DE		65.45											**65.45**
FL	$1,338.45	1,220.24	190.00	25.00									**2,773.69**
GA	$6,658.40	3,314.21	100.00	200.00		151.00	600.00	11,108.00	7,745.00		330.00	719.00	**30,925.61**
HI													
IL	$1,195.00	2,633.44	100.00	100.00				720.00					**4,748.44**
IN		28.05		1,250.00									**1,278.05**
KS		19.64											**19.64**
KY	$1,035.00	582.75		1,120.00									**2,737.75**
MD													
MI	$1,270.00	296.32	2,355.00	1,470.00									**5,391.32**
MO	$1,522.59	25,631.84		3,905.65				370.00					**31,430.08**
MS	$427.56	1,472.83											**1,900.39**
NC	$7,388.26	2,145.10	265.00	115.00		30.00	55.00					35.00	**10,033.36**
NH													
NM				3,917.24									**3,917.24**
NJ													
OH	$8,346.90	2,943.86	350.00	150.00									**11,790.76**
OK	$2,832.15	20,037.30	50.00	450.00									**23,369.45**
OR		246.84											**246.84**
PA/NY													
SC	$2,074.69	10,078.28	765.00	3,560.67				12,000.00					**28,478.64**
TN	$46,419.26	5,324.46	525.00	1,450.00		810.00	130.00						**54,658.72**
TX	$1,778.44	205.37											**1,983.81**
UT													
VA	$456.96	219.11		1,000.00									**1,676.07**
VI		61.13											**61.13**
WA													
WV	$1,585.00	151.61	285.00			50.00	50.00	120.00	40.00				**2,281.61**
Gift	$2,508.44			1,000.00									**3,508.44**
*1%		4,853.00											**4,853.00**
Other	$3,008.44												**3,008.44**
	$101,238.01	**$100,089.92**	**$5,640.00**	**$21,709.54**		**$1,041.00**	**$835.00**	**$24,318.00**	**$7,785.00**		**$330.00**	**$754.00**	

*Together Way Other: 1% Co-op from Executive Office

General Fund Other: Anonymous donations, Provision Closet rent, Miscellaneous income

REPORTED DIRECT GIVING FROM WNAC January - December 2025

State	State Missions	IM	NAM	Colleges	Children's Homes	Youth Camps	Other Mission Objectives	Total
AL	15,695.00	1,000.00					9,445.00	**26,140.00**
AR	11,420.56	13,356.50	2,750.00	50.00	1,340.05	1,855.00	7,019.03	**37,791.14**
AZ								
CA								
CANADA								
DE								
FL	1,200.00	904.00			240.00		121.40	**2,465.40**
GA	6,608.49	1,616.00			330.00			**8,554.49**
IL		1,210.00	280.00	40.00				**1,530.00**
IN	2,500.00				1,250.00			**3,750.00**
KS								
KY		3,360.00	490.00		2,847.00	900.00	5,951.47	**13,548.47**
MD								
MI								
MO		50.00						**50.00**
MS								
NM								
NJ								
NC		30,635.37	4,578.90	4,851.45	510.00		200.00	**40,775.72**
OH	376.88	3,411.25	1,841.25		1,200.00		18.75	**6,848.13**
OK	1,305.00	3,070.00	189.00	90.52	50.00		390.00	**5,094.52**
OR								
PA/NY								
SC								
TN		600.00			1,044.92			**1,644.92**
TX								
UT								
VA								
VI								
WA								
WV		6,245.00	40.00		7,954.00			**14,239.00**
Foundation								
1% Exec. Office								
Anonymous								
Total	**39,105.93**	**65,458.12**	**10,169.15**	**5,031.97**	**16,765.97**	**2,755.00**	**23,145.65**	**162,431.79**

TOTAL 2025 GIVING

Pass-Through Money	WNAC Receipts	Together Way Receipts	Provision Closet (Gift cards)	Provision Closet (Cash gifts)	Direct Giving	Grand Total
	1,957.45	510.60	655.00	25.00	26,140.00	**29,288.05**
	8,555.02	17,382.70		1,525.00	37,791.14	**65,253.86**
	190.00			445.98		**635.98**
	690.00	397.41				**1,087.41**
		268.38				**268.38**
		65.45				**65.45**
	1,338.45	1,220.24	190.00	25.00	2,465.40	**5,239.09**
19,902.00	6,658.40	3,314.21	100.00	200.00	8,554.49	**38,729.10**
720.00	1,195.00	2,633.44	100.00	100.00	1,530.00	**6,278.44**
		28.05		1,250.00	3,750.00	**5,028.05**
		19.64				**19.64**
	1,035.00	582.75		1,120.00	13,548.47	**16,286.22**
						0.00
	1,270.00	296.32	2,355.00	1,470.00		**5,391.32**
370.00	1,522.59	25,631.84		3,905.65	50.00	**31,480.08**
	427.56	1,472.83				**1,900.39**
				3,917.24		**3,917.24**
						0.00
35.00	7,388.26	2,145.10	265.00	115.00	40,775.72	**50,724.08**
	8,346.90	2,943.86	350.00	150.00	6,848.13	**18,638.89**
	2,832.15	20,037.30	50.00	450.00	5,094.52	**28,463.97**
		246.84				**246.84**
						0.00
12,000.00	2,074.69	10,078.28	765.00	3,560.67		**28,478.64**
	46,419.26	5,324.46	525.00	1,450.00	1,644.92	**55,363.64**
	1,778.44	205.37				**1,983.81**
						0.00
	456.96	219.11		1,000.00		**1,676.07**
		61.13				**61.13**
						0.00
160.00	1,585.00	151.61	285.00		14,239.00	**16,420.61**
						0.00
		4,853.00				**4,853.00**
	5,516.88			1,000.00		**6,516.88**
33,187.00	**101,238.01**	**100,089.92**	**5,640.00**	**21,709.54**	**162,431.79**	**424,296.26**

Thanks for your gifts to the Provision Closet!



Gift Cards
5,640.00

Cash Gifts
21,709.54

Non-cash gifts
6,949.07

Total Gifts
34,298.61



2026 National Association of Free Will Baptists

EXECUTIVE SUMMARY

As we closed 2025, we recognize both the progress achieved and the preparation set in motion for the future. D6 Family Ministry has shifted from reacting to challenges toward intentional strategic formation, aligning decisions with the long-term spiritual outcomes we want to achieve. This year brought curriculum innovation, operational repositioning, and financial stabilization. Each of these areas reinforces our conviction that discipleship thrives when preparation comes before pressure.

Over 52,000 leaders engaged with D6 content this year, and more than 2,100 practical resources were downloaded for use in homes and congregations. More than 35 D6 titles have now been translated into over 20 languages, resulting in more than 80 international works. Licensing opportunities increased our reach on platforms such as Logos and Olive Tree. Our communication list continues to grow, and Family Faith Moments has surpassed 5,600 weekly subscribers.

In addition, the reorganized Youth Evangelistic Team (YET) received positive feedback by training alongside Truth & Peace (T&P) at the national convention. Although these two experiences serve different purposes, their overlap in setting led to mutual benefit. Church Training Service (CTS) also recorded healthy participation levels as young people developed talents that will serve their congregations for years to come.

The last two curriculum launches were greatly influenced by the pandemic: the first in 2020 and the second in 2023. We launched a major curriculum cycle during the onset of the pandemic. Because the scope and sequence cycle ended on August 31, 2020, and we had no option to delay, we launched the new version in September 2020 amid shutdowns and slow reopenings of churches and small groups. As church services paused for varying periods, a small number of churches never resumed Sunday School, and approximately 18 percent of our denomination's churches have closed entirely since that date. Today, we are in a markedly different environment. While our denomination's numbers have not improved, churches are actively prioritizing discipleship, recognizing that congregations that have invested in this area are now experiencing growth and increased volunteer engagement. We anticipate a healthy uptick in curriculum adoption beginning with the fall 2026 launch cycle, driven by a renewed discipleship emphasis and shifts in student and in-class products.

In summary, several major strategic initiatives now loom on the horizon. Donor giving increased, signaling growing confidence. We have begun preparing for relocation to a more efficient and representative home base. The new D6 Curriculum launches this fall. Our CRM system is performing effectively, and Shopify will soon improve our direct sales process. International momentum continues. Several key book releases have or will occur. We began reorganizing and updating D6 HomePoint. Our financial outlook continues to improve, but we still need our partners, D6 Heroes, who make all this possible.

MINISTRY IMPACT HIGHLIGHTS

The vision to unite church and home reached more people in 2025 than at any time in our history. We celebrated ten years of impact in D6 Singapore and successfully launched the inaugural D6 Indonesia Conference. Stateside, our marketing analytics improved in effectiveness, enabling us to measure customer interactions and collect broader user feedback. Reports continue to speak of grandparents praying with grandchildren, students applying Scripture throughout the week, and **churches embracing discipleship as an everyday rhythm rather than a weekly event.**

The Arminian Study Bible is on track, and the final leadership team is being assembled. We are undertaking the millions of tasks to complete the project over the next 3-5 years.



The acquisition of D6 HomePoint complements, not competes with, our core missional products and services. Upon bringing this new ministry under the umbrella of D6 Family Ministry, we lost our director to his church, which asked him to serve as lead pastor. Tim Goodyear served as the executive pastor of his church, but when his lead pastor retired, a new opportunity changed everything. We loved how the HomePoint ministry has been championed from the local church, previously from Lake Pointe in Dallas. That early format caused us to seek out another church and a leader who could take this initiative and represent HomePoint under the D6 umbrella, but with local church culture.

We approached Blaine Rogers, who lives, breathes, and champions discipleship as powerfully as anyone. He prayed through the possibilities and suggested that, instead of an individual leading the HomePoint ministry, his staff and team lead it collectively. Because HomePoint appeals to children's and youth pastors as much as lead pastors, this idea was very attractive. Now D6 HomePoint has a new team in place, is undergoing a complete redesign, and pricing restructure. D6 Family Ministry has always valued the smaller church and positions everything we do with the principles of growing larger churches with the practicality and pricing for the smaller churches. Stop by the D6 HomePoint booth and let a team member share how much of a game-changer this opportunity can be for your church.

FINANCIAL TURNAROUND

Every few years, organizations undergo a hard reset. In the corporate world, it is called trimming fat, reducing or eliminating non-producing divisions/product lines, and reining in R&D (research and development). While the Christian non-profit world rarely experiences "fat," all other areas do apply. Much like the for-profit world, disruption and shifts in consumer habits force one to confront new realities. D6 has tried to remain agile, but we, too, can slip into comfort zones.

The clearest evidence that repositioning is working is revealed in the numbers. Recovering from 2020, repeating challenging consecutive years, culminating in an approximate $600,000 loss at the end of 2024, forcing D6 Family Ministry to evaluate every assumption, every expense, and every area of focus. We made a plea for churches and individuals to tell us what they valued, and afterward made hard decisions, clarified priorities, and increased discipline across the entire organization.

Those commitments and decisions are now producing measurable results. We closed 2025 with a positive bottom line of $108,000, representing a turnaround of nearly $700,000 in a single year. That kind of movement does not happen by accident. It reflects alignment across departments, improved operational discipline, and a renewed focus on what drives sustainable impact.

The early indicators for 2026 reinforce that momentum. Looking back to the first three months of 2025, D6 Family Ministry was operating at a $24,000 loss compared to the first three months of 2026, when we are approximately $84,000 in the black.

Progress is not limited to a single area but is evident across the organization. Customer Service and Sales continue strengthening systems and processes in partnership with Marketing, supporting both growth and customer engagement. Online sales are increasing, driven by platform improvements and stronger Salesforce integration.

Marketing is expanding reach and deepening engagement. The D6 contact list continues to grow, now exceeding 53,000 people who engage with our content in some way. Our Customer Relations Management (CRM) software is working well with consistent lead generation through conferences and building a stronger pipeline for future revenue.

Operations is improving efficiency while reducing costs. Bringing additional design work in-house is saving more than $20,000 annually, while increased external print jobs are creating new revenue opportunities.

Editorial and Strategic Projects continue to support revenue indirectly through audience engagement and product development. Resources like Top Reads for Busy Leaders maintain strong engagement metrics and contribute to measurable purchasing activity.

None of these features is an isolated win. They reflect a broader pattern. We are seeing the results of disciplined stewardship, better alignment between teams, and a commitment to long-term sustainability over short-term reaction.

At the same time, we remain clear-eyed about the environment. Revenue categories, such as books and certain product lines, continue to face pressure due to release timing and market conditions. Some areas will require continued evaluation and refinement. Strong organizations do not ignore those realities. They address them directly while building strength in other areas.

What matters most is the direction. We are not simply recovering. We are stabilizing and beginning to build forward from a healthier financial position. The decisions made over the past year have created a foundation that allows us to move from correction to intentional growth.

That shift changes how we think, how we plan, and how we lead into the next season. Financial health reduces stress and work fatigue, creating opportunities for creative growth. We cannot experiment, cast vision, and stretch goals without financial stability.

OUR PROPERTY AS AN ASSET AND LIABILITY

As the CEO, I must consider every strategy that allows D6 Family Ministry to fulfill its mission. In our current climate, finances have been and most likely will continue to be challenging. Right now, our building is both our biggest asset and liability. The square footage has always been larger than our utilization. The building was valued at $3,500,000 in 2020, which may have been a conservative appraisal. Real estate values have increased annually in Nashville and have outpaced most parts of the United States, especially in residential and slightly more in commercial. With Nashville International Airport (BNA) expanding, property values surrounding BNA have also increased.

Liability – The building at 114 Bush Road was built in 1970 and was originally intended as a dairy barn/milking facility for the Nashville Ezell family dairy farm. The all-metal building, with no interior rooms, was never used as a dairy facility; it was sold with plans to become an airplane repair facility. Outlines of wings, struts, and other airplane parts could be found on the floor when Roger Reeds purchased the building in 1971 for $178,000. For several decades, this building has served our organization well. Ten years later, the building was remodeled and expanded with the façade and rock added to the front and one side. Offices continued to be built out and evolve over time.

Now, years later, the building no longer meets code and may pose electrical hazards, as discovered during our 2013 remodel. We repaired every hazard we discovered at that time. However, the cell signals are blocked by the metal building, posing challenges for electronics. The building has never been fully utilized, even at its employee peak during Roger Reed's era. Over the last three-plus decades, there have been numerous unused spaces and empty offices. Since COVID-19 introduced a hybrid work-from-home model that replaced the in-office model, we utilize even less space.

Asset – With no mortgage, the building's value could become one of our biggest assets while also improving the work environment. Downsizing from 50,000 square feet to 5,000 square feet, plus a 10,000-square-foot warehouse building for printing/distribution (two buildings instead of one), could change the outlook on several fronts. A smaller building would require changes in how we operate, but we need to consider all the options.

RELOCATION PROGRESS

The next strategic step in strengthening our organization is relocating our facilities. We are actively moving forward with the sale of our current property at 114 Bush Road. We have a fully executed, signed contract for $6,250,000. At the time of the writing of this report (May 1, 2026), the due diligence period is underway (90 days), including inspections and soil testing. The buyers can walk away at any point during the 90-day period, but all indicators point to a strong likelihood of closing.

This sale represents more than a transaction. It is an opportunity to reposition our physical footprint to better align with our mission, workflow, and financial goals.

This move is not about expanding a footprint but about changing our cultural mindset. We are not pursuing additional square footage to lease or to create unnecessary overhead. In fact, our goal is the opposite—reduce our footprint and utilize investments properly. The focus is clear: secure the right space to meet our operational needs while improving our long-term financial position.

This relocation represents a pivotal moment for D6 Family Ministry. The new space will infuse confidence, stability, and pride in our identity (not to be confused with Christ's, as we are reflections of His). The move allows us to convert an aging and increasingly inefficient asset into a more strategic, flexible, and mission-aligned foundation. When combined with our improving financial position, this strengthens D6's ability to operate with greater clarity, efficiency, and long-term sustainability in the years ahead.

Our relocation will not require a capital campaign, as our denomination is already navigating its own financial challenges. At the same time, many of our partners have expressed a desire to play a small part in shaping the internal spaces and the culture our team experiences each day—especially the details they will see and enjoy when they visit—and we welcome that participation as they feel led.

D6 CURRICULUM 2026 RELEASE



One of the most significant developments ahead is the next iteration of *D6 Curriculum*. The most visible change is in the student resource. We are moving from a magazine format to a discipleship journal for all ages. This shift reflects a deeper commitment to formation, not just information.

Each journal is designed to guide consistent Bible engagement throughout the week and meaningful participation on Sundays. It includes daily devotionals with guided prompts and space for reflection; a weekly lesson outline with a dedicated notes page for Sunday School or small-group settings, a sermon notes page, and focused articles tied to the biblical theme.



The rhythm is intentional. The journal goes home during the week to support personal Bible engagement, then returns to church each Sunday as a tool for learning, note-taking, and reinforcement. This combination creates a consistent connection between church and home rather than treating them as separate environments.

A second major advancement is the shift from a three-year scope and sequence to a four-year plan, enabling broader coverage of Scripture while also creating space for more focused teaching on key topics that shape long-term faith.

Apologetics is now fully integrated into both the student journals and teacher materials. Each week addresses real questions students are likely to face at school, work, or in everyday conversations, equipping them with both understanding and confidence in their faith.

In addition to these advancements, the curriculum and marketing teams are aligning this next iteration with the Faith-Forging Five introduced in the core book, *Backward Discipleship*. Each of the five practices will be intentionally woven into the scope and sequence and into specific features of the curriculum. The goal is clear. We want faith to take root across generations and be passed from one generation to the next without the patterns of disengagement we have seen over the past two to three decades. *Backward*

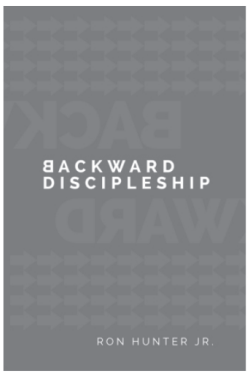
Discipleship will serve as the core resource guiding this direction, much like *DNA of D6* has done for the past decade.

Finally, we are no longer using themed identities for curriculum. This shift brings clarity and consistency, allowing the content and discipleship pathway to reflect the ecosystem of D6 itself without relying on topical-style branding cycles.

Taken together, these changes represent more than an update. They reflect a strategic shift toward building habits of lifelong faith through consistent engagement with Scripture, intentional learning, and practical application.

Please stop by the D6 Booth and take a look at the samples. Note how much of a shift the student pieces have undergone, all to help all ages engage with the Word of God consistently.

BACKWARD DISCIPLESHIP – Core Title in the D6 Ecosystem



The book is the culmination of years of ministry experience, more than a decade of teaching family ministry at Dallas Baptist University and Randall University, and extensive research on faith formation. It reflects what we have learned through D6 conferences, curriculum development, and global conversations with pastors and leaders. Where *DNA of D6: Building Blocks of Generational Discipleship* established a foundation and became the most translated and widely distributed title we have ever published, *Backward Discipleship* is positioned to carry that influence forward into the next season. *DNA of D6* has impacted cultures around the world in ways we could not have anticipated. The desire now is for *Backward Discipleship* to extend that reach with even greater instruction and application.

The book is already gaining traction among leaders. It will serve as the required textbook in my university courses, and several professors who have reviewed the manuscript have expressed their intent to adopt it as well. In addition, more than thirty discipleship pastors, professors, and thought leaders have contributed quotes and insights throughout the book, strengthening both its credibility and its breadth of perspective. An extensive appendix gathers definitions of discipleship from a wide range of voices, creating a valuable reference point for leaders seeking direction in a space where definitions are often unclear or inconsistent.

At the heart of *Backward Discipleship* is a shift in focus. Rather than concentrating on the two-thirds who disengage from faith, the book studies the habits of those who remain faithful into adulthood. From that research emerges the Faith-Forging Five: five consistent practices that appear in the lives of those whose faith endures. These practices now serve as a unifying framework across our organization, shaping curriculum, strategy, and conversations with churches. The goal is not simply to diagnose a problem but to provide a clear pathway forward so that more young people will grow up loving Christ and continuing in their faith for a lifetime.

Alongside the book, we are launching the Faith-Forging Five Discipleship Assessment as a complementary tool available to any church. A ministry leader will initiate the process by registering their church, identifying a primary contact, and setting a timeframe for participation. A customized link or QR code will then be distributed to adults and, where desired, students within the church. Once the

collection window closes, the system will generate a detailed, multi-page, tailor-made, visually engaging report specific to that church. The report will present insights across each of the five practices, offer a forward-looking indication of faith sustainability, and provide practical direction for strengthening discipleship efforts. It will also point leaders back to helpful resources, including *Backward Discipleship*, while remaining accessible even to those who have not purchased the book.

Taken together, the book and the assessment form a unified initiative. One provides the framework; the other provides the measurement. Both are designed to help churches move from good intentions to intentional discipleship that leads to lasting faith.

D6 RESEARCH



The launch of the Faith-Forging Five Discipleship Assessment has also led to an important structural advancement for the organization. We have secured an external platform that can generate customized PDF reports while securely storing and organizing all response data. This step moves us beyond a single-use tool into an ongoing research initiative. The reporting takes us to the next level of research.

In the past, the assessment connected to *DNA of D6* was administered manually through PDF distribution. While individual churches benefited from their own results, there was no mechanism for D6 to access or aggregate that data. As a result, valuable insights remained isolated.

That limitation is now removed. With the current system, every participating church contributes to a growing, unified dataset. Collecting and retaining all the data allows us to analyze trends across churches, compare demographic segments, and evaluate previously unavailable patterns through cross-tabulations. Over time, this collection will create one of the most meaningful datasets in generational discipleship.

The research results alone are not the only objective. The data will directly inform future curriculum development, resource creation, and strategic direction. Rather than relying solely on observation, other organizations' reporting, or anecdotal insight, we will build on real, measurable patterns within the churches we survey

In short, the assessment not only equips individual churches. It also positions D6 to lead with greater vision, credibility, and data-informed insight in the years ahead. As we collect more data, we will release reports as articles, blog posts, and white papers. People will come to appreciate citing D6 just as they now cite Barna.

D6 Research and the vendor we have partnered with will enable us to conduct various types of surveys and generate visual reports for each. We will use this approach with D6 HomePoint, which has always had a user survey. We will convert it soon.

SUMMARY

The past two years have required discipline, discernment, and hard decisions. Those decisions are now producing measurable results, from a significant financial turnaround to stronger alignment across our

teams and initiatives. We are not simply stabilizing. We are building a more focused, sustainable foundation that supports both present effectiveness and future growth.

As we look ahead, the opportunity is clear. With a repositioned financial base, a more strategic facility plan, a reimagined curriculum, the launch of D6 Research, and the influence of *Backward Discipleship*, we are equipped to lead with greater conviction and health. The path forward will still require discipline, but we are positioned to move forward with purpose and momentum.

Leading is serving,



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

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

Independent Auditors' 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, 2025 and 2024 and the related statements of activities, functional expenses and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of D6 Family Ministry, as of December 31, 2025 and 2024, 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about D6 Family Ministry's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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Franklin, Tennessee 37069

Ernest R. Harper
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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 D6 Family Ministry's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about D6 Family Ministry's ability to continue as a going concern for a 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 24, 2026

D6 FAMILY MINISTRY

Statements of Financial Position

December 31, 2025 and 2024

Assets

	2025	2024
Current assets:		
Cash and cash equivalents:		
Cash and interest bearing deposits	$ 104,496	183,959
Cash invested with the Free Will Baptist Foundation	8,755	8,430
Total cash and cash equivalents	113,251	192,389
Accounts receivable - trade, net of allowance for doubtful accounts and returns	218,657	186,377
Inventory	552,857	510,790
Prepaid expenses	74,715	167,542
Total current assets	959,480	1,057,098
Property, plant and equipment, at cost:		
Land	72,983	72,983
Building	883,374	861,809
Printing service equipment	755,893	754,047
Office and administrative equipment	465,649	463,926
Automobiles and trucks	66,820	66,820
	2,244,719	2,219,585
Less accumulated depreciation and amortization	1,776,389	1,650,252
Net property, plant and equipment	468,330	569,333
Other assets:		
Certificate of deposit, maturing January 2026, 3.87% stated interest	415,256	400,000
Right-of-use assets, net of amortization	299,999	367,090
	715,255	767,090
	$ 2,143,065	2,393,521

Liabilities and Net Assets

Current liabilities:		
Accounts payable	$ 116,538	270,699
Line of credit advances	-	367,493
Deferred revenues	105,772	121,234
Current portion of right-of-use lease obligations	84,693	67,091
Accrued expenses	81,480	78,929
Total current liabilities	388,483	905,446
Long term liabilities:		
Line of credit advances	1,586,605	1,343,400
Long term portion of right-of-use lease obligations	215,306	299,999
Total long term liabilities	1,801,911	1,643,399
Total liabilities	2,190,394	2,548,845
Net assets (deficit):		
Without donor restrictions	(47,329)	(155,324)
	$ 2,143,065	2,393,521

Commitments

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, 2025 and 2024

	Net Assets Without Donor Restrictions	
	2025	2024
Revenues:		
Sales:		
RHP product lines (including curriculum)	$ 3,054,665	3,030,399
RHP books	197,016	222,983
National Convention and other events	32,200	30,531
Printing sales	523,368	496,219
Third party sales	3,219	3,800
Freight and handling	230,393	234,883
Total sales	4,040,861	4,018,815
Events:		
D6 Conference	235,409	221,891
Vertical 3	513,866	388,231
Total events	749,275	610,122
Other operating revenues:		
Commissions	46,615	47,993
Development / Donor gifts	176,537	115,480
Grants	-	47,000
Interest income	15,614	15,042
Miscellaneous revenues	13,860	8,180
Total other operating revenues	252,626	233,695
Total revenues	5,042,762	4,862,632
Expenses:		
Program services:		
Cost of production	1,905,666	2,054,578
Distribution center	440,720	498,679
Events and Development	554,370	528,191
Vertical 3 (Youth)	442,286	592,957
Customer service	292,387	389,935
	3,635,429	4,064,340
Supporting services		
Administrative	1,299,337	1,385,407
Total expenses	4,934,766	5,449,747
Increase (decrease) in net assets from operations	107,996	(587,115)
Net assets (deficit):		
Beginning of year	(155,325)	431,791
End of year	$ (47,329)	(155,324)

See auditors report and notes to financial statements.

D6 FAMILY MINISTRY

Statements of Functional Expenses

For the year ended December 31, 2025

	Program Services							
	Costs of Production	Distribution Center	Events and Development	Vertical 3	Customer Services	Program Service Totals	Adminis-trative	Totals
Employee costs:								
Salaries and wages	$ 641,883	128,819	42,982	59,991	126,467	1,000,142	501,869	1,502,011
Ministers housing allowance	13,800	-	32,340	-	24,168	70,308	60,000	130,308
Payroll taxes	38,537	7,751	2,596	2,543	6,687	58,114	25,913	84,027
Retirement	28,331	-	2,428	2,428	5,015	38,202	16,502	54,704
Health insurance	124,737	19,356	7,432	20,063	34,464	206,052	35,123	241,175
	847,288	155,926	87,778	85,025	196,801	1,372,818	639,407	2,012,225
Operating expenses:								
Finished products purchased, net of change in inventory	119,844	-	-	-	-	119,844	-	119,844
Raw materials	124,430	-	-	-	-	124,430	-	124,430
Expenses of D6 conferences	-	-	398,035	-	-	398,035	-	398,035
Outside services	467,077	-	-	-	-	467,077	3,977	471,054
Writers fees	64,610	-	-	-	-	64,610	-	64,610
Travel, entertainment, conventions and conferences	21,269	1,020	46,354	354,352	16,128	439,123	57,305	496,428
Travel for Board of Directors	-	-	-	-	-	-	12,286	12,286
Royalties	20,753	-	-	-	-	20,753	-	20,753
Supplies	9,735	17,982	7,229	692	1,483	37,121	12,081	49,202
Equipment maintenance	172,582	-	-	-	-	172,582	-	172,582
Software	-	-	-	-	64,548	64,548	1,869	66,417
Postage	5	14,136	541	-	-	14,682	11	14,693
Equipment rental	-	9,118	-	-	-	9,118	20,032	29,150
Freight	131	242,516	-	-	-	242,647	527	243,174
Telephone	1,586	-	396	396	12,359	14,737	3,382	18,119
Legal and professional	-	-	-	-	-	-	21,297	21,297
Advertising	-	-	-	-	-	-	21,689	21,689
Promotion	-	-	750	-	-	750	77,461	78,211
Occupancy	-	-	-	-	-	-	130,535	130,535
Interest expense	-	-	-	-	-	-	72,856	72,856
Service charges	-	-	-	-	-	-	40,176	40,176
One Magazine funding	-	-	-	-	-	-	53,238	53,238
Depreciation	44,663	-	-	-	-	44,663	81,474	126,137
Other	11,693	22	13,287	1,821	1,068	27,891	49,734	77,625
	$ 1,905,666	440,720	554,370	442,286	292,387	3,635,429	1,299,337	4,934,766

See auditors report and notes to financial statements.

D6 FAMILY MINISTRY

Statements of Functional Expenses

For the year ended December 31, 2024

	Program Services							
	Costs of Production	Distribution Center	Events and Development	Vertical 3	Customer Services	Program Service Totals	Adminis-trative	Totals
Employee costs:								
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
Operating expenses:								
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	-	-	-	-	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 Cash Flows

For the year ended December 31, 2025 and 2024

		2025	2024
Cash Flows from Operating Activities			
Increase (decrease) in net assets	$	107,996	(587,115)
Adjustments to reconcile change in net assets to net operating activities:			
Depreciation		126,137	134,289
Accrued interest added to certificate of deposit		(15,256)	-
(Increase) decrease in:			
Accounts receivables		(32,280)	315,351
Inventories		(42,067)	35,849
Prepaid expenses		92,827	(31,194)
Increase (decrease) in:			
Accounts payable		(154,161)	(92,865)
Deferred revenues		(15,462)	(4,199)
Accrued expenses		2,551	3,545
Net operating activities		70,285	(226,339)
Cash Flows from Investing Activities			
Purchase of certificate of deposit		-	(400,000)
Purchase of property, plant and equipment		(25,134)	(44,803)
Net investing activities		(25,134)	(444,803)
Cash Flows from Financing Activities			
Advances from line of credit arrangements		100,000	707,023
Repayments of lines of credit		(224,289)	(282,476)
Net financing activities		(124,289)	424,547
Decrease in cash and cash equivalents		(79,138)	(246,595)
Cash and cash equivalents:			
Beginning of year		192,389	438,984
End of year	$	113,251	192,389
Cash and cash equivalents, as reported on statement of financial position, as follows:			
Cash and interest bearing deposits	$	104,496	183,959
Cash invested with the Free Will Baptist Foundation		8,755	8,430
	$	113,251	192,389
Supplemental disclosures:			
Interest paid	$	72,856	92,391
Non cash transactions:			
Additions to right-of-use assets	$	-	274,765
Amortization of right-of-use assets	$	67,091	49,983

See auditors report and notes to financial statements.

D6 FAMILY MINISTRY

Notes to Financial Statements

December 31, 2025 and 2024

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.

(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, 2025 and 2024 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 $218,657 in 2025 and $186,377 in 2024.

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 2025 and 2024. 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 $21,689 in 2025 and $30,222 in 2024.

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 distributors. 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 $8,755 in 2025 and $8,430 in 2024 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:

		2025	2024
D6 Conference	$	62,910	86,528
Vertical 3 (Youth)		42,862	34,706
	$	105,772	121,234

(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.

		2025	2024
Financial assets at end of year:			
Cash and interest bearing deposits	$	519,752	583,959
Cash invested with the Free Will Baptist Foundation		8,755	8,430
Accounts receivable		218,657	186,377
Total financial assets available		747,164	778,766
Less cash account securing line of credit		(356,973)	(367,493)
Financial assets available to meet general expenditures the next twelve months	$	390,191	411,273

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 $2,150,000 to meet cash flow needs. See note 5 for further information.

(3) Inventory

Inventory consists of the following:

	2025		2024	
Finished curriculum		$ 155,826		135,468
Work in progress		46,214		80,907
Printing raw materials		79,872		73,628
Hymnals		49,084		30,977
Warehoused other books and merchandise	$ 315,861		280,810	
Less allowance for loss	94,000	221,861	91,000	189,810
		$ 552,857		$ 510,790

(4) 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 ranging from 3.75% to 6% for previous year calculations.

(4) Leases - Right-of-Use Assets and Relating Obligations,continued

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

		2025	2024
Right of use assets as long lived assets	$	299,999	367,090
Amortization of right to use assets	$	67,091	49,983
Current portion of right-of-use lease liabilities	$	84,693	67,091
Long term portion of right-of-use lease liabilities	$	215,306	299,999

Maturities of operating lease liabilities are as follows:

		Required Payments	Interest Amount	Lease Maturities
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
	$	334,935	34,936	299,999

Rental expense relating to operating leases amounted to $78,215 in 2025 and $87,718 in 2024.

(5) Lines of Credit

D6 Family Ministry has lines of credit as follows:

Free Will Baptist Foundation:

Line of credit at 4.5%, with a maximum amount of $1,750,000, without maturity date (considered to be a long term liability) 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 $1,229,632 and $1,343,000 as of December 31, 2025 and 2024, respectively.

Banking institution:

Line of credit with maximum amount of $400,000 at variable interest rates, which was 5.25% at year end, matures August 2027 and is secured by certificate of deposit with a balance of $415,256 in 2025 and $400,000 in 2024 held by the banking institution. The line of credit has outstanding balance of $356,973 and $367,493 as of December 31, 2025 and 2024, respectively. These amounts are reported on the Statements of Financial Position in 2025 as a long term liability and in 2024 as a current liability.

(6) 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 $53,238 in 2025 and $51,687 in 2024. Further, D6 Family Ministry designs, prints and provides mailing services for One Magazine, and reported revenues for these services of $244,736 in 2025 and $239,303 in 2024.

Pension

D6 Family Ministry participates in the master pension plan of Richland Avenue Financial. The plan is contributory and a contribution up to 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 $54,705 in 2025 and $59,681 in 2024. 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.

(6) Related Party Transactions, continued

Free Will Baptist Foundation

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

		2025	2024
Interest bearing accounts	$	8,755	8,430
Line of credit indebtedness	$	1,229,632	1,343,400
Grants and interest rebate	$	-	63,868
Advertising revenue	$	24,000	24,000

Transactions with other Free Will Baptist Entities

Free Will Baptist North American Ministries			
Gifts	$	60,000	10,000
Free Will Baptist Cooperative Together Way Program			
Gifts	$	24,207	21,823

(7) 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.

(8) 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:

		2025	2024
Revenue from conferences and related services	$	513,866	388,231
Expenditures:			
Conferences and related costs		354,352	505,922
Operating expenses		87,934	87,035
		442,286	592,957
Gain (loss) from activities	$	71,580	(204,726)

(9) Subsequent Events

Subsequent events were evaluated through March 24, 2026, which is the date these financial statements were available to be issued.

Prior to issuance of the financial statements a contingent contract was approved to sale the operating facility. The contingency allows either party to withdraw from the contract within 90 days.

(10) Management's Plan Relating to Operational Concerns

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.

In order to mitigate these losses management instituted price increases in 2025 on their curriculum products and participant fees for the Vertical 3 program. Further, expenses were reduced in the areas of salaries, conference expenses, change in health insurance provider, and Vertical 3 production costs among other cost saving measures. The results of this plan increased change in net assets by $695,111.

D6 Family Minisry Comparative Budget

	Budget 2027	Budget 2026	Jan - Dec 25
			ACTUAL
Income			
D6 Family Ministry Product Lines	$3,151,500	$3,300,400	$3,057,403
D6 Books	$225,000	$230,000	$197,016
Event/ Off Site Sales	$290,000	$300,000	$267,603
Other Revenue	$934,600	$969,750	$960,258
Commission Income	$47,000	$47,000	$46,615
Vertical Three Revenue	$517,500	$510,500	$513,866
TOTAL INCOME	$5,165,600	$5,357,650	$5,042,762
Cost of Goods Sold			
TOTAL COGS	$489,250	$607,000	$509,361
Departmental Operating Expense			
TOTAL OPERATING EXPENSE	$4,676,350	$4,750,650	$4,425,404
TOTAL EXPENSE	$5,165,600	$5,357,650	$4,934,765
Annual Profit/Loss	$0	$0	$107,997
Income			
D6 Product Lines			
3003 · Dated SS Curriculum	$2,900,000	$3,025,000	$2,833,419
3009 · D6 HomePoint	$175,000	$190,000	$141,950
3015 · Children's Church Curriculum	$53,000	$60,000	$55,303
3021 · D6 Media	$5,000	$7,500	$3,354
3024 · Church Supplies	$250	$200	$496
3027 · RHP/D6 T-Shirts/Merchandise	$7,500	$7,500	$7,665
3030 · Vertical 3 Resources	$7,500	$7,500	$7,666
3033 · Miscellaneous Sales	$250	$200	$3,057
3036 · D6 International	$3,000	$2,500	$4,493
Total · D6 Product Lines	$3,151,500	$3,300,400	$3,057,403
D6 Books			
Total · D6 Books	$225,000	$230,000	$197,016
Conferences			
3503 · D6 Conferences Registration	$105,000	$120,000	$85,313
3506 · D6 Conferences Sponsorship	$125,000	$120,000	$123,840
3509 · D6 Conferences Sales	$30,000	$30,000	$26,256
3515 · National Sales	$15,000	$15,000	$12,223
3521 · Misc. Event Sales	$15,000	$15,000	$19,971
Total · Conferences	$290,000	$300,000	$267,603
Other Income			
3803 · Printing/Design Services	$510,000	$495,000	$523,368
3806 · Freight and Handling Income	$240,000	$250,000	$230,393
3809 · Interest Income	$15,000	$15,000	$15,614
3812 · Service Charges	$0	$0	-$21
3815 · Sale/Disposal of Assets	$1,000	$1,000	$0
3818 · In House Vending	$100	$100	$76
3821 · Gifts	$150,000	$135,000	$176,537
3824 · Grants	$0	$60,000	$0
3827 · Misc. Warehouse Revenue	$15,000	$10,000	$11,067
3830 · Third Party Sales	$3,500	$3,650	$3,225
Total · Other Income	$934,600	$969,750	$960,258
Commission Income			
3903 · Bulletins	$17,500	$17,500	$18,639
3909 · Misc. Commission Income	$5,000	$5,000	$3,976
3912 · Advertising/Other	$24,500	$24,500	$24,000
Total · Commission Income	$47,000	$47,000	$46,615
Verticle Three Income			
3662 · V3 Conference Income	$160,000	$155,000	$162,939
3664 · Truth & Peace Fees	$335,000	$325,000	$329,097
3666 · NYET Fees	$22,000	$30,000	$21,627
3670 · Youth Collections	$0	$0	$0

D6 Family Minisry Comparative Budget

	Budget 2027	Budget 2026	Jan - Dec 25
3673 · Buck-A-Week Revenues	$500	$500	$202
Total · Verticle Three Income	$517,500	$510,500	$513,866
Total Income	$5,165,600	$5,357,650	$5,042,762
Cost of Goods Sold			
4003 · Dated SS Curriculum	$103,500	$110,000	$101,522
4009 · D6 HomePoint	$55,000	$140,000	$9,043
4015 · Children's Church Curriculum	$500	$500	$0
4021 · D6 Media	$500	$1,000	$154
4027 · D6 T-Shirts/Merchandise	$9,500	$5,000	$11,014
4030 · Vertical 3 Resources	$7,500	$2,500	$13,153
4039 · D6 Books	$15,000	$27,500	$11,427
4503 · D6 Conferences Expense	$260,000	$265,000	$384,495
4509 · D6 Conf Sales	$10,000	$12,500	$5,022
4515 · National Sales	$250	$1,500	$0
4521 · Misc. Event Sales	$9,000	$7,000	$11,922
4718 · Third Party	$2,000	$2,500	$2,748
4803 · Freight COGS	$1,500	$2,000	$929
4815 · Change In Inventory	$15,000	$30,000	-$42,067
Total Cost of Goods Sold	$489,250	$607,000	$509,361
Departmental Operating Expenses			
6002 · Salaries	$1,600,000	$1,550,000	$1,502,010
6003 · Housing Allowance	$150,000	$130,000	$130,308
6004 · Travel Expense	$97,500	$90,000	$94,786
6006 · Department Supplies	$45,000	$52,500	$41,363
6007 · Equipment Maintenance	$500	$1,000	$0
6008 · Equipment Rental	$29,500	$27,500	$29,150
6010 · Conventions and Seminars	$12,500	$8,000	$15,951
6011 · Royalty Payments	$22,500	$25,000	$20,753
6012 · Dues and Subscriptions	$52,500	$57,500	$50,554
6015 · CRM Software	$57,000	$55,000	$54,708
6016 · Entertainment	$15,000	$16,000	$15,152
6018 · Outside Printing	$380,000	$375,000	$365,346
6019 · Outside Bindery	$10,000	$10,000	$9,648
6020 · Postage	$15,000	$20,000	$14,839
6023 · Telephone	$18,000	$18,000	$18,120
6026 · FICA	$100,000	$82,500	$84,028
6029 · Retirement	$57,500	$55,000	$54,705
6032 · Medical Insurance	$270,000	$320,000	$241,174
6034 · Advertising	$40,000	$40,000	$21,689
6035 · D6 Podcast	$2,500	$5,000	$1,662
6036 · Promotion	$90,000	$90,000	$75,799
6038 · Pressroom Parts	$1,500	$7,500	$1,774
6040 · Pressroom Stock	$110,000	$125,000	$113,823
6042 · Pressroom Ink	$250	$5,000	$179
6044 · Bindery Supplies	$5,500	$6,500	$5,495
6046 · Bindery Maintenance	$1,500	$1,500	$924
6048 · Bindery Parts	$150	$1,500	$101
6050 · Pre-Press Supplies	$100	$1,500	$0
6052 · Proofing Supplies	$250	$500	$278
6056 · Digital Press Supplies	$150	$150	$135
6062 · Plates	$1,500	$7,500	$1,368
6088 · Outside Purchases - Essential Pkts.	$6,000	$1,500	$9,061
6089 · Digital Press Operation/Maintenance	$160,000	$130,000	$168,342
6090 · Miscellaneous Expense	$500	$2,500	$666
6134 · Product Development	$5,000	$10,000	$2,694
6136 · Writer's Fees	$47,500	$60,000	$64,610
6137 · Copyrights	$1,000	$2,000	$0
6138 · Outside Editing/Proofing	$35,000	$35,000	$31,360
6170 · Auto Expense	$5,200	$4,000	$6,306
6214 · Art Services	$62,500	$45,000	$60,723
6230 · Software Fees and Services	$12,500	$5,000	$11,709
6240 · Freight Expense	$260,000	$320,000	$243,028

D6 Family Minisry Comparative Budget

	Budget 2027	Budget 2026	Jan - Dec 25
6243 · Building Maintenance	$22,500	$22,500	$25,384
6244 · Utilities	$55,000	$55,000	$56,132
6245 · Building Insurance	$50,000	$45,000	$49,019
6446 · ONE Magazine Expense	$55,000	$52,500	$53,238
6534 · V3 Conf. Expense	$140,000	$175,000	$125,550
6536 · Truth & Peace Expense	$225,000	$230,000	$205,138
6538 · NYET Expense	$20,000	$10,000	$19,866
6545 - V3 - Scholarships	$1,500	$1,500	$0
6588 · Buck-A-Week Expenses	$250	$500	$0
6914 · Depreciation	$110,000	$137,500	$126,136
6915 · Interest Expense	$70,000	$80,000	$72,856
6918 · Service Charges	$40,000	$40,000	$40,176
6925 · Board Expense	$15,000	$17,500	$12,286
6930 · Legal & Audit	$22,500	$17,500	$21,297
6940 · Bad Debt	$1,000	$1,000	$42
6945 · In House Functions	$15,000	$15,000	$14,649
6950 · Taxes	$3,000	$5,000	$2,575
6951 · National Expense	$25,000	$25,000	$23,495
6955 · Payroll Services	$4,500	$4,500	$3,977
6970 · Development Promotional Expenses	$5,000	$1,000	$750
6088 · D6 International Travel/Expense	$15,000	$15,000	$8,519
Total Departmental Operating Expenses	**$4,676,350**	**$4,750,650**	**$4,425,404**

Executive Director & CEO Ronald Hunter Jr.	2026 Package	2027 Projected Package*
Salary	$59,822	$65,168
Housing Allowance	$60,000	$60,000
Retirement	$13,840	$13,840
COMPENSATION TOTAL	$133,662	$139,008
Christmas Bonus	$2,220	$2,309
TOTAL PAY PACKAGE	$135,882	$141,317

Medical, Dental, Vision and Life insurance in 2026 is $14,876. An increase is projected for 2027.
* Salary is subject to change dependent on the performance of the organization.

Curriculum Director Katie Greenwood	2026 Package	2027 Projected Package*
Salary	$63,739	$66,289
COMPENSATION TOTAL	$63,739	$66,289
Retirement	$3,187	$3,314
Christmas Bonus	$956	$994
	$4,143	$4,309
TOTAL PAY PACKAGE	$67,882	$70,597

Medical, Dental, Vision and Life insurance in 2026 is $20,788. An increase is projected for 2027.
* Salary is subject to change dependent on the performance of the organization.

Director of Events & Development Derek Altom	2026 Package	2027 Projected Package*
Salary	$33,864	$35,219
Housing Allowance	$26,136	$27,181
COMPENSATION TOTAL	$60,000	$62,400
Retirement	$3,000	$3,120
Christmas Bonus	$900	$936
	$3,900	$4,056
TOTAL PAY PACKAGE	$63,900	$66,456

Medical, Dental, Vision and Life insurance in 2026 is $20,788. An increase is projected for 2027.
* Salary is subject to change dependent on the performance of the organization.

Summary of the Minutes
D6 Family Ministry Board 2025-2026

On July 23, 2025, the board met over a meal during the National Association of Free Will Baptists. Ron Hunter briefed the board on the following topics: D6 HomePoint, finances, interest rates with our line of credit with the Foundation, and strategic partnership updates with Texas Baptists and Child Evangelism Fellowship.

On October 15, 2025, the board conducted a special-called meeting by email to review and approve the D6 Form 990 for FY 2025.

The board met on December 10, 2025, at the D6 office and approved the Executive Director's Report, the AI policy, the Finance Committee report, the Vertical Three Committee report, and the Curriculum Committee report. The board also discussed the potential acquisition of another ministry, trademark infringement concerns, questions about Spanish translation, and the board communication policy. Officers were elected for the coming term, with Rick Taylor as Chair, Tim York as Vice Chair, and Kendall Ross as Clerk.

The board convened by Zoom on February 9, 2026, with the Executive Committee meeting first to discuss a proposal regarding the potential acquisition of another ministry. Following the discussion, the entire board unanimously approved authorizing Dr. Ron Hunter to present the acquisition proposal, with the stated offer serving as the highest amount offered while allowing room for negotiation. The acquisition would later stall due to a difference in the agreed-upon valuation.

The board convened by Zoom on March 18, 2026, for a special-called meeting to discuss the proposed sale of the 114 Bush Road property. Dr. Ron Hunter reviewed the offer, the due diligence period, possible lease-back options for printing and shipping operations, and temporary remote-work arrangements for office staff. Following the discussion, the board approved moving forward with the sale of the property.

The board met on April 13, 2026, in Nashville, Tennessee. Dr. Ron Hunter presented the Executive Director's Report, highlighting a significant financial turnaround, relocation considerations, and discussions on investment strategy. The board accepted the 2025 audit, approved the proposed 2027 budget, reviewed financial updates, heard investment guidance from John Brummitt, and received updates on books and curriculum. Committee reports from Finance, Curriculum, and Vertical Three were presented and approved. Following discussion and site visits, the board approved signing a letter of intent to purchase an office building in Gallatin, adopted financial stewardship goals for proceeds from the sale of the current property, and requested development of an Investment Policy Statement for later board review.

Music Commission Report

The Music Commission exists to help everyday people in Free Will Baptist churches become better worship leaders. Most worship leaders in our churches are volunteer or part-time. They are the target group we consider as we provide encouragement, coaching, community, and resources.

Our growing connections with those we serve has revealed the significant number of worship leaders who are women. While that is not a surprise, it has until recently been difficult to identify who they are and where they serve. We continue to explore opportunities to support those who lead their congregations in worship, whether paid or volunteer, young or old, male or female.

Our website, 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." We are planning to conduct two On-Site Worship Workshops in two churches later in 2026.

All of the commission members volunteer to help the Executive Department with the worship services at the convention. We also contribute from commission funds towards the expenses of planning and providing the key musicians for the convention.

The Commission is sponsoring five seminars at this convention. 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 2025

Beginning Balance (01/01/2025)			**$16,972.66**
Income			**$ 5,719.13**
	Together Way (undesignated)	4,869.17	
	Together Way (designated)	759.00	
	2025 Rest of the Family offering	66.27	
	Endowment (Bill Gardner Memorial)	24.69	
Expenses			**$ 13,328.42**
	Meetings	348.43	
	Convention	2,632.11	
	Current Projects	347.88	
	Future Projects	10,000.00	
Ending Balance (12/31/25)			**$9,363.37**

MUSIC COMMISSION BUDGET COMPARISONS

	2025 Budget	2025 Actual	2026 Budget	2027 Budget
Income				
Together Way (undesignated)	$5,500.00	$4,869.17	$5,500.00	$5,500.00
Together Way (designated)	$1,000.00	$759.00	$1,000.00	$1,000.00
Rest of the Family Offering	$50.00	66.27	$50.00	$50.00
Direct gifts	$500.00	-0-	$500.00	$500.00
Projects	$1,000.00	-0-	$1,000.00	$3,000.00
Other	$300.00	$24.69	$300.00	$300.00
Totals	**$8,350.00**	**$5,719.13**	**$8,350.00**	**$10,350.00**
Expenses				
Meetings	$2,500.00	$348.43	$2,500.00	$500.00
Convention	$2,000.00	$2,632.11	$2,000.00	$4,000.00
Projects	$3,750.00	$10,347.00	$3,750.00	$5,750.00
Office Expenses and Misc	$100.00	-0-	$100.00	$100.00
Totals	**$8,350.00**	**$4,645.66**	**$8,350.00**	**$10,350.00**

Free Will Baptist Media Commission Report
for the National Association of Free Will Baptists
Columbus, OH
July, 2026

2026 has looked very different for the Media Commission. After the 2025 National Convention, we made the difficult decision not to stream the 2026 National Convention. This decision was not made lightly, but came after much prayer and thoughtful communication within our team and the Executive Office. The change was necessary because our funding over the past few years has not been sufficient to cover all required expenses. Without grants and special funding, we would not have been able to bring our team to the convention or cover the convention center's internet fees. The cost of internet has placed a significant financial strain on both our team and our partners who provide special funding. Since returning from COVID, the average cost of internet has been $5,000 for five days. Given this significant expense, we felt we were not being good stewards of what the Lord has entrusted to us.

Over the past two years, three commission members based in Nashville have been able to assist WNAC with the simulcast of the SHINE! Conference. We look forward to continuing to partner with them on future events.

We will continue supporting the Executive Office each December by providing audio and visual services for the National Leadership Conference.

As in years past, we remain committed to building connections and supporting Free Will Baptist church media teams with resources and assistance. Please feel free to reach out to us if we can be of assistance to you or your church media teams. Our team remains committed to helping churches become 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 directly.

Please keep us in your prayers as a Commission as we look ahead and seek ways to better serve the Lord and our denomination.

Together, let us continue to grow, serve, and bring glory to 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, 2025 - December 31, 2025

	2025 Budget	2025 Actual	Difference	2027 Budget
INCOME				
Together Way (Undesignated)	$4,750.00	$4978.72	$228.72	$4,750.00
Together Way (Designated)	$100.00	$342.00	$242.00	$330.00
Rest of the Family Offering	$25.00	$51.22	$26.22	$50.00
Bill Gardner Memorial Gift	$50.00	$90.81	$40.81	$80.00
Other Gifts	$5,000.00	$0.00	-$5,000.00	$0.00
TOTAL INCOME	**$9,925.00**	**$5,320.72**	**-$4,604.28**	**$5,210.00**
EXPENSES				
Office Supplies	$75.00	$45.54	$29.46	$50.00
Digest of Reports	$75.00	$95.00	-$20.00	$75.00
Equipment Upgrades/Repairs	$3,000.00	$1,989.22	$1,010.78	$1,000.00
Software/Hardware	$500.00	$543.56	-$43.56	$500.00
Development and Training	$0.00	$0.00	$0.00	$0.00
Convention Streaming Service (Internet & Rental)	$850.00	$850.00	$0.00	$0.00
Convention Supplies	$150.00	$0.00	$150.00	$150.00
Convention/Leadership Conference Travel and Lodging	$6,500.00	$4,814.39	$1,685.61	$3,000.00
Convention/Leadership Conference Meals	$1,000.00	$718.51	$281.49	$500.00
Convention Seminar	$0.00	$50.00	-$50.00	$0.00
TOTAL EXPENSES	**$12,150.00**	**$9,106.22**	**$3,043.78**	**$5,275.00**

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 2025, the Commission published its second issue of *De Doctrina*. This project continues to be funded 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, 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 second issue, Dr. Kevin Hester presented an article entitled, "The Image of God in Early Christianity: Lessons for Today." This publication was mailed to state leaders for distribution and additional copies may be obtained at the Welch College booth. The Commission anticipates a third issue of *De Doctrina* late in 2026.

On October 6–7, 2025, we sponsored our twenty-eighth annual Theological Symposium on the campus of Randall University in Moore, Oklahoma. The Symposium featured papers reflecting on the 90th anniversary of the NAFWB. Nine papers were delivered and the symposium joined Randall University students in chapel for a sermon by Rev. Dr. J. Matthew Pinson.

The twenty-ninth annual Theological Symposium will meet October 5–6, 2026, on the campus of Welch College in Nashville, Tennessee. The Commission encourages all to attend this free event. For more information or to submit a paper for consideration, please contact program chair Cory Thompson at *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 Derek Cominskie, Jesse Owens, Kevin Hester and J. Matthew Pinson entitled, "Creeds, Confessions, and the Church: A Free Will Baptist Perspective."

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), Jeremy Craft, J. Matthew Pinson, and Cory Thompson

2025
Commission for Theological Integrity
Financial Report

Bank Balance - January 1, 2025		**$19,667.68**
Commission Income		
The Together Way	$4,946.16	
Theological Symposium Papers	334.46	
Rest of the Family Offering	53.73	
Total Commission Income	**5,334.35**	
Total Income		**5,334.35**
Commission Expenses		
Annual Symposium Expenses	3,035.35	
Bookkeeping	400.00	
DeDoctrina Newsletter	1,752.44	
Commission Website	180.21	
National Seminar/Digest of Reports	667.67	
Office Expenses	14.60	
Total Commission Expenses	**6,050.27**	
Total Expenses		**6,050.27**
Bank Balance - December 31, 2025		**$18,951.76**

2025
Commission for Theological Integrity
Budget Analysis

	2025 Budget	2025 Actuals	2026 Budget	2027 Budget
Income				
Gifts	$500.00	$53.73	$300.00	$300.00
Journal Income	200.00	0.00	100.00	100.00
Theological Symposium Papers	200.00	334.46	250.00	300.00
The Together Way	5,600.00	4,946.16	5,000.00	5,000.00
Total Income	6,500.00	5,334.35	5,650.00	5,700.00
Expenses				
Annual Symposium Expenses	3,000.00	3,035.35	3,500.00	3,500.00
Bookkeeping	400.00	400.00	400.00	500.00
DeDoctrina Newsletter	2,000.00	1,752.44	2,000.00	1,800.00
Commission Website	0.00	180.21	0.00	200.00
National Seminar/Digest of Reports	750.00	667.67	1,500.00	750.00
Office Expenses	350.00	14.60	250.00	250.00
Total Expenses	$6,500.00	$6,050.27	$7,650.00	$7,000.00



2025-26 Historical Commission Report

This has been a good year for the Free Will Baptist Historical Commission. After roughly a decade of work, we finished scanning all minutes in our holdings this past year. This was an incredibly challenging endeavor that included the work of numerous people, including Derek Lewis, Matthew Bracey, Brandon Roysden, Candice Smith, Lori Ransom, Megan Morgan, Daniel Rodriguez, Jean Lewis, and Brandon Presley. The commission owes a great debt of gratitude to these individuals. Most of all, we thank Dr. Robert Picirilli, who envisioned this project, set up the process, consistently encouraged us in the labor, and helped guide it to completion.

We are currently working to upload these scans to the commission's website: fwbhistory.com. In addition, we continue to scan new donations, ranging from the previous year's minutes to exciting discoveries from past centuries. We cannot reiterate enough how much we appreciate the many faithful association clerks, moderators, and members who send us copies of their minutes each year and the individuals who send us their discoveries from old dressers, church closets, and yard sales.

At our annual meeting, which recently moved to December to correlate with the annual Leadership Conference, we voted to donate remaining copies of *At the Feet of Jesus,* the 2025 publication of Dr. Mary Ruth Wisehart's year-long devotional guide, to WNAC. In this way, we honor Dr. Wisehart's long years of service to that institution and assist them in fundraising.

We now turn our attention to new publishing opportunities. We are also developing new avenues for promoting new Free Will Baptist historical research. We hope to introduce these at the 2027 National Convention as a continuation of our commitment to serve Free Will Baptists by preserving our history and educating our people about their heritage. Please join us in this good work through donations of historical materials and doing research.

Submitted by Phillip T. Morgan, Chairman

Eric K. Thomsen, Secretary-Treasurer
David Crowe
Willie Martin
Jim McComas

Historical Commission Financial Report, 2025

Balance on hand (checking at Regions Bank 12/31/2024).. $27,171.49

Deposits

Coop/Together Way/Offering..... $5,399.63
Interest (Regions Bank) $198.02
Sales of booklets (D6 Family Ministry).....$819.13
Wisehart book sales* $5,780.47
Total Deposits.....$12,197.25

Expenditures

Phillip Morgan (stipend)..... $2,500.00
NAFWB (Digest of Reports)..... $44.67
Jean Lewis (scanning) $2,376.00
Bank Fees (Regions).....$5.60
Wisehart project* $14,085.00
Total Expenditures $19,011.27

Balance on hand (checking at Regions Bank) 12/31/2025 .$19,957.44
Trust Fund at FWB Foundation 12/23/2025 (gained $759.64 in 2025)..... $45,741.57
Total on hand 12/31/2025 ..... $65,699.01

2025-2027 Budgets | Free Will Baptist Historical Commission

	2025 Budget	2025 Actuals	2026 Budget	2027 Budget
Income				
Gifts (The Together Way)	5,500.00	5,399.63	5,500.00	5,500.00
Interest	200.00	198.02	200.00	150.00
Sale of Pamphlets	300.00	819.13	300.00	350.00
Rest of the Family Offering*	35.00	0.00	35.00	0.00
Other	0.00	0.00	0.00	0.00
Total Income	$6,035.00	$6,416.78	$6,035.00	$6,000.00
Expenses**				
Curator/Librarian	2,500.00	2,500.00	2,500.00	2,500.00
Materials, Postage, Software	1,500.00	0.00	1,500.00	1,500.00
Website Expenses	300.00	0.00	300.00	300.00
Publishing Project	1,000.00	0.00	1,000.00	1,000.00
Meeting Expenses	200.00	0.00	200.00	250.00
Digest of Reports	50.00	44.67	50.00	50.00
NAFWB Seminar Fee	50.00	0.00	50.00	100.00
Other***	435.00	2,376.00	435.00	300.00
Total Expenses	$6,035.00	$4,920.67	$6,035.00	$6,000.00

*In the future, will be reflected in The Together Way Gifts.
**Expenses do not reflect non-budgetary items (grant projects, etc.).
***Other includes payment to Jean Lewis for scanning ($2,376.00).

2026 Election Schedule
For Standing Boards and Commissions

Board of IM, Inc.

2028 — Cameron Lane (Arkansas)
Will Harmon (Arkansas)
Rodney Yerby (Alabama)

2030 — Darren Walker (North Carolina)
Paul Etterling (Ohio)
Casey Cariker (Oklahoma)

To be elected in 2026:

2032 — _____
_____
_____

Welch College Board of Trustees

2028 — Mike Hollis (Tennessee)
Brad Ryan (Illinois)
Wayne Miracle (Georgia)

2030 — Josue Suarez (Florida)
Theron Scott (South Carolina)
Fred Yerby (Alabama)

To be elected in 2026:

2032 — _____
_____
_____

Board of Women Nationally Active for Christ

2028—Sharon Dickey (Texas)
Rachelle Burchett (Kentucky)
Lee Ann Wilfong (Missouri)

2030—Melanie Franks (Alabama)
Angie Frazier (Florida)
Ashley Alphin (Ohio)

To be elected in 2026:

2032—_____
_____
_____

Board of D6 Family Ministry

2028—Darin Gibbs (North Carolina)
Tim York (Kentucky)
Jay Baines (Virginia)

2030—Kendall Ross (Arkansas)
Kevin Barnett (Arkansas)
Mark Price (Ohio)

To be elected in 2026:

2032—_____
_____
_____

Music Commission

2027 — Doug Little (Tennessee)
2028 — Daniel Webster (Tennessee)
2029 — Kevin Justice (North Carolina)
2030 — Bryan Hughes (North Carolina)
2031 — _____

Media Commission

2027 — Devon Dundee (Arkansas)
2028 — Stephen Lopes (Tennessee)
2029 — Josh Owens (Tennessee)
2030 — Isaiah Grimes (Virginia)
2031 — _____

Commission for Theological Integrity

2027 —Kevin Hester (Tennessee)
2028 —Matt Pinson (Tennessee)
2029 —Cory Thompson (Oklahoma)
2030 — Rodney Holloman (Tennessee)
2031 — _____

Historical Commission

2027 —Willie Martin (Georgia)
2028 — David Crowe (Tennessee)
2029 — Phillip Morgan (Tennessee)
2030 —Eric Thomsen (Tennessee)
2031 — _____

General Board

2027 —	North Carolina:	Reuben Cason
	Northeast:	Bill Reynolds
	Northwest:	Justin Traver
	Ohio:	Ben Crabtree
	Oklahoma:	James Coffelt
	Puerto Rico:	Wilberto Moreno
	South Carolina:	Lanney Ard
	Tennessee:	Chris Dotson
	Texas:	John Collier
	Virginia:	Gary Hill
	West Virginia:	James Cox, Jr.
2028 —	Alabama:	Danny Williams
	Arizona:	John Gibson
	Arkansas:	David Taylor
	Assn. Of Mexico:	Luis-Felipe Tijerina
	Atlantic-Canada:	Oral McAffee
	California:	Mike Kilcrease
	Colorado:	Terry Miller
	Florida:	Duane Littlefield
	Georgia:	Mark Walker
	Idaho:	
	Illinois:	Josh Colson

To be elected in 2026:

2029 — Indiana: _____

Iowa: _____

Kansas:_____

Kentucky: _____

Mexico Assn: _____

Michigan: _____

Mid-Atlantic: _____

Mississippi: _____

Missouri: _____

Executive Committee

2027 —James Coffelt (Oklahoma)
Chris Dotson (Tennessee)
Reuben Cason (North Carolina)

2028 —David Taylor (Arkansas)
Danny Williams (Alabama)
Josh Colson (Illinois)

To be elected in 2026:

2029 — _____

_____

_____

General Officers of the Executive Committee

2027 —Assistant Moderator: W. Jackson Watts (Missouri)
Clerk: Randy Bryant (Florida)

2029 —Moderator: Tim York (Tennessee)
Assistant Clerk: Ernie Lewis (Illinois)

The following boards do not elect members in 2026:

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)

2031 —Lance Boyer (Missouri)
Don Myers (Michigan)
John Howell (Florida)

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)

2031 — Brent Patrick (Virginia)
Matt Mouser (Georgia)
Corey Minter (Tennessee)

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)

2031 —Josh Bush (Kansas)
Bob Brown (Florida)
Faron Thebeau (Missouri)

Introducing 2026 Nominees for Standing Boards and Commissions

The 2025-26 Nominating Committee has presented the following nominees* to be considered for the 2026 Convention election, according to Clint Adams (GA), committee chair. **Note:** bios are included only for new board and commission nominees, not for returning members. Bios are summarized from the resumes submitted to the Nominating Committee.

IM, Inc.

2032 Chris Todd (OK)
Rick Cason (GA)
Steve Reeves (MO)

Steve Reeves is the director of Missouri Free Will Baptist Missions. A graduate of Randall University with a B.A. in theology and a minor in missions, Steve has a wide range of ministry experience. After 17 years of pastoring, he and his wife served as missionaries to Spain for a decade before returning to Missouri to plant Rejoice FWB Church in Columbia. Steve has served in various state leadership positions, including moderator, as a member of the Executive Committee, and as a member of the Missions Board.

Welch College

2032 Jeff Manning (NC)
Ben Eskola (TN)
Chris Truett (NC)

Jeff Manning has pastored Unity FWB Church in Greenville, North Carolina, for 35 years. He holds a B.A. degree from Welch College, an M.Div. degree from Bob Jones University, and the D.Min. from the Southern Baptist Theological Seminary. Jeff has served various state and national positions, including ten years on the Commission for Theological Integrity and 15 years on the board of IM, Inc.

Ben Eskola is the principal partner in Eskola Roofing, LLC, which has locations in 24 states and more than 750 employees. A graduate of Walters State Community College, Eskola is a deacon and Sunday School teacher at Peace FWB Church in Morristown, Tennessee. Active in the work of Berea Ministries, Ben has led numerous missions trips.

WNAC

2032 Jessica Edwards (TN)
Brenda Bunch (MO)
Dusty Harrison (OK)

2030 Sarah Lawson (MI)

Brenda Bunch and her husband Stan served as missionaries to Panama for nearly three decades. A graduate of Central State University (OK) with a B.A. degree in elementary education, Brenda holds an additional degree in missions from Randall University (OK). Active in WNAC and women's ministries since 1973, she is currently involved in developing a ladies ministry at Calvary Chapel FWB Church in Buffalo, Missouri. She additionally serves as a crisis pregnancy counselor.

Dusty Harrison serves as an elementary school principal in Ada, Oklahoma. She earned a B.A. degree in psychology from Northeastern State University, an M.Ed. degree in education administration from University of Oklahoma, and currently is completing the D.Ed. degree in education administration and curriculum supervision from University of Oklahoma. Dusty serves as the vice president of Oklahoma WAC and has held various positions at the district and state levels. She and her husband attend First FWB Church in Ada, Oklahoma.

Sarah Lawson works as an administrative specialist associate for the University of Michigan Department of Psychology. She attended Southeastern Free Will Baptist College and has a wide range of experience in higher education, office management, collaboration, communication, and team support. She and her pastor husband Jimmy serve Community FWB Church in Westland, Michigan, where Sarah holds various roles in music, youth, and ladies ministry. She has been active in Michigan WAC and has served as the *Shine!* coordinator since 2024. Sarah additionally chairs the Michigan State Association Youth Board.

D6 Family Ministry

2032 Gary Clark (FL)
Dick Terry (OK)
Rick Taylor (AL)

Gary Clark is a Florida Public Service Commissioner, a position he has held since 2017. Previously, he served as Deputy Secretary of Land and Recreation for the Florida Department of Environmental Protection. A graduate of Chipola College, Clark also holds a B.S. degree in Business Administration from University of Phoenix. Clark has served (and chaired) numerous boards of civic organizations. He is a member and Sunday School teacher at Chipley Free Will Baptist Church, a church which utilizes D6 Family curriculum.

Dick Terry has been the pastor of First FWB Church in Sulphur, Oklahoma, since 2007. He earned a B.A. degree in theology along with an A.A. degree in church music from Randall University. A former member of the Free Will Baptist Executive Committee, Terry also has served 11 years on the Trustee Board of Randall University, five as chairman. His church led co-op giving in Oklahoma four of the last five years, regularly numbers among the top twenty highest giving churches to the World Missions Offering, and is a budgetary supporter of D6 Family Ministry.

Commissions (2031)

Music Commission	Sam Harris (NC)
Media Commission	Adrian Holland (TN)
Commission for Theological Integrity	Jeremy Craft (FL)
Historical Commission	Jesse Owens (TN)

Jesse Owens has been the pastor of Immanuel FWB Church in Gallatin, Tennessee, for nine years and serves as a member of the Welch College faculty. He holds a B.A. degree in pastoral ministry from Welch College, and an M.Div. in ministry and Ph.D. in historical theology from The Southern Baptist Theological Seminary. Owens has contributed chapters to five books and writes and presents frequently regarding subjects of theology and history.

Executive Committee

2029 Ken Simpson (MO)
Larry Reynolds (MS)
Jimmy Lawson (MI)

Ken Simpson has pastored Calvary Fellowship FWB Church (MO) for 16 years. He earned a B.A. degree in biblical studies and pastoral training from Welch College and the M.A. in theological studies from Covenant Theological Seminary. Simpson has been a member of the Welch College Board of Trustees and the Executive Committee of Missouri Free Will Baptists. He additionally served as the moderator of the Missouri State Association, the St. Louis District Association, and the Greater Kansas City District Association.

Larry Reynolds has pastored Cotton Heights FWB Church in Buckatunna, Mississippi, for 18 years. He holds an A.A. degree in biblical studies from Alabama Bible College, an A.A. degree in education from Mesa Community College, a B.A. degree in education from University of Alabama, an M.A. in theology and ministry from Welch College, and the D.Min. from Lake Charles Bible College. A former NAM church planter, Reynolds is a member of the General Board of the National Association and served as a member of the Mississippi State Missions Board. He also served as the moderator of the Mississippi State Association.

Jimmy Lawson has been the pastor of Community FWB Church in Westland, Michigan, since 1998. He earned a B.A. in Bible and pastoral theology from Southeastern FWB College, an M.A. in biblical studies from Virginia Beach Theological Seminary, and currently is completing the D.Min. with an emphasis in ministry leadership from Liberty University. Lawson is a General Board member of the National Association and additionally serves as the promotional director for the Michigan State Association. He is a member of the Southeastern FWB College Board.

General Officers of the Executive Committee

2027 Assistant Moderator: W. Jackson Watts (MO)
Clerk: Randy Bryant (FL)

2029 Moderator: Tim York (TN)
Assistant Clerk: Ernie Lewis (IL)

Free Will Baptist Foundation*

2031 Bobby Edwards (TN)

Bobby Edwards has been the senior vice president for Pinnacle Financial Partners in Nashville, Tennessee, since 2017. He guides a team of bankers who manage client portfolios totaling over $800 million. He worked previously for SunTrust Banks as the branch banking area manager and also spent several years in training and oversight of regional colleagues, coordinating training and continuing education. Edwards earned a B.S. in Business Administration from Welch College in 1997. He served previously on the Foundation Board from 2011-2023. He is a deacon and Sunday School teacher at Cross Timbers FWB Church.

Submitted by the Nominating Committee:

Clint Adams, chair (GA)
Brenda Bunch (MO)
Josh Hampton (MT)
Gary Hill (VA)
Barry Long (KY)
Terry Pierce (MS)
Ivan Ryan (IL)

***The following boards do not elect members in 2026:** Richland Ave Financial, FWB Foundation, North American Ministries. Bobby Edwards was nominated to fill the unexpired 2031 term of Brent Patrick on the Free Will Baptist Foundation Board after Patrick beccame the director of the Foundation.*


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Minutes of the Annual Session of the 89th National Association of Free Will Baptists

July 20-23, 2025, Kansas City, Missouri

Proceedings

The 89th annual session of the National Association of Free Will Baptists, Inc. met July 20-23, 2025, at the Kansas City Convention Center in Kansas City, Missouri. "Accept the Mission" was the theme of the meeting. Ryan Lewis served as the convention manager, and Kevin Justice was the music coordinator.

Sunday School, July 20

Sunday School began at 9:30 a.m. with Kevin Justice leading the congregation in singing "Glory to His Name." Ron Hunter introduced the Sunday School and Worship Service as an intergenerational service featuring Truth & Peace Student Leadership Conference participants teaching the Sunday School lesson. Four Truth & Peace students provided the Sunday School lesson from Proverbs 2 on "Wisdom for Daily Living." The four teachers included: Levi Greer (MS), Bryan McCanch (NC), Daniel Shaffer (VA), Nate Luthy (OH), and Jackson Green (AL).Executive Director Eddie Moody shared announcements, and Sunday School was dismissed.

Morning Worship, July 20

Worship began at 10:30 a.m. with Kevin Justice leading the congregation in singing "Hallelujah for the Cross" and "The Old Rugged Cross." Dr. Eddie Moody welcomed the body to the intergenerational worship service and called for the offering. A quartet of Truth & Peace participants sang "Living Hope" during the offering. The congregation sang "I Believe" and "How Marvelous." Lucas Williams read Psalm 86. Rob Morgan introduced the speaker. Aaron Pontius, pastor of Rejoice Free Will Baptist Church in Columbia, Missouri, brought the message on "Accept the Mission" from Jeremiah 29. The Praise Team, featuring Jaxon Aldridge as soloist, sang "Made for More." Dr. Moody shared announcements and dismissed the service in prayer.

Evening Worship, July 20

Evening Worship began at 7:00 p.m. with Kevin Justice leading the congregation in singing "New Name Written Down in Glory" with soloist Cheyenne Layton. The congregation sang "Bless God" with Kevin Denton as soloist. Dr. Eddie Moody welcomed the body and prayed before the offering. The congregation sang "He Leadeth Me" with

Alexis Taylor and Tammy Strickland as soloists and "Grace Greater Than Our Sin." Mitchell Moody read Ephesians 2:1-10. The congregation sang "Made for More," and Kevin Justice led in prayer. A men's ensemble sang "He Touched Me." Zach Parent introduced the speaker. Josh Bush, pastor of Cross Point Free Will Baptist Church in Wichita, Kansas, brought the message from Jonah 1:1-3 on "Will You Accept the Mission?" Dr. Moody shared announcements and dismissed in prayer.

Evening Service, July 21

Evening Worship began at 7:00 p.m. with Kevin Justice leading the congregation in singing "Forever." Kansas Promotional Director Zach Parent welcomed the body on behalf of the churches of Kansas, and Missouri Executive Director Stan Bunch welcomed the group on behalf of the churches of Missouri. The choir sang "Great is Thy Faithfulness" with Bethany Sink as soloist and instrumentalist Miles Denton. Eddie Moody welcomed the body and prayed before the offering. The congregation sang "Great Is Thy Faithfulness" with Madison Mercer as soloist. Bradley Mercer read Psalm 103. The congregation sang "The Goodness of God" with Audrey Hollifield as soloist, and Kevin Justice prayed. Jackson Watts introduced the speaker. Doug Earls, pastor emeritus and retiree pastor at Calvary Chapel Free Will Baptist Church in Buffalo, Missouri, brought the message, "When Disobeying Your Mission Sinks You" from Jonah 1:17–2:10. "Made for More" was sung for the invitation. Eddie Moody shared announcements. Clerk Randy Bryant called the meeting to order and introduced Moderator Tim York, who announced the following committees before dismissing the service in prayer:

Resolution Committee

Danny Williams (AL), Chair

David Taylor (AR)

Chris Dotson (TN)

Mark Price (OH)

Francisco Vasquez (CA)

Nominating Committee

Clint Adams (GA), Chairman

Terry Pierce (MS)

Barry Long (KY)

Brenda Bunch (MO)

Gary Hill (VA)

Ivan Ryan (IL)

Josh Hampton (MT)

Convention Business Session, Tuesday Afternoon, July 22

The Tuesday afternoon business session began at 1:30 p.m. with Moderator Tim York calling the session to order. He shared a devotion from 2 Timothy 1:1-2, "Passing to the Next Generation" and prayed. The clerk read the Credentials Report. Motion passed to receive the report and seat the delegates.

The assistant clerk read a partial report of the General Board. Motion passed to receive the report and adopt item by item.

Executive Director Eddie Moody gave the report of the Executive Office, Building Services, and *ONE Magazine.* Motion passed to receive the report.

The assistant clerk read Item 2 of the General Board report. Motion passed to adopt. Motion to amend by striking "continue every three years." Amendment failed. Item as presented passed.

Item 3 of the General Board report was read. Motion passed to table until the Wednesday business session.

President Matt Pinson gave the Welch College report. Craig Mahler gave the college financial report. Motion passed to receive the report and adopt the budget. Mike Hollis (TN) was elected to fulfill the 2028 term of Rusty Campbell on the college board. Dr. Fred Yerby was elected to fulfill the 2030 term of Tim Campbell (AR) on the board.

Director Ruth McDonald gave the WNAC report. Motion passed to receive the report. Rachelle Burchett (KY) was elected to fulfill Jonda Patton's 2028 unexpired term on the board.

Nominees put forward by the Nominating Committee were elected to 2028 terms on the General Board. Elected were: Danny Williams (AL); Stephen Hood (AZ); David Taylor (AR); Felipé Tijerina (Association of Mexico); Oral McAffee (Atl-Can); Mike Kilcrease (CA); Terry Miller (CO); Tom Jones (David Marks Heritage); Duane Littlefield (FL); Mark Walker (GA); and Joshua Colson (IL).

David Taylor (AR), Danny Williams (AL), and Joshua Colson (IL) were elected to serve the 2028 term on the Executive Committee.

Chairman Kevin Hester gave the Commission for Theological Integrity report. Motion passed to receive the report. Rodney Holloman (TN) was elected for the 2030 term on the commission. Jeremy Craft (FL) was elected to fill the unexpired 2026 term of Jackson Watts.

Eric Thomsen gave the Historical Commission report. Motion passed to receive the report. Eric Thomsen was elected to the 2030 term on the commission.

Afternoon business was closed in prayer by Gary Hill.

Tuesday Evening, July 22

Evening worship began with Kevin Justice leading the congregation in singing "I Believe." Casey Paramore read Revelation 4 followed by the congregation singing "Holy, Holy, Holy." Eddie Moody welcomed the body, called for the offering, and prayed before the offering. The choir sang "Because of Jesus" with Fawn Gibson as soloist, and the congregation sang "Holy Forever" with Scott Coghill as soloist. The congregation sang "Agnus Dei" with the reading of Revelation 1 by Zane Brooks. David Crowe introduced the speaker for the evening. Shiloh Hackett, pastor of Bethlehem Free Will Baptist Church in Ashland City, Tennessee, brought the message From Jonah 3 on "Will You Say Yes to the Mission?" The Praise Team sang "Made for More" with Daniel Mann as soloist. Eddie Moody shared announcements and dismissed the service in prayer.

Convention Business Session, Wednesday Morning, July 23

Assistant Moderator Jackson Watts began the Wednesday business session by reading Matthew 16:13-20 and leading in prayer.

Director Ron Hunter gave the D6 Family Ministry report. CFO Michael Lytle gave the financial report. Motion passed to receive the report and adopt the budget.

Ron Hunter gave the Vertical Three Conference report. Motion passed to receive the report.

Director Clint Morgan gave the IM, Inc. report. CFO Rob Conley gave the financial report. Motion passed to receive the report.

Board chairman Scott Coghill gave the Free Will Baptist Foundation report. Motion passed to receive the report and adopt the budget. John Brummitt gave the department's financial report. Brent Patrick (VA), Matt Mouser (GA), and Corey Minter (TN) were elected to 2031 terms on the board.

Director David Crowe gave the North American Ministries report. Motion passed to receive the report and adopt the budget. Josh Bush (KS), Faron Thebeau (MO), and Bob Brown (FL) were elected to 2031 terms on the board.

John Brummitt gave the Richland Ave Financial report. Chris Compton gave the financial report for the department. Motion passed to receive the report and adopt the budget. Don Myers (MI), Lance Boyer (MO), and John Howell (FL) were elected to 2031 terms on the board. Randy Wilson was recognized with a plaque for his service to the board.

Josh Owens gave the Media Commission report. Motion passed to receive the report. Isaiah Grimes was elected to the 2030 term on the commission.

Doug Little gave the Music Commission report. Motion passed to receive the report and adopt the budget. Bryan Hughes (NC) was elected to the 2030 term on the commission.

Business session adjourned until the afternoon.

Convention Business Session, Wednesday Afternoon, July 23

The afternoon business session began at 1:30 p.m. with Assistant Clerk Ernie Lewis reading Romans 12:1-12 and praying.

Eddie Moody read the Registration report. Motion passed to receive the report.

The assistant clerk read Item 3 from the General Board report, which previously was laid on the table. Motion passed to remove the item from the table. Item 3 was adopted.

Eddie Moody gave the Budget Committee report. Motion passed to receive the report.

A video report was given for the Obituary report. Motion to receive the report. Bob Thomas led in prayer.

The assistant clerk read the Resolution Committee report. Motion to read the Resolution Committee report and then adopt item by item was passed.

Resolution 1. Motion passed to adopt. Motion to amend by adding: "The co-op plan or other denominational giving." Amendment passed. Motion passed as amended.

Resolution 2. Motion to adopt. Resolution passed.

Resolution 3. Motion to adopt as presented. Resolution passed.

Resolution 4. Motion to adopt. Resolution passed.

Tim York was elected as moderator and Ernie Lewis was elected as assistant clerk.

Motion passed to adjourn. Meeting closed in prayer by Tim York.

Wednesday Evening, July 23

Evening worship began with Ken Akers sharing about IMPACT Kansas City before showing a video recap of the event. Kevin Justice led the congregation in singing "Praise" with Jojo Miller leading the call and response and Meredith Locklear providing a solo. Missionaries and church planters were introduced as they walked across the stage. Curt Holland introduced IM, Inc. missionaries, and Brad Ransom introduced North American Ministries church planters. A commissioning of new missionaries and church planters was led by Josh Bennett with Clint Morgan offering the commissioning prayer. Eddie Moody welcomed the body and prayed before the offering. The congregation sang "Revelation Song" with Lacey Ratcliff and Crosby Bruns as soloists. Jacob Johnson read Revelation 5. The congregation sang "Worthy of it All" with Daisy Villegas as soloist. Kevin Justice shared Revelation 8, and the congregation sang the "Doxology." Eddie Moody introduced the evening speaker. Joel Teague, missionary to France, brought the message on "Fulfill Your Mission" from Jonah 4. "Missionary Anthem" was sung by Kevin Justice during the invitation. "Made for More" was sung by the congregation with Kevin Denton as soloist. Eddie Moody dismissed the service with prayer.

Elected in 2025

Free Will Baptist Foundation — 2031 Term
Brent Patrick (VA)
Matt Mouser (GA)
Corey Minter (TN)

North American Ministries — 2031 Term
Josh Bush (KS)
Faron Thebeau (MO)
Bob Brown (FL)

Richland Ave Financial — 2031 Term
Don Myers (MI)
Lance Boyer (MO)
John Howell (FL)

WNAC — 2028 Term
Rachelle Burchett (KY)

Commission for Theological Integrity
Rodney Holloman (TN) **— 2030 Term**
Jeremy Craft (FL) **— 2026 Term**

Historical Commission — 2030 Term
Eric Thomsen (TN)

Music Commission — 2030 Term
Bryan Hughes (NC)

Media Commission — 2030 Term
Isaiah Grimes (VA)

General Board — 2028 Term
Danny Williams (AL)
John Gibson (AZ)
David Taylor (AR)
Luis-Felipe Tijerina (Association of Mexico)
Oral McAffee (Atlantic-Canada)
Mike Kilcrease (CA)
Terry Miller (CO)
Tom Jones (David Marks Heritage)
Duane Littlefield (FL)

General Board — 2028 Term (continued)
Mark Walker (GA)
Idaho: TBD
Josh Colson (IL)

Executive Committee — 2028 Term
David Taylor (AR)
Danny Williams (AL)
Josh Colson (IL)

General Officers of the Executive Committee — 2029 Term
Moderator Tim York (TN)
Assistant Clerk Ernie Lewis (IL)

General Board Report

The General Board of the National Association of Free Will Baptists met July 21, 2025, in Room 2104 of the Kansas City Convention Center in Kansas City, Missouri.

As a result of this meeting, we offer the following recommendations:

1. We heard the reports of the Executive Office, *ONE Magazine*, and Building Services; Welch College; Free Will Baptist Foundation; North American Ministries; Richland Ave Financial; D6 Family Ministry; IM, Inc.; Women Nationally Active for Christ; Music Commission; Media Commission; Historical Commission; Commission for Theological Integrity; and the Budget Committee. We recommend their reports be received and budgets adopted.

2. That state fees be increased by $25 starting in 2028, and that the fee continues to increase every 3 years by $25 to offset rising costs.

3. We recommend amending the *Treatise* By-Laws (Article VI, Section 4. Meetings):

   > Special meetings of the General Board or Executive Committee shall be called when necessary by the Moderator with the written or electronic consent of three other members of the Executive Committee or called by the Executive Director. Special meeting of the General Board shall be called upon written request or electronic request by one-fourth of its members. Special meetings of the Executive Committee shall also be called upon written or electronic request of a majority of its members.

2025 Convention Registration Report*

National Convention

Board/Commission Member	56
Local Church Delegate	41
NAFWB Attendee	2,831
Ordained Deacon	72
Ordained Ministers	480
State Delegate	53
Total	**3,533**

Vertical Three

V3 Attendee	1,535
V3 Child Attendee	130
V3 Grades 4-6	264
V3 Grades 7-12	535
V3 Grades K-3	284
V3 Preschool Worship	74
Total	**2,822**

***Unique Total: 3,861**

2025 Obituary Report*

Alabama

Widdy Atkins
Dave Franks, Sr.
Randy Key
Bill Smith
Dan Turman

Arizona

Charles Marshall

Arkansas

James Bundy
Loy Counts
Darren Morris
Victor Hunter

Florida

Irvin Jennison

Mexico

Lazaro De La Rosa

Missouri

Darrell Strain
Jerry Pinkerton

North Carolina

Daniel Hensley
Alvis Harris
Janice Cason
Bobby Aycock
Sue Aycock
Jared Johnson

Ohio

Lester McMahan

South Carolina

William Justice
John Kenny Presley
Junior Tyler

Virginia

Lars C. Dorton

West Virginia

Ronald H. Brown
Charles Curry
Clayton Harmon
Gerald Kelley
Daniel Legg
Luther Dingess
Dennis Lester
Jimmy Darrell Newsome
Danny Swafford
Ray Williamson

***Report includes ordained ministers, national and state leaders, and missionaries**

2025 Resolutions Committee Report

We, the 2025 Resolutions Committee of the National Association of Free Will Baptists, submit the following resolutions:

RESOLUTION 1:

WHEREAS the local church is an autonomous body, led by biblically qualified leaders, governed by the congregation, yet standing under the absolute lordship of Jesus Christ, who rules His church by His Word; and

WHEREAS the New Testament provides a clear pattern of churches working together for the spread of the gospel, as seen in their mutual support, shared mission, and financial partnerships; and

WHEREAS the Free Will Baptist Church Covenant states, "...we agree to labor for the promotion of educational and denominational enterprises, the support of missions, the success of Sunday schools, and evangelistic efforts for the salvation of the world;" and

WHEREAS Free Will Baptists have traditionally emphasized collaboration between sister churches through district, state, and national associations; and

WHEREAS no one person, single church, or group of churches alone can fully carry out our national and international stewardship responsibilities; and

WHEREAS in 1941, the National Association of Free Will Baptists implemented the Unified Program Fund, which in 1955 was succeeded by the Cooperative Plan of Support, encouraging churches to give at least ten percent of their general offerings; and in 1992 the denomination adopted a new funding initiative, The Together Way Plan, by which participating local churches commit to equitably support all denominational agencies (www.nafwb.org/together-way); and

WHEREAS national board members oversee multi-million-dollar budgets and make significant financial decisions;

*THEREFORE, BE IT RESOLVED, that the annual Nominating Committee of the National Association of Free Will Baptists be urged to give significant consideration to the contributions of nominees and/or their churches to The Together Way Plan.**

***Delegates later amended this statement to read "to the co-op plan or other denominational giving."**

RESOLUTION 2:

WHEREAS we face cultural pressures of pragmatism, consumerism, and secularism; and

WHEREAS we are called to the discipleship of our intellects, affections, and wills; and

WHEREAS congregations desiring to unite with the National Association of Free Will Baptists may bring practices and doctrines that do not align with the Treatise of the Faith and Practices of the denomination;

THEREFORE BE IT RESOLVED that we commit ourselves to preaching and teaching the whole counsel of God, and affirm our commitment to contending for the faith once for all delivered to the saints, holding fast the faithful Word as we have been taught, that we may be able, by sound doctrine, both to exhort and convict those who contradict, and that, by the power of the Spirit who dwells in our midst, guard the good deposit that has been entrusted to us;

BE IT FURTHER RESOLVED that we commit ourselves, with all lowliness and gentleness, with patience, bearing with one another in love, to endeavor to keep the unity of the Spirit in the bond of peace, and that we like the apostles, eagerly desire to remember the poor, and to minister to the orphans and widows in their affliction and to keep ourselves unspotted from the world.

RESOLUTION 3:

WHEREAS the National Association of Free Will Baptists and its departments face financial challenges; and

WHEREAS the annual Convention Fund is projected to experience continued deficits in the upcoming years, and

WHEREAS the present funding plan, known as the Together Way Plan, has been in place for over 30 years without adjustment; and

WHEREAS additional funding resources are needed for the future advancement of the denomination;

THEREFORE, BE IT RESOLVED that the Executive Committee hold a funding summit during the 2025 Leadership Conference with the board chairs, department representatives, and state leaders to address giving fatigue and financial shortfalls;

THEREFORE, BE IT FURTHER RESOLVED that the summit's findings be reported to the General Board at the 2026 session of the National Association of Free Will Baptists.

RESOLUTION 4:

WHEREAS the Executive Office and D6 Family Ministries have given freely of their time and talents to prepare for the annual session of the National Association of Free Will Baptists, and

WHEREAS the Missouri and Kansas State Associations of Free Will Baptists have gone above and beyond in graciously working together to host the National Association of Free Will Baptists,

THEREFORE, BE IT RESOLVED that this body, the National Association of Free Will Baptists, give a rising vote of thanks to the Executive Offices, D6 Family Ministries, and the Missouri and Kansas State Associations of Free Will Baptists for their work in hosting this historic convention of the National Association of Free Will Baptists.

Respectfully submitted, Resolutions Committee

Danny Williams, Chair (AL)

Chris Dotson, Clerk (TN)

Reuben Cason (NC)

James Coffelt (OK)

Mark Price (OH)

David Taylor (AR)

Francisco Vazquez (CA)

2025 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, 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, Idaho, Iowa, Kansas, Mid-Atlantic, Northeast, Northwest, and Puerto Rico.
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 and the Free Will Baptist Church of St. Croix, U.S. Virgin Islands.
4. We recommend delegates from the Colorado District, the Waipahu Free Will Baptist Church of Hawaii, and the Twin Valley Free Will Baptist Church of Wisconsin be seated upon reception of fees and/or reports.
5. We recommend delegates from the countries, state associations, district associations, and local churches listed above, along with other properly registered delegates, be seated for this session.
6. We recommend all lay delegates entitled to representation by virtue of their positions on standing boards be seated if properly registered.

2025 D6 Family Ministry V3 Conference Report

2025 Registration

V3 Adult Attendee:	1,535
V3 Child Attendee:	126
V3-1-3:	283
V3-4-6:	264
V3-Teen:	535
V3-Preschool Worship:	74
V3 Total Attendees:	**2,817**

2025 Competitive Activity Entries

Entries	843
Competitors	1,607

Buck-A-Week

Tuesday's Buck-A-Week Offering: **$2,920.02**

2025 ministries receiving funds:

North American Missionaries: Armon and Yvette Jorden, Hawaii

IM, Inc.: Billy and Sunni Champion, Japan

Truth & Peace Leadership Conference Participants

128 students and 16 staff for a total of 144
(A special note of thanks to Randall University for hosting Truth & Peace this summer.)

Youth Evangelistic Team (YET):

YET was comprised of ten Students and led by Bryan and Kinsley Houser in their third year as YET leaders. Special thanks to Randall University for hosting YET.

STATISTICAL REPORT
Reporting Period 2024

	Associations	Number Reporting	Churches	Number Reporting	City	Rural	Full-Time Pastors	Bivocational Pastors	Baptisms	Reported 2023 Membership	Members Added	Members Lost	Net Membership Gain/Loss	Actual 2024 Membership	Reported 2024 Membership
Alabama	10	10	93	93	29	64	46	40	237	7,990	299	154	145	8,135	7,234
Arizona	1	1	5	5	4	1	2	3	8	158	16	16	0	158	168
Arkansas	16	16	156	147	73	74	71	64	296	11,623	525	258	267	11,890	12,926
Assoc. of Mexico	10	10	38	0	0	0	0	0	25	0	0	0	0	0	0
California	6	6	42	41	36	5	16	26	44	971	71	64	7	978	986
Canada	0	0	0	7	0	0	0	0	0	178	0	0	0	178	0
Colorado	0	0	0	0	0	0	0	0	0	109	0	0	0	109	0
David Marks Assoc.	1	1	4	4	4	0	3	1	29	138	13	9	4	142	143
Florida	8	8	51	45	28	19	24	19	68	2,148	148	139	9	2,157	2,001
Georgia	10	10	97	75	33	64	58	39	112	5,994	119	80	39	6,033	4,961
Hawaii	0	0	0	0	0	0	0	0	0	17	0	0	0	17	0
Idaho	1	1	3	2	2	0	0	2	6	128	7	3	4	132	126
Illinois	5	5	37	34	21	15	17	18	70	2,646	48	32	16	2,662	2,575
Indiana	3	3	16	0	0	0	0	0	0	0	0	0	0	0	0
Iowa	0	0	3	3	0	0	0	0	0	0	0	0	0	0	0
Kansas	1	1	8	7	8	0	5	4	73	299	117	29	88	387	951
Kentucky	11	9	116	97	32	85	30	86	287	8,315	290	164	126	8,441	8,552
Mexico Assoc.	4	4	31	31	25	6	3	28	0	2,750	0	0	0	2,750	0
Michigan	4	3	24	19	20	4	16	6	66	964	43	27	16	980	983
Mid-Atlantic Assoc.	1	1	4	3	3	1	3	1	0	300	0	0	0	300	0
Mississippi	3	2	44	24	11	21	11	20	126	3,357	203	79	124	3,481	2,833
Missouri	20	20	135	131	67	68	49	80	355	5,857	601	187	414	6,271	8,288
North Carolina	8	8	149	131	69	65	108	25	637	11,576	924	419	505	12,081	15,232
Northeast Assoc.	0	0	2	2	0	0	2	0	3	0	0	0	0	0	0
Northwest Assoc.	1	1	6	6	4	2	3	3	16	184	7	8	-1	183	162
Ohio	18	18	111	103	57	59	48	56	377	4,752	280	207	73	4,825	5,277
Oklahoma	24	24	192	171	102	53	83	58	1,125	8,645	537	297	240	8,885	9,528
Puerto Rico	1	1	3	3	2	1	0	3	90	125	35	10	25	150	140
South Carolina	5	5	100	100	51	49	65	23	92	6,803	265	68	197	7,000	6,921
South Dakota	0	0	1	1	1	0	0	0	1	0	4	2	2	2	25
Tennessee	10	10	185	149	58	91	70	70	447	11,947	616	276	340	12,287	11,027
Texas	5	4	35	31	17	14	17	10	91	1,023	136	35	101	1,124	1,228
Virgin Islands	1	1	1	1	0	1	1	0	15	110	0	0	0	110	170
Virginia	7	7	64	61	27	34	27	28	268	3,031	282	134	148	3,179	3,114
West Virginia	20	20	130	130	23	107	54	52	198	4,641	159	137	22	4,663	4,603
Wisconsin	0	0	0	0	0	0	0	0	0	35	0	0	0	35	0
TOTALS	215	210	1,886	1,657	807	903	832	765	5,162	106,814	5,745	2,834	2,911	109,725	110,154
2023 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

STATISTICAL REPORT
Reporting Period 2024

	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	9	23	0	113	25	188	6	4	0	0	1,862	0
Arizona	229,292	5	1	4,278,597	9	0	3	0	0	0	0	69	0
Arkansas	12,397,348	39	38	89,786,814	203	51	239	2	1	0	0	4,569	4,800,000
Assoc. of Mexico	0	0	0	0	0	0	0	0	0	0	0	0	0
California	1,398,083	10	15	30,800,000	47	8	44	1	2	0	0	309	0
Canada	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado	0	0	0	0	0	0	0	0	0	0	0	0	0
David Marks Assoc.	445,691	4	0	2,295,000	10	0	5	0	0	0	0	10	0
Florida	4,381,825	16	18	23,498,656	61	12	60	2	2	0	0	1,028	602,987
Georgia	5,255,223	28	41	39,343,351	91	27	192	0	0	1	0	1,574	285,000
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	117,484	0	1	850,000	5	0	1	0	0	0	0	50	0
Illinois	3,313,445	16	7	34,990,700	43	10	79	0	1	1	0	885	1,300,000
Indiana	0	0	0	0	0	0	0	0	0	0	0	0	0
Iowa	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas	1,326,896	2	0	11,853,790	13	4	1	0	0	0	0	209	0
Kentucky	0	19	1	0	255	16	254	1	1	1	0	2,570	0
Mexico Assoc.	31,250	12	7	1,000,200	25	0	60	0	1	1	0	3,000	250,000
Michigan	657,424	15	11	9,900,000	14	7	14	2	1	0	0	249	0
Mid-Atlantic Assoc.	0	0	2	0	8	0	0	0	0	0	0	0	0
Mississippi	933,603	8	10	10,343,400	43	10	60	0	1	0	0	1,727	0
Missouri	11,653,501	50	24	86,711,409	184	28	210	2	0	0	0	2,698	5,925,000
North Carolina	40,239,218	76	47	164,405,902	259	37	498	7	8	2	0	3,983	0
Northeast Assoc.	0	0	0	0	2	0	0	0	0	0	0	0	0
Northwest Assoc.	547,994	3	3	7,150,000	11	3	3	0	0	0	0	107	0
Ohio	6,312,318	29	15	66,768,719	226	39	133	0	0	0	0	3,336	1,200,000
Oklahoma	13,212,432	48	30	105,668,050	263	44	274	9	4	0	1	3,188	20,500,000
Puerto Rico	3,500	2	0	300,000	0	3	2	0	0	0	0	20	2,500
South Carolina	12,700,000	15	27	48,624,300	154	11	122	3	3	1	0	3,852	2,050,500
South Dakota	0	0	0	400,000	0	0	0	0	0	0	0	23	0
Tennessee	10,660,180	43	47	113,807,100	293	32	324	1	2	0	0	3,719	0
Texas	1,793,668	17	8	19,457,373	35	6	28	1	1	0	0	462	611,250
Virgin Islands	134,473	1	1	1,500,000	1	1	0	1	1	0	0	50	0
Virginia	3,106,442	27	12	58,493,500	93	25	83	5	3	0	0	1,591	0
West Virginia	699,628	5	2	35,870,104	251	6	157	2	3	0	0	3,046	0
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTALS	131,550,917	499	391	968,096,965	2,712	405	3,034	45	39	7	1	44,186	37,527,237
2023 Totals	110,211,701	498	347	941,527,973	2,785	475	3,058	40	38	5	3	42,182	37,794,507

BUDGET COMMITTEE REPORT

The National Association of Free Will Baptists, Inc., has approved in this convention the following budgets for 2026:

Executive Office (Includes:)		$1,139,110.41
Administrative	$564,871.89	
Convention	574,238.52	
Free Will Baptist Foundation		2,628,612.00
IM, Inc.		11,200,000.00
North American Ministries		5,200,000.00
Richland Ave Financial		916,550.00
Women Nationally Active for Christ		333,000.00
D6 Family Ministry		5,357,650.00
Welch College		8,380,674.00
(Includes $1,600,000 in unrestricted gifts)		
Commission for Theological Integrity		5,650.00
Historical Commission		6,035.00
Media Commission		12,150.00
Music Commission		8,350.00
TOTAL		$35,187,781.41

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% *
Richland Ave Financial	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	0.5%
TOTAL	100.0%

Respectfully Submitted, Your Servants,

Edward Moody, Executive Director
Scott Coghill, Board Chairman, Free Will Baptist Foundation
Clint Morgan, General Director of IM, Inc.
David Crowe, General Director of North American Ministries
John Brummitt, General Director of Richland Ave Financial
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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MATTHEW 28:18-20

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