

Minutes
of the
One Hundred First Annual Session
of the
Arkansas State Association
of
Free Will Baptist
Held at the
Conway High School Auditorium
Conway, Arkansas
August 5-7, 1998



Moderator Of The 102nd Session

David Bishop
77 Union Grove Road West
Atkins, Arkansas 72823

Clerk for the 102nd Session

David Winfrey
P.O. Box 418
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MINUTES **of the** **101st Annual Session** **of the** **ARKANSAS STATE ASSOCIATION OF** **FREE WILL BAPTISTS**

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OFFICERS AND STANDING BOARDS
1998-99

EXECUTIVE BOARD

Hoover Lewis	2001
Raymond Chronister	2001
Dale Blackwell	2000
Randell Williams	2000
Doug Little	1999
Andy Percy	1999

MISSIONS BOARD

David Copeland	2001
Paul Payne	2001
Bobby Shepherd	2000
Johnny Fowlkes	2000
Dwayne Roper	1999
Norman McFall	1999

YOUTH BOARD

Leo Martin	2001
Mark Stripling	2001
Randall Ray	2000
Patrick Baze	2000
John Reed	1999
Scott Real	1999

CHRISTIAN EDUCATION BOARD

Rick Ketchum	2001
Harvey Butler	2001
Doug Harris	2000
Jackie Brown	2000
Kendall Ross	1999
Nelson Henderson	1999

MODERATOR	David Bishop
ASSISTANT MODERATOR	Will Harmon
CLERK	David Winfrey
ASSISTANT CLERK	Randy Ledbetter

OFFICERS OF DISTRICT ASSOCIATIONS

ANTIOCH

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ARKANSAS

Moderator—David Williams
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NEW HOPE

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Moderator—Doug Harris
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Moderator—Eldon Bagwell
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Moderator—Ronnie Garrett
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ZION HOPE #2

Moderator—Kyle Goss
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Clerk—Gary O'Kelley
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PROCEEDINGS

Wednesday Evening, August 5, 1998

The 101st annual session of the Arkansas State Association of Free Will Baptists met at the Conway High School Auditorium in Conway, Arkansas, on August 5-7, 1998. The convention theme was *"Keeping The Faith – Finishing The Course."* The theme verse was *"I have a goodly heritage."* (Psalm 16:6)

Pre-service special music was by the First Free Will Baptist Church Quartet, of North Little Rock.

The Wednesday evening service opened with the congregation singing *"Have Thine Own Way, Lord"* as our opening prayer. Doug Little served as song director, Sue Patton was the pianist and Tena Stahl played the keyboard.

David Winfrey, clerk, called the meeting to order and introduced the moderator, James Forlines, General Director Elect of Foreign Missions.

Our State Missionary, National Home Missionaries, and National Foreign Missionaries who were present were recognized.

The Committee on Committees were elected as follows: Tim Morgan-Chairman, Hoover Lewis, Scott Warren, Eldon Bagwell, and Will Harmon.

The congregation sang *"To God Be The Glory"* and *"What A Savior"* and a chorus of *"Jesus Loves Me."*

The offertory prayer was led by James Forlines. The offering was to be divided 1/3 to National Home Missionaries present (Ken Doggett, George Harvey, Tommy Jones, Ron Parker, and Norman Richards), 1/3 to Foreign Missionaries present (Bobby Aycock, Stan Bunch, Ed Bowerman,

Earnie Deeds, Anthony Edgmon, and Jaimie Lancaster), and 1/3 to State Missionaries present (Kerry Gandy).

Special Music was provided by a Mass Choir directed by Doug Little. They sang "*Heaven Medley*," a group of songs written by Luther G. Presley and arranged by Doug Little.

The congregation sang "*When The Roll Is Called Up Yonder*."

Special music was by Holli Taylor from Cavanaugh Free Will Baptist Church sang "*Palms Of Victory*."

The moderator introduced the evening speaker, Ben Scott, retired pastor and member of the First Free Will Baptist Church of North Little Rock. He read from Jeremiah 6:16 and I Timothy 4:1 and warned of two dangers: "Deluding our doctrine and drifting in our practice." He closed by reading Daniel 9:3-6, 19a and led in prayer.

The congregation sang "*Just As I Am*."

The moderator made announcements.

Report of the Committee on Committees was given and accepted.
(see page 11)

Ed Cook dismissed the service in prayer.

Thursday Morning, August 6, 1998

The service opened with the congregation singing "*Stand Up, Stand Up For Jesus*." Leroy Scudder directed the singing with Sue Patton as the pianist. Prayer was by O.D. Winfrey.

The congregation sang "*Majesty*."

Special music was by Doug Little who sang "*Sitting At His Feet*."

J.W. Blanks was introduced to bring the devotion. He read from Psalm 77:13-14 and spoke on the subject of "What It Means To Be A Young Preacher" and shared things that encouraged him when he was a young preacher.

The Credential Committee Report was given. (see page 11) Motion passed to receive the report.

The moderator read from Article III, Section I of the Constitution and recognized these delegates. Article III, Section 2 was read and these delegates were recognized. Motion passed to seat the delegates.

Visitors were recognized and welcomed to this meeting.

Report of the Arkansas Women Active For Christ was given by Mary Ann Chronister. (see page 12) Motion passed to receive this report as information.

Report of the Women Nationally Active for Christ was given by Dr.

Mary Ruth Wischart. Motion passed to receive this report as information.

Motion passed for this association to give Dr. Mary Ruth Wischart a rising vote of thanks for the leadership she has given WNAC.

Report of the Executive Board was given by Hoover Lewis. (*see pages 13-15*) Motion passed that this report be received.

The proposed 1999 Coop Budget (*see page 15*) was adopted after much discussion. Each church may choose which plan they would like to use. If a church wishes for their Coop money to be divided under Plan B, they must vote to do so and then notify the State Office in writing. Otherwise their money will be divided under Plan A.

Report of the National Executive Office was given by Dr. Melvin Worthington, Executive Secretary. Motion passed to receive this report as information.

Report of the Promotional Director was given by David Joslin. (*see pages 17-43*) Ernest Harrison, Executive Secretary of Oklahoma, presented a plaque to David Joslin for the Arkansas State Association in honor of our centennial celebration. Motion passed to receive the Promotional Director's report and adopt the budgets.

Report of the Christian Supply Store was given by Keith Johnson. (*see pages 44-51*) Motion passed to receive this report and adopt the budget.

The meeting was recessed for a few minutes. Prayer was by James Forlines.

Thursday Morning Worship Service

Worship prelude music was a clarinet solo presented by Melissa Haralson, from Atkins, accompanied by Sue Patton, pianist. The service opened with the congregation singing "*Since Jesus Came Into My Heart*" and "*Trust And Obey*." Kendall Ross directed the singing with Sue Patton as the pianist.

Special music was presented by Deniece Hammons who sang "*Hallelujahs*."

Rupert Pixley, Pastor of the Bethlehem Free Will Baptist Church in Van Buren, was introduced as the morning speaker. He led the congregation in singing acappella two verses of "*Amazing Grace*." Prayer was by Randall Ray. Brother Pixley's Scripture was from Matthew 5:10-12 and spoke of how "Ye Are The Salt Of The Earth."

Many met at the front of the auditorium to pray for our nation and its leaders. David Joslin led in prayer.

Wade Jernigan led the dismissal prayer and asked the blessing on the Noon meal.

Thursday Afternoon Business Session

The afternoon session opened with the congregation singing "*Let's Just Praise The Lord*" and "*Praise Him! Praise Him!*" directed by Dick Martin with Sue Patton as the pianist. Prayer was led by Frank Cope.

District Associations 100 years old or older were recognized for their 100 years or more of service. (*see page 88*)

Report of the A.C.T.S. 1:8 Task Force was given by Doug Little. (*see pages 52-53*) Motion passed to accept this report and adopt the budget and act on the recommendations separately.

Motion passed to accept Recommendation No. 1.

Motion passed to accept Recommendation No. 2.

Foreign Missionaries present who are supported by the **A.C.T.S. 1:8 Plan** were recognized (Bobby and Sue Aycock, Stan and Brenda Bunch, Eddie and LaRhonda Bowerman, and Anthony and Lea Edgmon).

Earnie and Jean Deeds, who have retired as foreign missionaries, were recognized and were also assured that their deficit account will be taken care of. A gift of \$2,000 was given to them in recognition of their faithful service. Prayer for Ed Bowerman's healing and quick return to the mission field was led by David Bishop.

Raymond Chronister was introduced for the afternoon devotion. He shared how older ministers had influenced him and encouraged us to be a good influence on the younger ministers.

Report of the Nominating Committee was given by Tim Morgan. (*see page 83*) Motion passed to receive the report and fill each position as the reports are given.

Dale Blackwell was elected to the Executive Board for a two-year term. Hoover Lewis and Raymond Chronister were elected to three-year terms.

Frank Guinta, Field Representative of the Free Will Baptist Foundation, brought greetings from the Foundation and Director Bill Evans.

Fred Warner, Director of Stateside Ministries of the National Foreign Missions Department, brought greetings from the department and Director Eugene Waddell and expressed appreciation for the support from the State of Arkansas.

Former and present Promotional Directors were recognized with a plaque of appreciation for their years of service. (*see page 88*)

Kevin Trimble, Assistant Director of the Free Will Baptist Family Ministries, shared of the work in Greeneville, Tennessee.

Roger Bennett from the Alabama Free Will Baptist Children's Home shared about their work in Alabama.

Report of the State Youth Board was given by Scott Real. (*see page 54*) Motion passed to receive this report and adopt the budget.

Report of the State Youth Board Director was presented by Bob Thompson. (*see pages 55-62*)

Billy Brown, Director of Marketing and Advertising presented a report from Randall House Publications and shared greetings from Alton Loveless, General Director.

John Reed was elected to the State Youth Board for a one-year term. Leo Martin and Mark Stripling were elected to three-year terms.

Doug Harris, Moderator of the Northwest Association presented a check of \$8,502.59 to Tommy Jones, missionary to Pittsburgh, Pennsylvania, for his church's land fund from the Northwest Association.

Churches 100 years old or older were recognized with a plaque of recognition. (*see page 88*)

Deacons, who had been ordained 40 years or more, were recognized with a certificate of recognition for their years of service. (*see page 89*)

Ministers, who had been ordained 40 years or more, were recognized with a certificate of recognition for their years of service. (*see page 90*)

Past and present moderators of the Arkansas State Association were recognized with a plaque of appreciation for their years of service. (*see page 91*)

A desk clock and a plaque were given to James Forlines for his years of service as moderator of the Arkansas State Association.

Past and former clerks of the Arkansas State Association were recognized with a plaque of appreciation for their years of service. (*see page 91*)

Tom Malone, President of Free Will Baptist Bible College expressed appreciation for the work and support of the State of Arkansas. Tim Campbell, Director of Stewardship Development gave a report from the college.

Carl Cheshier, President of Hillsdale Free Will Baptist College presented a report and thanked the state for their support.

A recommendation from the Executive Board was read. (*see page 63*) Motion passed to adopt this recommendation.

Motion passed to postpone deliberations until tomorrow.

Kerry Phillips prayed the dismissal prayer.

Thursday Evening Worship Service

The service opened with prayer by Lonny Burks. The congregation sang *"All Hail The Power Of Jesus Name"* directed by Mark Stripling with Sue Patton as pianist and Tena Stahl playing the keyboard.

David and Mary Kay Joslin were honored for their 25 years of service to Arkansas Free Will Baptists. A bouquet of 25 roses was presented to Mary Kay Joslin and a plaque and a check for \$2,500 were presented to David Joslin, for his service as promotional director for Arkansas Free Will Baptists.

The congregation sang *"How Great Thou Art."*

James Forlines led the offertory prayer. The total received in Wednesday and Thursday night offerings was \$2,061.84.

The Allen Chapel Youth Choir, directed by Kerry Phillips, sang *"Lord, I Lift Your Name On High," "Blessed To Be A Blessing,"* and *"Each One Reach One."*

The congregation sang *"He's Been So Good To Me."*

Special music was by Jeremy Martin who sang *"Yes, I Know."*

David Joslin was introduced as the evening speaker, who read from Philippians 3:8-14. He shared that if a man was to achieve the success that the Apostle Paul achieved he must have a conscious dissatisfaction with the present, a complete detachment from the past, and a consecrated dedication to the future.

The congregation sang *"I Surrender All."* Prayer was by James Forlines.

The meeting was dismissed with prayer led by Bobby Shepherd.

Friday Morning, August 7, 1998

The service opened with the congregation singing *"Leaning On The Everlasting Arms"* and *"Rescue The Perishing."* Dick Martin directed the singing with Sue Patton as the pianist.

Keith Johnson was introduced to bring the devotion. He spoke on the subject of *"The Principles Of Prayer."*

Report of the State Home Mission Board was given by David Copeland. (see pages 64-80) Motion passed that the report be accepted and the budget adopted.

Kerry Gandy shared about the work at Rolling Oaks, Maumelle.

Trymon Messer, General Director, gave a report from the National Home Missions Department.

David Copeland and Paul Payne were elected to the State Mission Board for three year terms.

Ray Lewis, Associate Director, gave a report from the Board of Retirement.

Report of the Christian Education Board was given by Nelson Henderson. *(see pages 81-82)* Motion passed to receive this report and adopt the budget.

Kendall Ross was elected to the Christian Education Board for a one-year term. Rick Ketchum and Harvey Butler were elected to three-year terms.

Report from the Arkansas Master's Men was given by President John Fowlkes. *(see page 84)* He also shared a report from the National Master's Men Department.

Report of the Resolution Committee was given. *(see pages 84- 85)* Motion passed to accept this resolution.

Delegates elected to the National Association in Atlanta, Georgia, were as follows: Ron Puckett, Mary Kay Joslin, Kerry Phillips, and Willia Jean Lewis.

Statistics report from church letters was read. *(see page 85)* Motion passed to accept this report.

Report of the Registration Committee was read *(see page 85)* Motion passed to accept this report.

The Executive Board recommended that we accept the request from the Unity Association for the next meeting to be held at the Cavanaugh Free Will Baptist Church in Fort Smith. Motion passed to accept this request.

Report of the Obituary Committee was given by Randy Ledbetter. *(see pages 86-87)* The congregation stood for a moment of silence to remember the impact these lives have had on us. Bob Isbell led in prayer.

Officers elected for the next year were as follows: Randy Ledbetter—Assistant Clerk, David Winfrey—Clerk, Will Harmon—Assistant Moderator, and David Bishop—Moderator.

David Bishop was introduced as the new moderator.

The meeting was recessed for a few minutes.

Friday Morning Worship Service

The service opened with the congregation singing "*Jesus Saves*" directed by Dick Martin with Sue Patton as the pianist.

Prayer was by Terry Latham.

David Joslin presented James Forlines a centennial commemorative shirt and mug, and a check for \$500 for his outstanding work as moderator.

The congregation sang *"I Love To Tell The Story"* and a chorus of *"O How I Love Jesus."*

Hoover Lewis introduced David Copeland as the morning speaker. Bro. Copeland read from Deuteronomy 1:19-30 and spoke about "A Time Of Reflection and A Time To Look Forward."

Motion passed to adjourn this 101st session. Mike Hutsell led the dismissal prayer.

REPORTS

REPORT ON THE COMMITTEE ON COMMITTEES

Credentials: Jim Walker, Earl Stapleton, Roy Wilson, Billy Wilson, and Ken Winningham

Resolutions: Jerry Bromley, Ed Cook, Jackie Brown, Sidney Sawrie, and Lonny Burks

Nominating: Steve Trail, David Copeland, Bobby Shepherd, Raymond Chronister, and Mike Hutsell

Obituary: J. W. Blanks, Rupert Pixley, Gene Cullum, Thurston Taylor, and Patrick Baze

Registration: Mike King, Michael Morrison, George Lynn, Ben Scott, and Kendall Ross

Committee:

Tim Morgan, Hoover Lewis, Scott Warren, Eldon Bagwell, Will Harmon

REPORT OF THE CREDENTIALS COMMITTEE

We, the Credentials Committee find that the following Associations have fully represented by letter, delegates, and fees: Antioch, Arkansas District, Central, Fellowship, Little Missouri River, New Hope, Northwest, Old Mt. Zion, Polk Bayou, Saline, Social Band, Southeast Arkansas, and Unity.

One association, Harmony represented by proper fees, but no letter.

One association Zion Hope #2 represented by letter, delegates, and partial fees. The following churches from Zion Hope #2 did not pay: Centerpoint, Chester, and Van Buren.

Committee:

Jim Walker, Earl Stapleton, Roy Wilson, Billy Wilson, Ken Winningham

REPORT OF THE ARKANSAS WOMEN ACTIVE FOR CHRIST

The 44th Annual Session of the Arkansas Women Active for Christ met August 5, 1998, at the Conway Public School Auditorium. The theme "*Patches of Love*" was used. Missionary Brenda Bunch presented the morning devotion. State Home Missionary Janet Gandy presented the afternoon devotion. Freda Lewis was song director and Betty Daily was pianist.

A word of greetings from all missionaries in attendance, was given in the morning session.

Earnie Deeds, retired missionary from Brazil, was the morning speaker.

Secretary Cindy Ellis reported a total of 11 districts, and membership of 844. A total of 157 registered for the day's activities.

The State Project for the coming year will be the support to "The Richards Land Fund." The goal is to raise \$10,000.00 for this project.

Total receipts for the year were \$70,225.85. Our cash, non-cash, and gifts sent direct were \$23,983.11, making a total giving of \$94,208.96. Of this amount \$18,176.40 was given to A.C.T.S. 1:8, \$3,245.30 to Arkansas Home Missionaries, \$14,022.26 to National Home Missionaries, \$4,316.16 to Foreign Missions without A.C.T.S. 1:8, WNAC - \$13,601.97, and \$1,767.00 to Children's Homes.

The following officers were elected for 1998-2000:

President—Mary Ann Chronister

Vice-President—Jan Morrison

Secretary—Barbara Taylor

Treasurer—Rebecca Hill

Field Worker—Mary Kelton

Members at large—Judy Trail, Velda Tucker, Sheryl Baze, and
Mary Bromley

The 31st annual banquet was at UCA in the McCastlain Hall, with 167 in attendance. Retired missionary Jean Deeds, spoke from the theme "*Heirloom*." The Deeds were presented a friendship quilt and a check for \$10,055.40.

The annual retreat was conducted May 1-2, 1998, at Camp Beaverfork with 148 registering. Speakers were: Janis Doggett, Rebecca Hill, and Vivian Jeffcoat. The theme was "*The Home Spun Christian*."

President—Mary Ann Chronister

STATE EXECUTIVE BOARD REPORT

The Arkansas State Executive Board met seven times during the year and conducted seven conference calls.

August 24, 1997

The Executive Board conducted a conference call with all members as well as Moderator James Forlines, Christian Supply Store Manager Keith Johnson, and Promotional Director David Joslin. The following items were transacted:

(1) Motion passed to schedule a board meeting on August 26, 1997, at 10:00 AM at the state offices in Conway, Arkansas, to consider a possible relocation for Christian Supply Store.

(2) Motion passed to authorize Keith Johnson to hire Bryan Johnson as assistant to the manager.

August 26, 1997

The Executive Board met at the state offices in Conway, Arkansas, with all members present as well as Moderator James Forlines, Christian Supply Store Manager Keith Johnson, and Promotional Director David Joslin. The board met for the purpose of possible relocation of Christian Supply Store. After viewing the prospective building located at 1055 Harkrider, the following business was conducted:

(1) Motion passed to adopt the revised 1998 budget for Christian Supply Store as presented by Manager Keith Johnson.

(2) Motion passed to sign a lease agreement with Dwayne and Elaine Goode from Conway, Arkansas, and to authorize Keith Johnson and David Joslin to finalize the details of the agreement with an attorney's opinion.

(3) Motion passed to authorize the use of the Contingency Fund from Christian Supply Store for relocation purposes.

(4) Motion passed to forgive the in-house loan of \$6,735 from the Arkansas Free Will Baptists' Contingency Fund.

(5) Motion passed to elect Dwayne Roper to serve as replacement for Kerry Gandy, State Home Mission Board member.

September 7, 1997

The Executive Board conducted a conference call with all members, including Moderator James Forlines and Promotional Director David Joslin.

(1) Motion passed that the Executive Board meet with the First Free Will Baptist Church, Fort Smith, in an advisory capacity for a business meeting on September 10, 1997, at the request of Unity Association and the First Free Will Baptist Church, Fort Smith.

September 10, 1997

The Executive Board met at Conway and travelled to Fort Smith, Arkansas, to serve in an advisory capacity in a business meeting at the First Free Will Baptist Church, Fort Smith. Members present were Hoover Lewis, Raymond Chronister, Andy Percy, Larry Doggett as well as Moderator James Forlines, and Promotional Director David Joslin.

October 14, 1997

The Executive Board met at the state offices in Conway with all members present as well as Moderator James Forlines, Christian Supply Store Manager Keith Johnson and Promotional Director David Joslin. The following business was conducted:

(1) Motion passed to accept the quarterly reports of the Christian Supply Store as presented by Manager Keith Johnson. The store opened in its new location on October 10, 1997.

(2) Motion passed to accept the quarterly reports presented by Promotional Director David Joslin.

(3) An official appraisal was presented to the board of the headquarter's property with a value of \$355,000. Possible lease or sale agreements were discussed. Motion passed that David Joslin act as agent for service to enter into negotiations to sell the headquarters property for \$385,000 and not less than \$355,000.

(4) Motion passed to authorize David Joslin to investigate possible new site locations for a new headquarters building.

Following lunch, the Board met again and passed a motion that the Board officers serve as a Bookstore Committee.

STATE EXECUTIVE BOARD, Continued

October 20, 1997

The board conducted a conference call with board members, Hoover Lewis, Larry Doggett, Randell Williams, Doug Little, and Andy Percy, including Moderator James Forlines and Promotional Director David Joslin. David Joslin reported on sale negotiations of the state office property with an offer of \$325,000. Motion passed to authorize the promotional director to negotiate the best possible offer on the headquarter's property and present it to the board for approval.

October 23, 1997

The Bookstore Committee met with Christian Supply Store manager Keith Johnson for a clarification of the capacity of Bryan Johnson in the bookstore. The clarification was that Bryan was hired to help in the bookstore in whatever capacity he was needed. He was not hired as the assistant manager. In telephone communications following the meeting, the committee members agreed upon the title "Bookstore Supervisor."

October 28, 1997

The Executive Board conducted a conference call with all members including Promotional Director David Joslin and conducted the following business:

(1) Motion passed to use the title "Bookstore Supervisor" for the new bookstore employee, Bryan Johnson, and scheduled a conference call for November 3, 1997, at 10:00 PM.

November 3, 1997

The Executive Board conducted a conference call with the following members: Hoover Lewis, Randell Williams, Andy Percy, Doug Little, and Larry Doggett, as well as Christian Supply Store Manager Keith Johnson and Promotional Director David Joslin.

(1) Motion passed to accept the job description for the new bookstore supervisor as presented by Keith Johnson, Christian Supply Store Manager.

(2) Promotional Director David Joslin reported on testing for fuel contamination from buried fuel tanks at the headquarters property. Motion passed to contract the Environmental Enterprises Group from Russellville to test for contamination and charges to be paid from the Contingency Fund of Arkansas Free Will Baptists.

November 23, 1997

The Executive Board conducted a conference call with the following members: Hoover Lewis, Doug Little, Raymond Chronister, Andy Percy, Randell Williams, as well as Moderator James Forlines, and Promotional Director David Joslin.

(1) Motion passed to accept the proposal from E.E.G. and proceed with the testing and filling of the tanks with concrete if there was no contamination found.

(2) Motion passed to enter into a lease agreement with Bedding Mart for one year with an option on a two-year extension.

January 27, 1998

The Executive Board met at the First Free Will Baptist Church, in Conway for the annual board's meeting with all members present as well as Moderator James Forlines, Christian Supply Store Manager Keith Johnson, and Promotional Director David Joslin. The following business was conducted :

(1) Motion passed to accept the fourth quarter report of Christian Supply Store as presented by Manager Keith Johnson.

(2) Motion passed to accept the financial reports given by Promotional Director David Joslin.

(3) Motion passed to accept revised budgets for Sunday School Literature, and Operational Fund.

April 14, 1998

The Executive Board met at the state offices in Conway with the following members present: Hoover Lewis, Larry Doggett, Randell Williams, Raymond Chronister, and Andy Percy, as well as Moderator James Forlines, Christian Supply Store Manager Keith Johnson, and Promotional Director David Joslin and conducted the following business:

EXECUTIVE BOARD REPORT, Continued

April 14, 1998, Continued

(1) Motion passed to accept the first quarter's report for Christian Supply Store as given by Manager Keith Johnson.

(2) Motion passed to accept the reports as given by Promotional Director David Joslin.

(3) Motion passed to authorize the Promotional Director to plan a leadership conference in Conway for October 24, 1998, and consult with the Christian Education Board for a joint participation.

(4) Motion passed that the following meal plan be approved for the 1998 state associational meeting: continental breakfast - Thursday and Friday; noon meal - Wednesday and Thursday; no evening meals.

May 6, 1998

The Executive Board conducted a conference call with the following members: Hoover Lewis, Andy Percy, Doug Little, Larry Doggett, and Raymond Chronister, as well as Moderator James Forlines, and Promotional Director David Joslin.

(1) Motion passed to move all state meeting activities to the Conway Public School Auditorium and that no meals be provided by the state association.

July 7, 1998

The Executive Board met at the state offices in Conway, with the following members: Raymond Chronister, Larry Doggett, and Andy Percy, as well as Moderator James Forlines, and Christian Supply Store Manager Keith Johnson, and Promotional Director David Joslin. Vice-Chairman Raymond Chronister presided. The following business was conducted:

(1) Motion passed to accept the audited financial statements for Christian Supply Store and Arkansas Free Will Baptists as presented by auditor Ricky Taylor.

(2) Motion passed to accept the second quarter's report as given by Christian Supply Store Manager Keith Johnson and to adopt the proposed budget.

(3) Motion passed to accept the financial reports given by Promotional Director David Joslin and to adopt the proposed budgets.

(4) Motion passed to pay the deficit in the national fees from the general fund in the amount of \$75.00.

(5) Motion passed to present Plan A and Plan B for the 1999 Coop Budget. Plan B includes Hillsdale Free Will Baptist College in Coop giving. (*see below*) Each local church would choose Plan A or Plan B.

(6) Motion passed that we accept the resignation of board member Larry Doggett and commend him for his faithful service on the Executive Board.

(7) The Executive Board met with the Christian Education Board and discussed and planned a leadership conference to be at the First Free Will Baptist Church, Russellville, on March 19-20, 1998.

PROPOSED 1999 COOP BUDGET

PLAN A

STATE ASSOCIATION	62.5%	\$250,000
General Fund	22.0%	\$88,000
Youth Board	17.5%	70,000
State Missions	17.0%	68,000
C.E. Board	3.0%	12,000
THE VISION	2.0%	8,000
A.C.T.S. 1:8	1.0%	4,000

NATIONAL ASSOC. 37.5% \$150,000

HILLSDALE **-0-**

<u>TOTAL</u>	100.0%	\$400,000
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PROPOSED 1999 COOP BUDGET

PLAN B

STATE ASSOCIATION	62.5%	\$250,000
General Fund	22.0%	\$88,000
Youth Board	17.5%	70,000
State Missions	17.0%	68,000
C.E. Board	3.0%	12,000
THE VISION	2.0%	8,000
A.C.T.S. 1:8	1.0%	4,000

NATIONAL ASSOC. 33.5% \$134,000

<u>HILLSDALE</u>	<u>4.0%</u>	<u>\$16,000</u>
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<u>TOTALS</u>	<u>100.%</u>	<u>\$400,000</u>
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Hoover Lewis, Chairman
Raymond Chronister, Vice-Chairman
Andy Percy, Secretary

Randell Williams
Larry Doggett
Doug Little

EXECUTIVE COMMITTEE REPORT

October 14, 1997

The Executive Committee and the Centennial Committee met on October 14, 1997, at the state offices in Conway with all members present to plan the state meeting in 1998 which will be the Centennial Celebration.

(1) Motion passed to have the session on August 5-7, 1998.

(2) Motion passed to have Doug Little as Music Coordinator and Sue Patton as pianist.

(3) Selection of speakers for the messages and devotions and those presiding will be as follows: Wednesday evening message - Ben Scott; Thursday session: morning devotion - J. W. Blanks; morning worship, presiding, Assistant Moderator David Bishop; morning message - Rupert Pixley; afternoon devotion - Raymond Chronister; evening message - David Joslin; Friday morning devotion - Keith Johnson; morning message - David Copeland.

(4) Motion passed to invite the Governor of the State of Arkansas to give a welcome and comments at the state meeting.

July 2, 1998

The Executive Committee, Moderator James Forlines, Clerk David Winfrey, and Assistant Clerk Randy Ledbetter met at the state offices in Conway with Ricky Taylor, auditor. After reviewing financial statements given for Arkansas State Association of Free Will Baptists, Christian Supply Store, Camp Beaverfork, and Arkansas State Home Mission Board, no irregularities were discovered in our review. Motion passed to retain Ricky Taylor as auditor for the next year.

Moderator James Forlines
David Bishop, Assistant Moderator
Promotional Director David Joslin

David Winfrey, Clerk
Randy Ledbetter, Assistant Clerk

ARKANSAS FREE WILL BAPTISTS COMPARATIVE RECEIPTS

January - December 1996 - 1997

STATE ASSOCIATION

	<u>1997</u>	<u>1996</u>	<u>INCREASE/ DECREASE</u>	<u>%</u>
Christian Supply Store	\$745,840.16	\$651,589.16	\$94,251.00	14.5%
Camp Beaverfork	198,913.70	176,649.75	22,263.95	12.6%
General Fund	78,358.71	74,515.70	3,843.01	5.2%
Operational Fund	34,972.55 ⁽¹⁾	30,300.00	4,672.55	15.4%
State Missions-Designated	155,116.36 ⁽²⁾	169,107.29 ⁽³⁾	(13,990.93)	(8.3)%
SM Property Notes	39,306.44	83,095.68 ⁽⁴⁾	(43,789.24)	(52.7)%
Sunday School Literature	233,578.36	233,066.19	512.17	.2%
State Association Fees	6,640.00	5,625.00	1,015.00	18.0%
National Association Fees	5,325.00	5,375.00	(50.00)	(1.0)%
THE VISION	15,876.58	13,930.63	1,945.95	14.0%
Christian Education Board	19,129.47	17,612.38	1,517.09	8.6%
Stewardship Campaign	-0-	75.00	(75.00)	(100.0)%
Mission Task Force-A.C.T.S. 1:8	3,731.36	3,465.84	265.52	7.7%
Miscellaneous Accounts	13,273.10	19,229.63	(5,956.53)	(31.0)%
TOTALS (5)	\$1,550,061.79	\$1,483,637.25	\$66,424.54	4.5%
A.C.T.S. 1:8	238,434.48⁽⁶⁾	214,709.14⁽⁷⁾	23,725.34	11.0%
COOP (8)	400,651.37	369,950.96	30,700.41	8.3%
HILLSDALE	44,585.68	48,128.92	(3,543.04)	(7.3)%

NOTE 1: Total includes \$8,372.55 from Contingency C.D. for Roof Repair.

NOTE 2: Total includes 21,299.20 from Hot Springs Land Sales.

NOTE 3: Total includes \$1,500 from APPLE Savings and \$5,000 and \$22,907.50 from Hot Springs Land Sales.

NOTE 4: Total includes sale of \$48,867.13 of Texarkana property.

NOTE 5: These totals represent monies receipted through the Arkansas agencies.

NOTE 6: The 1997 total for A.C.T.S. 1:8 is included in the Foreign Missions Total Listed Below EXCEPT December 1997 Receipts of \$18,222.61 is not.

NOTE 7: The 1996 total for A.C.T.S. 1:8 is included in the Foreign Missions Total Listed Below.

NOTE 8: Coop Plan receipts are included in other agencies that receive percentages of Coop.

NATIONAL ASSOCIATION

	<u>1997</u>	<u>1996</u>	<u>INCREASE/ DECREASE</u>	<u>%</u>
Executive Office	\$77,476.95	\$79,959.45	(\$2,482.50)	(3.1)%
Foreign Missions	305,389.51	341,337.19	(35,947.68)	(10.5)%
National Home Missions	177,469.50	198,384.75	(20,915.25)	(10.5)%
FWBBC	63,728.37	51,133.37	12,595.00	24.6%
Bd. of Retirement & Insurance	10,846.75	9,159.00	1,687.75	18.4%
Master's Men	12,081.75	10,734.00	1,347.75	12.6%
WNAC	13,714.93	20,917.64	(7,202.71)	(34.4)%
FWB Foundation	4,648.61	3,925.30	723.31	18.4%
Theological-Integrity Commission	387.38	327.54	59.84	18.3%
Radio & TV Commission	387.38	327.09	60.29	18.3%
Music Commission	387.38	327.09	60.29	18.3%
Historical Commission	387.38	327.09	60.29	18.3%
TOTALS	\$666,905.89	\$716,859.51	(\$49,953.62)	(7)%
GRAND TOTALS (STATE, NATIONAL)	\$2,261,553.36	\$2,248,625.68	\$12,927.68	-0-%

COOPERATIVE PLAN RECEIPTS JANUARY-DECEMBER 1996-97

\$30,700.41 GAIN OVER 1996 - 8.3%

	1996	1997		1996	1997		1996	1997
Allen Chapel, Batesville	10,400.00	14,104.00	Harmony, Russellville	2,497.43	3,022.00	Poplar Valley, Bono	1,151.26	1,925.98
Alma, First	-0-	5.00	Hatfield	824.51	725.46	Ranger, Danville	590.51	584.90
Arbor Grove, Hoxie	1,490.87	2,147.00	Hillview, Bastrop, LA	59.50	-0-	Rogers, First	-0-	300.00
Arkadelphia, First	722.00	752.40	Jacksonville, First	1,624.00	1,630.00	Rolling Oaks, Maumelle	2,650.00	2,774.10
Atkins, First	370.00	-0-	Jonesboro, First	7,483.00	8,835.97	Rose Hill, Monticello	3,219.36	5,092.04
Ballew's Chapel	5,121.00	5,503.00	Kenner Chapel, Rudy	430.24	659.50	Russellville, First	35,649.60	42,339.38
Batesville, First	11,453.66	12,227.00	Kihler, Van Buren	365.06	415.00	Sardis, Quitman	258.41	-0-
Berryville, First	7.00	67.30	Lake Hills, Hot Springs	3,619.05	7,372.94	Shady Grove, Hckett	3,206.92	842.25
Bethel, Little Rock	1,386.00	1,291.00	Locke, Mountainburg	462.00	563.50	Sharon, Vilonia	2,063.24	2,391.11
Blackland Chapel	3,687.00	3,637.50	Lodi, Glenwood	380.84	509.49	Sheridan, First	219.80	156.41
Calvary, Springdale	3,123.70	3,740.88	Macedonia, N. Edinburg	334.38	312.64	South Heights, Searcy	4,405.08	4,341.06
Catcher, Van Buren	570.08	929.54	Malvern, First	1,118.00	876.00	Southside, Fort Smith	2,237.89	1,178.41
Cavanaugh, Ft. Smith	32,767.20	38,929.15	Monticello, First	1,994.40	4,437.89	Spring Hill, Banks	49.00	56.00
Cave City, First	275.00	300.00	Moore, Berryville	903.40	750.60	Star City, First	6,360.89	7,244.49
Center Point, Vilonia	5,248.17	5,134.02	Mt. Bethel, Rose Bud	5,094.11	4,346.77	Sutton, Pocahontas	8,788.83	10,587.84
Central, Central City	2,280.63	3,723.13	Mt. Calvary, Conway	3,103.80	3,244.66	Trinity, Green Forest	1,450.03	476.60
Chapel Lane, Searcy	881.34	1,087.36	Mt. Harmony, Saffel	2,817.33	3,231.00	Trinity, Hamburg	10,771.16	10,886.74
Charleston, First	5,966.42	8,053.20	Mt. Olivet	-0-	58.22	Tuckerman, First	6,921.50	4,591.50
Clifty Chapel, Rogers	458.15	590.57	Mt. Pleasant, Hamburg	56.00	59.50	Union Grove, Atkins	6,714.00	7,753.00
Conway, First	1,634.00	1,263.00	Mt. Vernon, Russellville	2,889.17	4,233.28	United, Walnut Ridge	7,012.38	7,080.65
Corbin Ferry, Louisiana	105.00	140.00	Newport, First	4,536.57	4,548.92	Upper Spring Creek	1,719.34	1,963.77
Cottonwood, OK	452.78	592.92	North Little Rock, First	8,561.00	8,483.00	Victory, Springdale	2,662.04	3,693.68
Crossett, First	4,833.72	6,374.80	Oak Grove, Monticello	993.01	1,232.82	Vista, Van Buren	5,350.01	7,453.29
Daisy, Kirby	2,071.19	2,421.88	Oak Grove, Oak Grove	1,111.58	767.91	Waldron, First	2,518.93	1,967.01
Danville, First	275.00	250.00	Oak Grove, Russellville	2,337.51	2,712.00	Walnut Ridge, First	9,086.86	7,963.95
Dardanelle, First	1,264.00	1,383.00	Oak Lane, Harrison	1,211.15	282.88	Walnut Street, Fort Smith	3,928.83	3,712.24
Dover, First	457.60	-0-	Oak Park, Pine Bluff	5,064.00	5,325.00	Warren, First	5,047.28	5,996.90
Eastgate, Siloam Sprgs	1,315.60	2,114.29	Old Reyno	3,247.21	3,294.68	Welcome Home, Hector	2,908.00	3,252.00
Eastvale, Blytheville	1,956.14	1,690.10	Oliver Springs, Rudy	2,088.59	2,227.26	Wesley Chapel, Quitman	707.94	277.66
Eureka Springs	305.22	195.43	Ozark	4,751.15	6,067.83	West Ridge, Fayetteville	1,800.00	1,800.00
Faith, Jonesboro	3,600.00	3,330.00	Phillip's Chapel, Springdale	14,020.52	11,908.74	Westside, Springdale	2,081.24	1,800.00
Faith, Warren	380.64	453.05	Pine Hill, Star City	734.30	615.30	Willoughby, Warren	144.85	170.70
First, Fort Smith	6,856.09	576.80	Plainview, First	648.00	672.50	Wilson, Belleville	350.00	350.00
Free Hill, Rison	28.00	28.00	Pleasant Grove, Monticello	42.00	28.00	Woodlawn, Russellville	3,382.00	3,702.00
Friendship, Rose Bud	2,284.75	2,806.71	Pleasant Grove, New Hope	212.57	245.37	Wynne, First	916.31	714.52
Glenwood, First	1,774.29	1,719.24	Pleasant Hill, Hackett	2,254.52	-0-	Yorktown	785.96	786.73
Gospel Lighthouse, MO	278.90	209.98	Pleasant Valley, Warren	2,005.18	2,384.88			
Greenwood, First	10,472.00	12,520.62	Pocahontas, First	6,413.29	7,146.08	TOTAL	\$369,950.96	\$400,651.37

ARKANSAS FREE WILL BAPTISTS 1997 Associational Receipts

ASSOC.	COOP	A.C.T.S. 1:8	S.M.	N.H.M.	F.M.	FWBBC	HILLS	MISC.	TOTALS
ANTIOCH	4,233.28	4,334.00	30.85	340.00	135.00	-0-	-0-	1,495.00	10,568.13
<i>Antioch Auxillary</i>		1,244.60							1,244.60
ARKANSAS	-0-	760.00	998.56	450.00	150.00	-0-	-0-	770.00	3,128.56
CENTRAL	61,532.38	64,370.76	27,644.19	7,377.00	21,558.45	17,795.68	2,899.59	595.00	203,773.05
<i>Central Auxillary</i>		1,565.60							1,565.60
FELLOWSHIP	21,824.00	11,009.83	2,812.93	3,357.00	185.00	450.00	200.00	3,649.49	43,488.25
<i>Fellowship Auxillary</i>		1,975.21							1,975.21
HARMONY	3,821.17	6,318.95	1,064.00	130.00	1,391.50	-0-	684.00	400.00	13,809.62
<i>Harmony Auxillary</i>		204.00			60.00				264.00
LMO RIVER	13,746.78	2,803.50	25,150.49	7,363.21	1,478.93	1,904.79	485.00	440.00	53,372.70
<i>L.M.O River Auxillary</i>		205.00							205.00
NEW HOPE	23,629.35	10,778.57	4,992.65	16,037.19	1,410.43	665.00	2,059.20	1,755.68	61,328.07
<i>New Hope Auxillary</i>		786.45							786.45
NORTHWEST	2,808.92	4,127.88	-0-	4,101.00	60.00	-0-	50.00	570.00	11,717.80
OLD MT. ZION	25,948.16	8,287.57	2,266.44	12,228.09	2,960.00	-0-	-0-	1,350.00	53,040.26
<i>Old Mt. Zion Auxillary</i>		180.00							180.00
POLK BAYOU	48,857.44	27,702.19	5,432.51	8,707.40	9,560.33	2,288.60	770.00	1,055.00	104,373.47
<i>Polk Bayou Auxillary</i>		4,652.55							4,652.55
SALINE	46,456.89	23,181.86	2,149.84	5,596.34	1,529.16	2,985.67	1,927.34	1,893.85	85,720.95
<i>Saline Auxillary</i>		2,749.30							2,749.30
SOCIAL BAND	54,002.25	31,642.73	3,630.43	5,771.49	3,522.19	475.40	776.25	2,510.00	102,330.74
<i>Social Band Auxillary</i>		1,447.00							1,447.00
SOUTHEAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	220.00	220.00
UNITY	84,128.06	15,404.27	6,846.03	11,327.05	3,839.70	-0-	14,985.00	3,957.02	140,487.13
<i>Unlty Auxillary</i>		1,486.17							1,486.17
ZION HOPE	6,888.59	3,723.50	100.00	1,365.00	1,090.00	-0-	-0-	750.00	13,917.09
<i>Zion Hope Auxillary</i>		1,545.00			120.00				1,665.00
OTHER	2,774.10	3,847.00	13,904.04	1,686.93	1,261.92	225.00	100.00	2,960.96	26,759.95
<i>State WAC</i>		2,100.99	2,836.10					250.00	5,187.09
TOTALS	\$400,651.37	\$238,434.48	\$99,859.06	\$85,837.70	\$50,312.61	\$26,790.14	\$24,936.38	24,622.00	\$928,035.77
<i>Total Woman's Auxillary</i>		\$20,141.87	\$2,836.10		\$180.00				\$23,407.97

RICKY J. TAYLOR, C.P.A., P.A.

P. O. Box 2851 • RUSSELLVILLE, AR 72801 • (501) 967-4439 • FAX: (501) 967-2481

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Arkansas State Association of Free Will Baptists, Inc.

I have audited the accompanying statements of financial position of Arkansas State Association of Free Will Baptists, Inc. (a nonprofit Corporation) as of December 31, 1997 and 1996, and the related statements of activities, and cash flows for the years then ended. The financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

The Organization has elected to record the values of land and buildings, specifically the state offices at Conway, Arkansas, at the current appraised values. Generally accepted accounting principles require that operational assets be valued at actual cost less appropriate adjustments for depreciation and substantial decreases for obsolescence. Due to limited records and the extensive use of donations relating to the establishment of the above mentioned property, it was not practical for me to extend my examination of such records beyond the amounts recorded.

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the actual cash and donations records referred to in the preceding paragraph been susceptible to satisfactory audit tests, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Arkansas State Association of Free Will Baptists, Inc. as of December 31, 1997 and 1996 and its results of operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Ricky J. Taylor CPA, PA.

Russellville, Arkansas
June 18, 1998

Member of:
American Institute of Certified Public Accountants
Arkansas Society of Certified Public Accountants
Oklahoma Society of Certified Public Accountants

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 1997 AND 1996

ASSETS

ASSETS:	<u>1997</u>	<u>1996</u>
Cash	\$ 95,963	\$ 73,375
Accounts Receivable	135	771
Inventory	1,066	675
Property, Plant & Equipment		
Less Accumulated Depreciation	<u>382,442</u>	<u>422,278</u>
Total Assets	\$ <u>497,606</u>	\$ <u>497,099</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts Payable	\$ 5,074	\$ 4,083
Designated Contributions Payable	47,866	36,503
Sales Tax Payable	81	35
Payroll Taxes Payable	996	828
Notes Payable	<u>9,537</u>	<u>22,827</u>
Total Liabilities	<u>63,554</u>	<u>64,276</u>
NET ASSETS:		
Unrestricted	414,752	431,598
Permanently Restricted	<u>1,300</u>	<u>1,225</u>
Total Net Assets	<u>416,052</u>	<u>432,823</u>
Total Liabilities and Net Assets	\$ <u>479,606</u>	\$ <u>497,099</u>

The Accompanying Notes Are an Integral Part of These Financial Statements.

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997			1996
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE:				
Designated contributions	\$	\$	\$ 451,965	\$ 451,965
Cooperative contributions	400,651			400,651
Sunday School literature sales	230,442			230,442
Vision sales & advertising	8,339			8,339
National convention fees	5,400			5,400
State convention fees	6,640			6,640
Rent income	23,750			23,750
Debt retirement income	2,850			2,850
Interest income	2,401			2,401
State Cooperative income			108,682	108,682
Other income	2,400		90	2,490
Net assets released from restrictions:				
Restrictions satisfied by payments	560,662		<560,662>	
Total Revenue	1,243,535		75	1,234,610
EXPENSES:				
Designated contributions	451,965			451,965
Cooperative contributions	400,651			400,651
Cost of sales - S.S. literature	157,931			157,931
National & State convention	9,470			9,470
Interest expense	1,349			1,349
Sales tax	12,889			12,889
Property taxes	910			910
Payroll taxes	3,366			3,366
Health insurance	5,883			5,883
Property insurance	2,148			2,148
Workmen's comp insurance	185			185
Utilities	6,065			6,065
Janitor	869			869
Supplies	1,037			1,037
Miscellaneous	7,283			7,283
Salary, housing, retirement, insurance & social security	59,905			59,905
Board mileage & meals	4,046			4,046
Auto & travel expense	3,622			3,622
Repairs & maintenance	790			790
Telephone	3,103			3,103
Postage & printing	13,594			13,594

The Accompanying Notes Are an Integral Part of These Financial Statements.

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTIST, INC.
STATEMENTS OF ACTIVITIES - (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997			1996
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
EXPENSES: (CONTINUED)				
Computer expense	\$ 482	\$	\$	\$ 1,345
Secretary salaries	39,218			37,513
Stockroom expense	1,492			2,686
Professional fees	2,550			2,400
Retreat expense	8,495			7,538
Rent	9,900			11,700
National Association expense	1,612			1,843
Depreciation	7,231			7,144
Total Expenses	1,218,041			1,204,492
Increase <Decrease> in net assets	25,494		75	14,331
Increase <Decrease> in appraised value of building	<42,340>			0
Net assets-Beginning of Year as restated	431,598		1,225	418,492
Net assets-End of Year	\$ 414,752	\$	\$ 1,300	\$ 432,823

The Accompanying Notes Are an Integral Part of These Financial Statements.

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>1997</u>	<u>1996</u>
Increase in net assets	\$ 25,569	\$ 14,331
Adjustments to reconcile net revenues over expenditures to net cash provided by operating activities:		
Depreciation	7,231	7,144
<Increase> decrease in:		
Accounts receivable	636	1,569
Inventory	<391>	1,100
Increase <decrease> in:		
Accounts payable	991	1,114
Payroll taxes payable	168	<70>
Sales tax payable	46	9
Designated contributions payable	<u>11,363</u>	<u><15,665></u>
Net Cash Provided by Operating Activities	45,613	9,532
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property & equipment	<u><9,735></u>	<u><3,560></u>
Net Cash Used by Investing Activities	<9,735>	<3,560>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	<u><13,290></u>	<u><16,559></u>
Net Cash Provided by Financing Activities	<u><13,290></u>	<u><16,559></u>
Net Increase <Decrease> in Cash	22,588	<10,587>
Cash at Beginning of Year	<u>73,375</u>	<u>83,962</u>
Cash at End of Year	\$ <u>95,963</u>	\$ <u>73,375</u>
SUPPLEMENTAL DISCLOSURES		
Cash Paid During the Year for Interest	\$ <u>1,349</u>	\$ <u>2,672</u>

The Accompanying Notes Are an Integral Part of These Financial Statements.

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1997 AND 1996

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Arkansas State Association of Free Will Baptists, Inc. is a nonprofit corporation organized to provide central leadership and representation for Free Will Baptists of Arkansas and to handle certain receipts and disbursements of Free Will Baptist Churches. The corporation's support comes primarily from COOP receipts and Sunday School literature sales.

The Corporation is exempt from federal income tax under section 501 (c) (3) of the Internal Revenue Service.

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

Basis of Accounting

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

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.

Contributions

The Corporation accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Corporation has no temporarily restricted net assets.

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 1997 AND 1996

Property and Equipment and Depreciation

Auto, office furniture and equipment and building improvements are recorded at cost. Depreciation is computed using the straight-line method based on the estimated useful lives of the related assets. Expenditures for repairs and maintenance are charged to operations when incurred, while major betterments and renewals are capitalized. The following useful lives were used to calculate depreciation:

Auto	4 years
Office furniture & equipment	5 years
Building improvements	10 - 25 years

Cash Equivalents

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

Inventory

Inventory is stated at the lower of cost (first in, first out method) or market.

NOTE 2 - PROPERTY & EQUIPMENT

A summary of property is as follows:

	<u>1997</u>		<u>1996</u>
Auto	\$ 23,342	\$	23,342
Office Furniture & Equipment	31,458		31,458
Building Improvements	<u>22,522</u>		<u>12,787</u>
	77,322		67,587
Less Accumulated Depreciation	<u>49,880</u>		<u>42,649</u>
	27,442		24,938
Land and Building	<u>355,000</u>		<u>397,340</u>
Total Property and Equipment	\$ <u>382,442</u>	\$	<u>422,278</u>

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 1997 AND 1996

NOTE 3 - COOPERATIVE CONTRIBUTIONS AND EXPENDITURES

The Corporation receives contributions to be cooperatively allocated among board approved organizations. The percentage allocation of Cooperative Contributions for the years ended December 31, 1997 and 1996 was as follows:

	<u>1997</u>	<u>1996</u>
State General Fund	21%	21.5%
State CTS Board	17.5%	17.5%
State Missions Board	17%	17%
Christian Education Board	4%	4%
THE VISION	2%	2%
National Association	37.5%	37%
Mission Task Force	<u>1%</u>	<u>1%</u>
 TOTAL	 100%	 100%

NOTE 4 - DESIGNATED CONTRIBUTIONS PAYABLE

The Corporation receives designated contributions from churches and individuals that are to be forwarded to the appropriate organization or individual. The Corporation is to remit these contributions in the following month after collection.

NOTE 5 - RELATED PARTY TRANSACTIONS

Christian Supply Store, Inc. (a nonprofit Corporation, owned by the Free Will Baptists of Arkansas) rented its facilities from Arkansas State Association of Free Will Baptists, Inc., and contributed to a debt retirement fund. Total monies received from Christian Supply Store, Inc. for rent income and debt retirement income is as follows:

	<u>Rent</u>	<u>Debt Retirement</u>
1997	\$ 8,550	\$ 2,850
1996	\$ 11,700	\$ 2,700

NOTE 6 - CONTINGENCY FUND

Arkansas State Association of Free Will Baptists, Inc. makes periodic payments to a contingency fund to be used in case of an emergency at the discretion of the executive board. Contributions to the fund for the years ended 1997 and 1996 are \$ 2,054 and \$ 1,532. This amount is included in Cash and Cash Equivalents on the Statement of Financial Position.

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 1997 AND 1996

NOTE 7 - RESTRICTIONS ON NET ASSETS

Permanently restricted net assets are available for the following purposes:

	<u>1997</u>	<u>1996</u>
Ministers Benevolent Fund	\$ <u>1,300</u>	\$ <u>1,225</u>

These net assets are restricted due to donor restrictions.

NOTE 8 - NOTES PAYABLE

	<u>1997</u>	<u>1996</u>
Note payable - Mercantile Bank, Conway, Arkansas, requires monthly installments of \$ 462, including principal and interest at an annual percentage rate of 8.5%. Note secured by real estate.	\$ 9,537	\$ 18,220
Note payable - GMAC requires monthly installments of \$ 531, including principal and interest at an annual percentage rate of 9.0%. Note secured by an auto.	<u>0</u>	<u>4,607</u>
Total Debt	\$ <u>9,537</u>	\$ <u>22,827</u>

Scheduled minimum maturities of debt over the five years subsequent to December 31, 1997, are as follows:

1998	\$ 4,922
1999	<u>4,615</u>
	\$ <u>9,537</u>

NOTE 9 - CONCENTRATION OF CREDIT RISK

The Corporation maintains cash deposits at a financial institution located in the United States. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$ 100,000. At December 31, 1997, \$ 38,096 of the Corporation's deposits were uninsured.

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 1997 AND 1996

NOTE 10 - CHANGE FOR NEW PRONOUNCEMENTS

The Corporation elected to adopt SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, in 1996. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. As permitted by SFAS No. 116, the Corporation has retroactively applied the provisions of this new Statement by restating net assets as of December 31, 1995. Under SFAS No. 116, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction or compliance with the purpose restriction.

In 1996, the Corporation also elected to adopt SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by this new Statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statement to present the three classes of net assets required. This reclassification had no effect on the change in net assets for 1996.

RICKY J. TAYLOR, C.P.A., P.A.

P. O. Box 2851 • RUSSELLVILLE, AR 72801 • (501) 967-4439 • FAX: (501) 967-2481

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

To The Board of Directors
Arkansas State Association of Free Will Baptists, Inc.

My report on the audit of the basic financial statements of Arkansas State Association of Free Will Baptists, Inc. for 1997 and 1996 appears on page 8. The audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The statements of cash receipts and disbursements (cash basis) and Bank balance is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ricky J Taylor CPA PA

Russellville, Arkansas
June 18, 1998

Member of:
American Institute of Certified Public Accountants
Arkansas Society of Certified Public Accountants
Oklahoma Society of Certified Public Accountants

GENERAL FUND
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$ 2,460.75	\$ 3,130.11
Receipts:		
First Quarter	\$18,760.16	\$18,793.99
Second Quarter	17,018.05	16,694.56
Third Quarter	19,235.54	14,548.40
Fourth Quarter	23,344.96	24,478.75
Total Receipts	\$78,358.71	\$74,515.70
Disbursements:		
Salary	\$23,715.00	\$22,525.00
Housing	13,200.00	13,980.00
Social Security	6,860.53	6,478.02
Retirement	8,420.00	7,240.00
Health & Life Insurance	7,709.16	7,179.86
Board Mileage & Meals	1,609.81	904.08
All Board's Meeting	104.92	-0-
Africa Trip - Joslin	-0-	1,000.00
Car & Travel	4,389.01	5,197.11
Car Payment	4,780.71	3,187.14
Office Supplies	153.28	338.69
Phone	895.37	921.94
Phone - WATTS	902.28	1,333.91
Postage	444.25	660.69
Printing	35.78	201.30
Computer	-0-	450.00
Audit	1,200.00	1,050.00
Workman's Compensation Insurance	92.84	-0-
Miscellaneous	2,235.96	2,291.32
Centennial Committee	391.14	171.00
State & National Fees Shortage	75.00	75.00
Total Disbursements	\$77,215.04	\$75,185.06
Ending Balance, December 31	\$ 3,604.42	\$ 2,460.75

CONTINGENCY FUND
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	-0-	-0-
Receipts:		
Interest From Checking Account	\$1,941.06	\$1,489.67
Disbursements:		
First Financial Bank - Contingency Savings	\$1,941.06	\$1,489.67
Ending Balance, December 31	-0-	-0-

See Accountants' Report on Supplementary Information

OPERATIONAL FUND
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$ 3,514.16	\$ 5,063.62
Receipts:		
First Quarter	6,300.00	6,600.00
Second Quarter	6,300.00	6,600.00
Third Quarter	6,300.00	6,600.00
Fourth Quarter	7,700.00	10,500.00
Transfer from CD to Checking	8,372.55	-0-
Total Receipts	\$34,972.55	\$30,300.00
Disbursements:		
Property Payment-Principal	\$ 4,213.24	\$ 6,179.47
Property Payment-Principal	1,620.00	2,000.00
Property Payment-Principal-Bookstore	2,850.00	2,700.00
Property Payment-Interest	1,174.52	1,976.99
Property Insurance	2,147.75	2,413.00
Property Taxes	910.44	910.44
Building Repairs & Maintenance	10,224.70	7,068.32
Pest & Dust Control	386.00	415.00
Arkla Gas	1,056.21	1,247.40
Conway Corporation	4,731.70	4,849.18
Janitor	842.74	820.00
Lawn Maintenance	300.00	330.00
Supplies	69.46	112.53
Audit	330.00	330.00
Miscellaneous	1,722.17	497.13
Total Disbursements	\$32,578.93	\$31,849.46
Ending Balance, December 31	\$ 5,907.78	\$ 3,514.16

MINISTER'S BENEVOLENT FUND
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	-0-	\$ 51.97
Receipts:		
Minister Contributions-49	\$90.00	\$1,330.00
Transfer from Savings	-0-	975.00
Transfer from Savings	-0-	15.83
Disbursements:		
Beneficiary of Herman Lewis	-0-	\$ 975.00
Printing and Postage	-0-	147.80
Total Disbursements	-0-	\$1,122.80
Transfer to Savings	75.00	\$1,250.00
Ending Balance, December 31	\$15.00	-0-

See Accountants' Report on Supplementary Information

SUNDAY SCHOOL LITERATURE
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$ 68.98	\$ 2,202.55
Receipts:		
First Quarter	\$ 58,003.25	\$ 56,123.05
Second Quarter	57,932.72	57,542.88
Third Quarter	57,813.89	58,706.77
Fourth Quarter	59,653.43	60,693.49
Total Receipts	\$233,403.29	\$233,066.19
Disbursements:		
Literature for Resale	\$146,781.84	\$146,633.55
Literature for Resale (Book Store & Other)	962.47	584.42
Incoming Freight	1,398.45	1,324.71
Postage-Outgoing	6,876.66	6,690.13
Stock-Room Salaries	1,649.70	1,549.64
Secretaries Salaries	30,374.78	29,404.16
Workman's Comp. Insurance	92.95	160.87
Health & Life Insurance	5,838.04	5,253.04
Phone-WATTS	887.32	1,105.11
Operational Fund	9,900.00	11,700.00
Supplies	733.07	513.62
Miscellaneous	2,372.12	2,595.40
Audit	330.00	330.00
Car Payment	-0-	3,187.14
Sales Tax	12,843.00	12,683.00
Payroll Tax - FICA & FWH	10,436.23	9,825.39
Payroll Tax - State Withholding	1,540.13	1,426.75
State Unemployment	86.60	109.79
FUTA	121.02	123.04
Total Disbursements	\$233,224.38	\$235,199.76
Ending Balance, December 31	\$ 247.89	\$ 68.98

STATE YOUTH BOARD
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$ 5,072.00	\$ 5,009.94
Receipts:		
Coop	65,298.92	62,898.05
Churches, Associations, & Individuals	5,700.00	2,756.27
Dividend	-0-	1,500.00
Total Receipts	\$70,998.92	\$67,154.32
Disbursements:		
Camp Beaverfork	\$69,154.47	\$66,729.94
Board Meals & Mileage	-0-	116.39
Postage	-0-	112.84
Office Supplies	-0-	33.89
Miscellaneous	-0-	99.20
Total Disbursements	\$69,154.47	\$67,092.26
Ending Balance, December 31	\$ 6,916.45	\$ 5,072.00

See Accountants' Report on Supplementary Information

STATE MISSIONS
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	-0-	-0-
Receipts:		
Coop	\$63,433.24	\$58,919.38
Wynne Mortgage Pay-Off	-0-	118.00
Maumelle - Levan Hubbard	5,341.41	12,808.75
Rolling Oaks, Maumelle - Mission Possible	-0-	1,010.00
Maumelle - Kerry Gandy	2,779.45	-0-
Hot Springs - Don Guthrie	8,365.74	10,324.60
Hot Springs - Building Fund (Dividend)	-0-	1,000.00
Total Receipts	\$79,919.84	\$84,180.73
Disbursements:		
General Fund to State Missions	\$63,433.24	\$58,919.38
Wynne Mortgage Pay-Off	-0-	118.00
Maumelle - Levan Hubbard	5,341.41	12,808.75
Rolling Oaks, Maumelle - Mission Possible	-0-	1,010.00
Maumelle - Kerry Gandy	2,779.45	-0-
Hot Springs - Don Guthrie	8,365.74	10,324.60
Hot Springs - Building Fund	-0-	1,000.00
Total Disbursements	\$79,919.84	\$84,180.73
Ending Balance, December 31	-0-	-0-

NOTE: All monies received for State Home Missions that was included with other designated contributions to Arkansas Free Will Baptists were channeled through these accounts and then paid directly to the banking account of State Home Missions.

STATE ASSOCIATION FEES
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$ 97.07	-0-
Receipts:	\$6,390.00	\$5,625.00
Disbursements:	\$5,188.43	\$5,527.93
Ending Balance, December 31	\$1,298.64	\$ 97.07

NATIONAL ASSOCIATION FEES
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$5,450.00	\$5,450.00
Receipts:	\$5,400.00	\$5,450.00
Disbursements:	\$5,450.00	\$5,450.00
Ending Balance, December 31	\$5,400.00	\$5,450.00

See Accountants' Report on Supplementary Information

THE VISION
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$ 1,946.04	\$ 1,152.29
Receipts:		
First Quarter	4,395.99	3,859.52
Second Quarter	3,467.06	2,832.40
Third Quarter	4,588.70	4,106.78
Fourth Quarter	3,424.83	3,131.93
Total Receipts	\$15,876.58	\$13,930.63
Disbursements:		
Printing	\$ 6,106.12	\$ 6,413.39
Postage	6,070.36	5,917.25
Supplies	173.76	126.24
Computer	-0-	450.00
Audit	230.00	230.00
Miscellaneous	143.47	-0-
Total Disbursements	\$12,723.71	\$13,136.88
Ending Balance, December 31	\$ 5,098.91	\$ 1,946.04

CHRISTIAN EDUCATION BOARD
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$11,306.00	\$ 5,424.18
Plus Transfer from Sunday School Board		1,679.41
Receipts:		
Coop	\$14,925.47	\$13,863.38
Minister's Retreat	3,313.00	3,033.00
Minister's Retreat Tape Sales	486.00	195.00
State Association Conference Tape Sales	-0-	49.00
Trail Blazer's Retreat	366.00	439.00
Trail Blazer's Retreat Tape Sales	39.00	33.00
Total Receipts	\$19,129.47	\$17,612.38
Disbursements:		
Minister's Retreat	\$ 6,700.56	\$ 5,472.20
Trail Blazer's Retreat	1,522.19	2,065.77
Sunday School Campaign	227.90	427.18
State Association Seminar	-0-	658.32
Board Mileage & Meals	1,455.75	1,531.54
Printing & Postage	759.71	892.42
Secretarial	600.00	600.00
Computer	-0-	360.00
Audit	460.00	460.00
Phone	257.04	124.20
Video Rentals	43.85	81.51
Tape Supplies	-0-	338.25
Miscellaneous	330.81	398.58
Total Disbursements	\$12,357.81	\$13,409.97
Ending Balance, December 31	\$18,077.66	\$11,306.00

See Accountants' Report on Supplementary Information

OFFICE EQUIPMENT FUND
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$4,126.47	\$3,744.57
Receipts:		
General Fund	-0-	\$ 450.00
State Missions	-0-	450.00
Christian Education Board	-0-	360.00
Sunday School Board	-0-	-0-
THE VISION	-0-	450.00
Total Receipts	-0-	\$1,710.00
Disbursements:		
Supplies & Repairs	\$ 499.04	\$ 559.79
Typewriter and Computer Updates	0-0	768.31
Total Disbursements	\$ 499.04	\$1,328.10
Ending Balance, December 31	\$3,627.43	\$4,126.47

BOARD OF RETIREMENT-PASTOR'S RETIREMENT
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$ 501.44	\$ 625.39
Receipts:		
21 Pastors Participating	\$6,344.95	\$5,541.58
Disbursements:		
Board of Retirement	\$6,279.29	\$5,665.53
Ending Balance, December 31	\$ 567.10	\$ 501.44

F.W.B.B.C.
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$ 1,876.13	\$ 1,728.83
Receipts:	\$26,790.14	\$25,105.62
Disbursements:	\$25,183.04	\$24,958.32
Ending Balance, December 31	\$ 3,483.23	\$ 1,876.13

HILLSDALE
Statement of Cash Receipts and Disbursements
For The Years Ending Decmeber 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$ 1,006.00	\$ 385.41
Receipts:	\$24,936.38	\$14,585.18
Disbursements:	\$24,741.01	\$13,964.59
Ending Balance, December 31	\$1,201.37	\$ 1,006.00

See Accountants' Report on Supplementary Information

NATIONAL HOME MISSIONS
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$ 6,378.96	\$ 11,388.25
Receipts:		
General Fund	9,066.67	6,609.30
Build a Church	423.18	511.64
Clay, Chris	1,462.50	-0-
Collins, Larry	-0-	55.00
Criswell, Mike	43.14	61.72
Doggett, Ken	1,553.00	1,912.50
Donoho, Cliff	40.00	-0-
Gwartney, Howard, Jr.	90.00	330.00
Harvey, George	9,074.67	12,240.86
Highway Helpers	386.00	414.00
Hubbard, Levan	-0-	5.00
Hunt, Tom	100.00	120.00
Johnson, Russell	4,887.27	5,786.41
Jones, Tommy	8,568.84	11,616.55
Lewis, Bob	2,865.00	3,070.00
Maness, Vergel	81.00	81.00
Maynard, Pete	-0-	25.00
Mertz, Jim	60.00	60.00
Mexico - Seminary - President's Home	1,857.88	-0-
Mexico - Seminary of the Cross	1,330.12	-0-
Mexico Missions	1,747.54	15,890.00
Munsey, James	260.00	40.00
Parker, Ron	7,151.18	5,705.67
Phillips, Bill	4,685.05	2,418.16
Potete, David	1,033.00	860.00
Puerto Rico, NYC Project	104.44	400.00
Rayburn, Jerry	1,540.00	-0-
Reynolds, Larry	120.00	120.00
Richards, Norman	22,219.35	27,996.94
Sloan, Jeff	110.00	40.00
Smith, Darrell	2,441.87	2,862.69
Smith, John	2,050.00	1,269.00
Thomas, Mark	-0-	20.00
Trimble, Bob	15.00	20.00
Vandivort, Mark	110.00	130.00
Wright, Russell	361.00	65.00
Total Receipts	\$85,837.70	\$100,736.44
Total Disbursements	\$85,944.40	\$105,745.73
Ending Balance, December 31	\$ 6,272.26	\$ 6,378.96

A.C.T.S. 1:8

Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Receipts:		
Aycock, Bobby	12,241.65	\$ 13,497.45
Bishop, Dale	34,112.41	37,467.00
Bowerman, Ed	46,427.87	47,750.84
Bunch, Stan	27,117.18	26,556.59
Deeds, Earnie	25,519.99	21,344.24
McDonald, Don	19,521.57	20,245.72
Vanhook, Patsy	53,468.86	38,448.26
Walker, Terry	20,024.95	9,399.04
Total Receipts	\$238,434.48	\$214,709.14

See Accountants' Report on Supplementary Information

FOREIGN MISSIONS
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$ 3,587.94	\$ 7,496.38
Receipts:		
General Fund	1,670.00	1,547.87
Aycock, Bobby	600.00	1,318.99
Aycock, David	130.64	-0-
Bailey, Ken	240.00	435.00
Barnard, Laura	1,584.25	2,158.12
Bishop, Dale	160.00	1,090.52
Bowerman, Ed	547.31	1,149.45
Bryan, Robert	475.00	1,975.00
Bunch, Stan	637.51	2,529.97
Calloway, Ron	47.31	-0-
Combs, Jim	675.00	770.00
Cousineau, Mike	1,480.00	1,485.00
Cowart, Jim	-0-	20.00
Crosby, Dwain	60.00	160.00
Cuba Mission	600.00	-0-
Deeds, Earnie	564.16	958.02
Eagleton, Ken	60.00	55.00
Edgmon, Anthony	1,320.34	-0-
Ellison, Walter	15.00	15.00
Forlines, Leroy	-0-	432.00
Franks, Dave, Jr.	424.00	703.00
Gainer, Mirial	50.00	90.00
Gentuso, Paul	1,090.00	975.00
Gibbs, Jerry	6,929.85	5,208.50
Hanna, Carlisle	435.00	606.33
Harrison, Ginger	1,933.00	-0-
Holland, Curt	483.71	6,290.86
Holland, Ernest	1,460.00	835.00
Ivory Coast Hospital	535.00	826.92
Ivory Coast Bible Institute	1,200.00	1,466.93
Lancaster, Jamie	130.64	-0-
Lytle, Steve	87.32	30.00
Malone, Sarah	325.00	25.00
Martens, Jalayn	1,320.00	1,334.00
Maxwell, Jeremy	-0-	383.50
McDonald, Donnie	1,425.22	1,266.58
McVay, Sam	2,702.85	220.00
Midgett, Lynn	250.00	235.00
Morgan, Clint	1,815.00	1,510.00
Nichols, Darrell	6,794.35	7,102.60
Osborne, Bethany	-0-	2,424.50
Owen, Dennis	180.00	5,205.00
Richards Project - Africa	1,027.77	1,031.00
Riggs, Steve	300.00	300.00
Russia, C.I.S. (Church Planting)	731.46	619.68
Russia - Kurgan	4,832.27	1,000.00
Russian Tranlations - Forlines	-0-	188.50
Sturgill, Jim	-0-	5,002.00
Tallent, Charolette	-0-	5,705.00
Tolbert, Tina	-0-	70.00
Turnbough, Jeff	575.00	495.00
Vanhook, Patsy	1,798.45	2,745.29
Vision Celebration	285.00	300.00
West, Robert	225.20	231.90
Willey, Mabel	100.00	-0-
Total Receipts	\$50,312.61	\$70,527.03
Total Disbursements	\$49,352.65	\$74,435.47
Ending Balance, December 31	\$ 4,547.90	\$ 3,587.94

See Accountants' Report on Supplementary Information

"A MILLION MORE BY 94"
Statement of Cash Receipts and Disbursements
For The Years Ending Decemer 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	-0-	-0-
Receipts:	-0-	\$75.00
Disbursements:	-0-	\$75.00
Ending Balance, December 31	-0-	-0-

NATIONAL ASSOCIATION
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$ 12,120.91	\$ 11,365.66
Receipts:		
Coop	139,926.30	128,236.28
Designated	21,198.54	17,824.80
Total Receipts	\$161,124.84	\$146,061.08
Disbursements:		
National Association of Free Will Baptists	\$154,819.88	\$145,305.83
Ending Balance, December 31	\$ 18,425.87	\$ 12,120.91

MISCELLANEOUS ACCOUNTS
Statement of Cash Receipts and Disbursements
For The Year Ending December 31, 1997

	<u>Beg. Bal</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u>
Randall House-Spanish Literature	10.00	50.00	60.00	-0-
FWB Family Ministries, Tennessee	500.00	2,779.83	2,327.69	952.14
Women Nationally Active for Christ	-0-	25.00	25.00	-0-
Christian Civic Foundation	-0-	175.00	175.00	-0-
California Christian College	-0-	200.00	200.00	-0-
Southeastern College	-0-	200.00	200.00	-0-
Mark Elliott, Louisiana	-0-	3,088.32	2,988.32	100.00
Fred Warner-Africa Trip	-0-	200.00	200.00	-0-
Wynne, First	-0-	120.00	120.00	-0-
TOTALS	\$510.00	\$6,838.15	\$6,296.01	\$1,052.14

See Accountants' Report on Supplementary Information

FUND BALANCES
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Operational Fund	\$ 5,907.78	\$ 3,514.16
State Association Fees	1,298.64	97.07
National Association Fees	5,400.00	5,450.00
General Fund	3,604.42	2,460.75
Mission Task Force-A.C.T.S. 1:8	4,771.26	2,007.52
State CTS	6,916.45	5,072.00
Sunday School Literature	247.89	68.98
Christian Education Board	18,077.66	11,306.00
National Association (Coop)	18,425.87	12,120.91
National Home Missions	6,272.26	6,378.96
Foreign Missions	4,547.90	3,587.94
F.W.B.B.C.	3,483.23	1,876.13
Hillsdale	1,201.37	1,006.00
THE VISION	5,098.91	1,946.04
Board of Retirement	567.10	501.44
Computer Fund	3,627.43	4,126.47
Minister's Benevolent Fund	15.00	-0-
FWB Family Ministries, Tennessee	952.14	500.00
Mark Elliott, Louisiana	100.00	-0-
Spanish Literature-Randall House	-0-	10.00
Ending Balance, December 31	\$90,515.31	\$62,030.37

BANK BALANCE
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$ 62,030.37	\$ 74,616.63
Transfer from Minister's Benevolent Savings	-0-	990.83
Receipts:	1,145,231.55	1,129,956.80
Transfer from CD to Checking	8,372.55	-0-s
Disbursements:	1,125,119.16	1,143,533.89
Ending Balance, December 31	\$ 90,515.31	\$ 62,030.37

CONTINGENCY FUND SAVINGS
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$ 1,858.09	\$8,202.21
Receipts:		
Checking Account Interest	\$1,941.06	\$1,489.61
Savings Interest	113.14	41.95
Total Receipts	\$2,054.20	\$1,531.56
Plus Transfer from C.D. to Savings	\$5,129.64	5,124.32
Less Transfer to Contingency Checking	\$5,129.64	13,000.00
Ending Balance, December 31	\$3,912.29	\$1,858.09

See Accountants' Report on Supplementary Information

MINISTERS BENEVOLENT SAVINGS
Statement of Cash Receipts and Disbursements
For The Years Ending 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$1,318.93	\$1,043.30
Receipts:		
Interest	\$ 41.67	\$ 16.46
Minister Contributions	-0-	1,250.00
Total Receipts	\$ 41.67	\$1,266.46
Less Transfer to Checking	-0-	975.00
Less Transfer to Checking	-0-	15.83
Ending Balance December 31	\$1,435.60	\$1,318.93

CERTIFICATE OF DEPOSITS
For The Years Ending 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$3,067.50	-0-
Plus Transfer from Savings to C.D.	-0-	\$3,000.00
Interest Earned	175.41	67.50
Less Transfer to Operational Fund	3,242.91	-0-
Ending Balance, December 31	-0-	\$3,067.50
Beginning Balance, January 1	\$5,000.00	-0-
Plus Transfer from Savings to C.D.	-0-	\$5,000.00
Interest Earned	129.64	124.32
Less Transfer from C.D. to Savings	-0-	5,124.32
Less Transfer from C.D. to Operational Fund	5,129.64	-0-
Plus Transfer from Savings to C.D.	-0-	5,000.00
Ending Balance, December 31	-0-	\$5,000.00

See Accountants' Report on Supplementary Information

GENERAL FUND BUDGET
January - December 1999

Receipts:

Coop Plan (22% of \$400,000.00)	\$88,000.00	\$88,000.00
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Disbursements:

Salary (\$530 per week)	\$27,560.00
Housing (\$1,100 per month)	13,200.00
Retirement (\$795 per month)	9,540.00
Social Security	7,800.00
Health Insurance	6,510.00
Life Insurance	1,200.00
Board Meals & Mileage	2,000.00
Travel and Auto	4,000.00
Phone	3,800.00
Audit	2,000.00
Office Supplies/Postage/Printing	800.00
Auto Payments	6,000.00
Auto Insurance	1,200.00
Repairs	1,000.00
Miscellaneous	1,390.00

Total Disbursements	\$88,000.00	\$88,000.00
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THE VISION BUDGET
January - December 1999

Receipts:

Cooperative Plan (2% of \$400,000.00)	\$8,000.00
Subscriptions (3,000 @ 3.00 each)	9,000.00
Advertisement	200.00

Total Receipts	\$17,200.00	\$17,200.00
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Disbursements:

Printing	\$ 7,300.00
Postage	6,300.00
Supplies	1,000.00
Writer's Fees	300.00
Computer Fund	900.00
Audit	500.00
Miscellaneous	900.00

Total Disbursements	\$17,200.00	\$17,200.00
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CONTINGENCY FUND BUDGET
January - December 1999

Receipts:

Interest on Checking Account (\$150.00 per month)	\$1,800.00
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Total Receipts	\$1,800.00	\$1,800.00
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SUNDAY SCHOOL LITERATURE BUDGET
January - December 1999

Receipts:

Sales	\$236,000.00	\$236,000.00
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Disbursements:

Literature for Resale	\$151,000.00
Literature for Resale - Book Store	1,000.00
Postage-RPS	7,500.00
Incoming Freight	1,800.00
Secretaries' Salaries	33,500.00
Stockroom Salaries	1,800.00
Retirement	1,500.00
Hospitalization Insurance	6,500.00
Payroll Taxes	12,800.00
Sales Tax	13,600.00
Phone	1,200.00
Supplies	800.00
Audit	1,000.00
Miscellaneous	2,000.00

Total Disbursements	\$236,000.00	\$236,000.00
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OPERATIONAL FUND BUDGET
January - December 1999

Receipts:

Rental	\$28,000.00
Rental/Utilities	3,500.00

Total Receipts	\$31,500.00	\$31,500.00
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Disbursements:

Property Payments	\$ 7,200.00
Pest & Dust Control	500.00
Utilities	7,000.00
Janitor and Yard	1,300.00
Property Insurance	2,600.00
Property Taxes	1,400.00
Supplies	1,200.00
Repairs and Maintenance	1,500.00
Audit	2,000.00
Miscellaneous	1,200.00
Savings/Improvements	5,600.00

Total Disbursements	\$31,500.00	\$31,500.00
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RICKY J. TAYLOR, C.P.A., P.A.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Christian Supply Store, Inc.

I have audited the accompanying balance sheets of Christian Supply Store, Inc. (a nonprofit corporation) as of December 31, 1997 and 1996, and the related statements of revenue and expenses, and statement of cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Christian Supply Store, Inc. as of December 31, 1997 and 1996 and its results of the operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Ricky J Taylor CPA, PA.

Russellville, Arkansas
May 21, 1998

Member of
American Institute of Certified Public Accountants
Arkansas Society of Certified Public Accountants
Oklahoma Society of Certified Public Accountants

CHRISTIAN SUPPLY STORE, INC.
BALANCE SHEETS
DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
CURRENT ASSETS:		
Cash on hand	\$ 100	\$ 100
Cash in bank	50,817	18,778
Cash-contingency fund	302	2,141
Accounts receivable	15,993	15,858
Inventory	229,788	218,081
	<hr/>	<hr/>
Total Current Assets	297,000	254,958
FIXED ASSETS:		
Auto	14,159	14,159
Equipment	41,500	29,463
Leasehold Improvements	0	3,229
Less: Accumulated Depreciation	<39,123>	<36,532>
	<hr/>	<hr/>
Total Fixed Assets	16,536	10,319
	<hr/>	<hr/>
TOTAL ASSETS	\$ <u>313,536</u>	\$ <u>265,277</u>
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES:		
Accounts payable	\$ 29,157	\$ 26,155
Payroll taxes payable	2,321	1,884
Sales tax payable	7,467	5,855
	<hr/>	<hr/>
Total Current Liabilities	38,945	33,894
FUND BALANCES:		
Fund balance, Beginning	231,383	197,996
Current year profit	43,208	33,387
	<hr/>	<hr/>
Fund balance, Ending	274,591	231,383
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>313,536</u>	\$ <u>265,277</u>

The Accompanying Notes Are An Integral Part of These
Financial Statements.

CHRISTIAN SUPPLY STORE, INC.
STATEMENT OF REVENUE AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
REVENUE:		
Sales	\$ 745,975	\$ 653,992
COST OF SALES:		
Merchandise purchases	442,294	401,844
Freight	4,025	4,381
Sales tax	40,761	37,282
Supplies	<u>14,177</u>	<u>10,971</u>
Total cost of sales	501,257	454,478
GROSS PROFIT	244,718	199,514
OPERATING EXPENSES:		
Advertising	17,428	12,959
Auto expense	1,288	1,649
Insurance	967	450
Bank charges & credit card fees	2,525	2,690
Miscellaneous	4,176	4,107
Postage	5,741	5,911
Rent	22,550	11,700
Debt retirement	2,850	2,700
Payroll taxes	7,697	7,191
Telephone	3,899	3,569
Travel	1,391	1,105
Salaries-other	70,708	61,463
Manager-salary & housing	30,516	30,976
Manager-insurance & retirement	11,638	9,365
Professional fees	3,050	3,000
Board mileage and meals	1,357	875
Property tax	1,787	1,539
Returned checks	<232>	126
Repairs & maintenance	2,000	0
Utilities	1,158	0
Store moving expense	4,414	0
Expired leasehold improvement costs	2,124	0
Depreciation	<u>3,695</u>	<u>5,098</u>
Total operating expenses	202,727	166,473
NET OPERATING PROFIT	\$ 41,991	\$ 33,041

The Accompanying Notes Are An Integral Part of These
Financial Statements.

CHRISTIAN SUPPLY STORE, INC.
STATEMENT OF REVENUE AND EXPENSES - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
NET OPERATING PROFIT	\$ 41,991	\$ 33,041
OTHER REVENUE AND EXPENSES		
Interest income	1,217	346
NET PROFIT	<u>\$ 43,208</u>	<u>\$ 33,387</u>

The Accompanying Notes Are An Integral Part of These
Financial Statements.

CHRISTIAN SUPPLY STORE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
CASH FROM OPERATING ACTIVITIES:		
Excess of revenues over expenses	\$ 43,208	\$ 33,387
Adjustments to reconcile excess to net cash provided by operating activities:		
Expired leasehold improvement costs	2,124	0
Depreciation	3,695	5,098
(Increase)decrease in accounts receivable	<135>	<1,266>
(Increase)decrease in inventory	<11,707>	<29,965>
Increase(decrease) in accounts payable	3,002	8,998
Increase(decrease) in payroll taxes payable	437	<321>
Increase(decrease) in sales tax payable	1,612	384
Net cash provided by operating activities	<u>42,236</u>	<u>16,315</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	<12,036>	<5,447>
Net cash used in investing activities	<u><12,036></u>	<u><5,447></u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	<u>0</u>	<u>0</u>
Net cash used in financing activities	0	0
Net Increase (Decrease) in Cash	30,200	10,868
Cash at Beginning of Year	<u>21,019</u>	<u>10,151</u>
Cash at End of Year	<u><u>\$ 51,219</u></u>	<u><u>\$ 21,019</u></u>

The Accompanying Notes Are An Integral Part of These
Financial Statements.

CHRISTIAN SUPPLY STORE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997 AND 1996

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

The Christian Supply Store, Inc., is a nonprofit corporation in Conway, Arkansas, organized to provide Christian material for Arkansas Free Will Baptists. The Bookstore also services many other denominations and organizations within Arkansas and other surrounding states. The inventory consists primarily of bibles, music, literature, clothing, reference and training materials as well as cards and gift items.

METHOD OF ACCOUNTING

The financial statements of the Bookstore have been prepared on the accrual basis of accounting, where income and expenses are recorded as they are earned or incurred.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method based on the estimated useful lives of the related assets. Estimated useful life of the property, equipment and leasehold improvements range from 3 to 10 years. Depreciation expense for the years ending December 31, 1997 and 1996 are \$ 3,695 and \$ 5,098, respectively.

INVENTORY

Inventory is recorded at lower of cost or market using first-in, first-out method for cost of sales.

STATEMENT OF CASH FLOWS

For purposes of the statement of cash flows, the company considers all investment instruments purchased with a maturity of three months or less to be cash equivalents. Cash available per operating accounts are \$ 50,917 and cash in the contingency fund is \$ 302.

Cash paid for interest is as follows:

1997	\$ 0
1996	\$ 0

INCOME TAXES

The Bookstore is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Service Code.

CHRISTIAN SUPPLY STORE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997 AND 1996

NOTE 2 - RELATED PARTY TRANSACTIONS

The Bookstore had an agreement with the State Association of Free Will Baptists, Inc. whereby, the Bookstore makes periodic payments to the Association for rents \ utilities and debt retirement. The total paid to the Association for rents \ utilities and debt retirement for the years ended amounted to:

	<u>1997</u>	<u>1996</u>
Rents/Utilities	\$ 8,550	\$ 11,100
Debt retirement	\$ 2,850	\$ 2,700

NOTE 3 - CONTINGENCY FUND

The Bookstore makes periodic payments to a contingency fund to be used in case of an emergency. The executive board has discretion over the disbursements of these funds. Activity in this fund is as follows:

	<u>1997</u>	<u>1996</u>
Beginning Balance	\$ 2,141	\$ 3,709
Contributions	9,000	2,400
Disbursements	<11,000>	<4,000>
Interest earnings	161	32
Ending Balance	<u>\$ 302</u>	<u>\$ 2,141</u>

NOTE 4 - LONG-TERM LEASE

Christian Supply Store, Inc. entered into a long-term lease in September 1997. Scheduled minimum lease payments for the 5 subsequent years are as follows:

1998	\$48,000
1999	\$48,000
2000	\$48,000
2001	\$48,000
2002	\$48,000

NOTE 5 - CONCENTRATION OF CREDIT RISK

The Board maintains cash deposits at a financial institution located in the United States. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$ 100,000. At December 31, 1997 all of the Board's deposits were insured.

CHRISTIAN SUPPLY STORE BUDGET
January - December 1999

Receipts:		
Sales	\$800,000.00	\$800,000.00
Disbursements:		
Merchandise for Resale	\$480,000.00	
Manager Salary and Housing	32,120.00	
Manager Hospitalization and Retirement	10,580.00	
Other Salaries	83,725.00	
Advertising	25,000.00	
Freight	5,000.00	
Postage	6,000.00	
Social Security & Withholding Taxes	16,700.00	
Supplies	10,000.00	
Telephone	4,000.00	
Auto Expense and Travel	3,000.00	
Sales Tax	52,000.00	
Property Tax	2,000.00	
Rent	48,000.00	
Utilities	7,200.00	
Equipment	3,000.00	
Accounting	3,675.00	
Worker's Compensation	600.00	
Executive Board Mileage and Meals	1,000.00	
Insurance (Inventory & Equipment)	1,900.00	
Contingency Fund	2,400.00	
Miscellaneous	2,100.00	
Total Disbursements	\$800,000.00	\$800,000.00

A.C.T.S. 1:8 TASK FORCE REPORT

The A.C.T.S. 1:8 Task Force met three times and conducted the following business:

February 10, 1998

The A.C.T.S. 1:8 Task Force met at the state offices in Conway, Arkansas, with the following members present: Doug Little, Nelson Henderson, Ben Scott, Sidney Sawrie, and Doug Harris, as well as Promotional Director David Joslin. A current update was given on A.C.T.S. 1:8 receipts by Promotional Director David Joslin.

(1) Motion passed to have all the members write letters to their respective associational areas and encourage continued support of the A.C.T.S. 1:8 Plan.

May 19, 1998

The A.C.T.S. 1:8 Task Force met at the state offices in Conway, Arkansas, with the following members present: Doug Little, Ben Scott, Dwayne Roper, Doug Harris, Sidney Sawrie, and Nelson Henderson, as well as Moderator James Forlines, and Promotional Director David Joslin. A 1997-98 comparative receipts report was presented by Sue Patton which showed an increase in total giving, but the 1998 projected budget receipts were short in the amount of \$8,259.27.

(1) Motion passed to have Chairman Doug Little write a letter to all ministers and encourage our churches to respond to the challenge of support to the A.C.T.S. 1:8 Plan.

July 7, 1998

The A.C.T.S. 1:8 Task Force met at the state office in Conway, Arkansas, with the following members present, Ben Scott, Nelson Henderson, and Doug Harris as well as Moderator James Forlines and Promotional Director David Joslin.

(1) Motion passed to submit the following two recommendations to the state association for adoption:

Recommendation No. 1 - Recommended Allotments for A.C.T.S. 1:8 for 1999:

	<u>Actual Budget</u>	<u>Percentage to Pay</u>	<u>Support Goal</u>	<u>%Paid</u>
Aycock, Bobby	\$71,033.18	90% of 25%	\$15,982.47	4%
Aycock, David	62,908.49	25%	15,727.12	4%
Bishop, Dale	75,309.59	90% of 50%	33,889.32	9%
Bowerman, Ed	63,332.60	100%	63,332.60	18%
Bunch, Stan	90,000.00	90% of 50%	40,500.00	11%
Edgmon, Anthony	78,743.59	25%	19,685.90	6%
Lancaster, Jaimie	98,000.00	50%	49,000.00	14%
McDonald, Don	103,167.00	90% of 25%	23,212.58	7%
Vanhook, Patsy	59,373.77	100%	59,373.77	17%
Walker, Terry	69,371.00	50%	34,685.50	10%
TOTALS	\$714,438.23		\$355,389.26	100%

Recommendation No. 2 - We further recommend that the A.C.T.S. 1:8 Task Force be authorized to adjust the percentages of any missionary account according to the need of his account.

(2) General discussion of price of shares for 1999. Price per share will remain at \$240 per year or \$20 per month. However, there is an 17% overall increase from the 1998 budget. Task Force members are to contact pastors in their area(s) to encourage them to customize the manner in which the A.C.T.S. 1:8 Plan is best presented to meet each church's and association's budgets.

(3) Motion passed to give Earnie and Jean Deeds, Retired Missionaries to Brazil an appreciation gift of \$2,000.

(4) Motion passed to adopt the 1999 proposed budget for the operation of the task force committee.

Doug Little, Chairman
Doug Harris, Secretary
Sidney Sawrie

Nelson Henderson
Dwayne Roper
Ben Scott

A.C.T.S. 1:8 TASK FORCE REPORT, Continued

A.C.T.S. 1:8 Mission Task Force For Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$2,007.52	-0-
Receipts:		
Cooperative Plan	\$3,731.36	\$3,465.84
Disbursements:		
Board Mileage & Meals	\$ 465.98	\$ 874.48
Printing	231.88	449.40
Postage	10.00	117.40
Supplies	25.45	17.04
Travel	222.70	-0-
Miscellaneous	11.61	-0-
Total Disbursements	\$ 967.62	\$1,458.32
Ending Balance, December 31	\$4,771.26	\$2,007.52

A.C.T.S. 1:8 Mission Task Force Budget January - December 1999

Receipts:		
Cooperative Plan (1% of \$400,000.00)	\$4,000.00	\$4,000.00
Disbursements:		
Travel - Mileage	\$1,500.00	
Printing	1,000.00	
Promotion	1,000.00	
Secretarial	300.00	
Miscellaneous	200.00	
Total Disbursements	\$4,000.00	\$4,000.00

STATE YOUTH BOARD REPORT

The State Youth Board met four times during the year to conduct their business as follows:

October 18, 1996

The State Youth Board met at Camp Beaverfork near Conway, Arkansas, with all members present including State Youth Director Bob Thompson. The following business was conducted:

- (1) Motion passed to approve the financial reports as given by Director Bob Thompson.
- (2) The dates for camp, retreats, and rentals were set.
- (3) Motion passed to appoint a committee consisting of Bob Thompson, Randall Ray and Patrick Baze to study the feasibility of a multi-purpose building on the campgrounds.
- (4) Motion passed to repay \$3,300 to the Contingency Fund at the end of October.

January 27, 1997

The State Youth Board met at the First Free Will Baptist Church, Conway, Arkansas, during the All Board's meeting. Due to the sudden death of Chairman Don Guthrie, the meeting was postponed.

March 10, 1998

The State Youth Board met at Camp Beaverfork near Conway, Arkansas, with the following members present: Randall Ray, Leo Martin, Patrick Baze, and Scott Real, as well as Director Bob Thompson. Secretary Scott Real presided with the following business conducted:

- (1) Motion passed to have the group "ffh" (Far From Home) for a concert during the teen retreat April 17-18, 1998. The cost for the retreat will be \$20 for the concert and retreat.
- (2) Motion passed to increase the camp rates from \$45 to \$50.
- (3) Motion passed to make plans for a State Youth Worker's Retreat and authorize Director Bob Thompson to contact speakers. The date and place to be announced later. Costs for the retreat will be as follows: \$25 per individual; \$35 for husband and wife; four from the same church - fifth person will be free.
- (4) Motion passed to have Director Bob Thompson inquire about a computer for the camp.
- (5) Discussion on implementing a Don Guthrie Memorial Scholarship for two campers to return next year.

July 6, 1998

The State Youth Board met at Camp Beaverfork near Conway, Arkansas, with the following members present: Leo Martin, Patrick Baze, David Watson, Randall Ray, and Scott Real as well as State Youth Director Bob Thompson and Promotional Director David Joslin. The following business was conducted with Secretary Scott Real presiding:

- (1) Motion passed to accept the 1997 audit report for Camp Beaverfork as presented by auditor Ricky Taylor, CPA.
- (2) Motion passed to accept the financial and camp reports as given by Director Bob Thompson.
- (3) Motion passed to start a Capital Improvement Fund. The amount of \$6,800 would be placed in the fund initially, and \$400 per month as funds are available.
- (4) Motion passed to adopt the 1999 proposed budget.

Scott Real, Secretary
David Watson
Patrick Baze

Randall Ray
Leo Martin

CAMP BEAVERFORK

STATE YOUTH BOARD BUDGET

January - December 1999

Receipts:

Coop Plan (17.5% of \$400,000.00)	\$70,000.00	
Camp Registration and Concession	62,000.00	
Camp Rentals	68,400.00	
Special Projects	6,000.00	
Missions	1,000.00	
Interest Income	350.00	
Total Receipts	\$207,750.00	\$207,750.00

Disbursements:

Director Salary	\$ 32,050.00	
Maintenance Caretaker Salary	23,000.00	
Maintenance Caretaker Insurance	3,000.00	
Clerical Salary	3,000.00	
Auto Payment	4,560.00	
Director Home Equity	900.00	
Car Expense	3,000.00	
Utilities-Camp and Director	26,000.00	
Camp Insurance	6,000.00	
Director Insurance and Retirement	5,700.00	
Payroll Taxes	4,675.00	
Postage	500.00	
Professional Fees	1,730.00	
CTS Rally	3,200.00	
Conventions	2,200.00	
Miscellaneous	735.00	
Camp Literature	400.00	
Pool Upkeep	2,000.00	
Food Service	30,000.00	
Food Service-Labor	8,500.00	
Repairs	17,000.00	
Supplies	7,500.00	
Camp Labor	3,000.00	
Guest Speakers	3,500.00	
Designated Gifts-Missions	1,000.00	
Board Mileage and Meals	1,800.00	
Capital Improvements	4,800.00	
Special Projects	8,000.00	
Total Disbursements	\$207,750.00	\$207,750.00

1998 NATIONAL YOUTH CONFERENCE

		<u>Bible Memorization</u>	
Grade 3	Alisha East	First Place	First FWB, Greenwood
		<u>Bible Sword Drill</u>	
Grade 4	Jacob Peerson	Second Place	First FWB, Greenwood
Grade 5	Kendal Brown	First Place	First FWB, Greenwood
Grade 6	Emma Amos	Second Place	Sutton FWB, Pocahontas
Tic Tac Toe	First FWB, Greenwood	Second Place	First FWB, Greenwood
Bible Bowl	First FWB, Greenwood	Second Place	First FWB, Greenwood

<u>Music and Arts</u>			
<u>Vocal Ensemble - 5-12 Members</u>	<u>Age Group</u>	<u>Interpretation of Scripture</u>	
Mighty Angels, Bethlehem, Van Buren	B	Kevin Turner, Sutton, Pocahontas	C
<u>Instrumental Solo - Wind</u>		<u>Mime/Pantomime</u>	
Lynsey Stripling, First, N Little Rock	B	Molli Hall, Vista, Van Buren	C
Blake Martin, First, Russellville	C	<u>Reader's Theater</u>	
<u>Instrumental Solo - Percussion</u>		Gospel Carriers, First, N Little Rock	C
Rachel Gentry, 88 FWB, Rudy	C	<u>Creative Writing</u>	
<u>Instrumental Ensemble - 2-4 Members</u>		Ellen Snoderly, Freedom, Garfield	C
Compton/Cox, Kenner Chapel, Rudy	C	<u>Creative Art - Painting</u>	
<u>Instrumental Ensemble - 5+ Members</u>		Canon Burghardt, First, Greenwood	A
Dardanelle Ensemble	D	<u>Three Dimensional Art</u>	
<u>Keyboard Ensemble</u>		Jonathan Hall, Vista, Van Buren	A
Sam & Gwen Shores, Kenner Chapel	B	Jamie Whitlow, Plainview	D

1998 YOUTH CAMP REPORT

Total Attendance	1,046	Mission Offering	\$962.51
Salvation Decisions	68	Rededications	65
Other Decisions	34		

HONOR CAMPERS

Week 1	Week 3
Brittany Jones and Matt Adams	Terri Johnson and Matt Dooly
Week 2	Week 4
Rebecca Sanders and Cory Thompson	Summer McCoy and Justin Bowman

RICKY J. TAYLOR, C.P.A., P.A.

P. O. Box 2851 • RUSSELLVILLE, AR 72801 • (501) 967-4439 • FAX: (501) 967-2481

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Camp Beaverfork, Arkansas Free Will Baptists Youth Camp, Inc.

I have audited the accompanying balance sheets of Camp Beaverfork, Arkansas Free Will Baptists Youth Camp, Inc. (a nonprofit corporation) as of December 31, 1997 and 1996, and the related statements of revenues and expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

The Organization has elected to record the values of fixed assets, specifically the campground land and facilities, at the appraised values. Generally accepted accounting principles require that fixed and operational assets be valued at actual cost less appropriate adjustments for depreciation and substantial decreases for obsolescence. Due to the limited records and the extensive use of donations relating to the establishment of the campground properties, it was not practical for me to extend my examination of such records beyond the amounts recorded.

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the actual cash and donation records referred to in the preceding paragraph been susceptible to satisfactory audit test, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Camp Beaverfork, Arkansas Free Will Baptists Youth Camp, Inc. as of December 31, 1997 and 1996, and its results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Ricky J. Taylor CPA, PA.

Russellville, Arkansas
June 25, 1998

Member of:
American Institute of Certified Public Accountants
Arkansas Society of Certified Public Accountants
Oklahoma Society of Certified Public Accountants

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
BALANCE SHEETS
DECEMBER 31, 1997 AND 1996

	ASSETS	
	<u>1997</u>	<u>1996</u>
CURRENT ASSETS:		
Cash in bank	\$ 4,531	\$ 3,298
Cash-savings account	10,409	5,251
Accounts receivable	<u>6,916</u>	<u>5,072</u>
Total Current Assets	21,856	13,621
FIXED ASSETS:		
Land and buildings	333,760	333,760
Auto	18,704	18,704
Equipment	17,968	15,761
Camp improvements	76,705	75,205
Less: accumulated depreciation	<u><41,252></u>	<u><29,563></u>
Total Fixed Assets	405,885	413,867
TOTAL ASSETS	<u>\$ 427,741</u>	<u>\$ 427,488</u>
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES:		
Current notes payable	\$ 1,872	\$ 0
Current portion of L-T debt	4,294	8,466
Accounts payable	2,621	2,110
Payroll taxes payable	<u>1,076</u>	<u>965</u>
Total Current Liabilities	9,863	11,541
LONG-TERM DEBT:		
Notes payable (Less: current portion of L-T debt)	<u>7,036</u>	<u>13,201</u>
TOTAL LIABILITIES	16,899	24,742
FUND BALANCE:		
Fund balance, Beginning of Year	402,746	404,764
Excess revenue over expenses	<u>8,096</u>	<u><2,018></u>
Fund balance, End of Year	410,842	402,746
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 427,741</u>	<u>\$ 427,488</u>

The Accompanying Notes Are an Integral Part of These Financial Statements.

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
STATEMENTS OF REVENUE AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
REVENUE:		
COOP	\$ 65,299	\$ 60,652
Camp rentals	63,285	45,552
Registration & concessions	43,000	46,958
Special projects	11,848	8,592
CTS rally	3,285	4,961
Gifts and contributions	1,857	2,127
Special offerings	0	616
Interest income	347	230
Gain on sale of assets	0	1,413
Total Revenues	<u>188,921</u>	<u>171,101</u>
EXPENSES:		
Salaries-director	27,456	24,480
Salaries-maintenance	20,280	16,125
Salaries-clerical	2,250	592
Salaries-other	0	1,559
Home equity plan-director	600	550
Auto expense	2,759	4,523
Utilities	25,602	18,374
Insurance-camp	5,851	5,574
Insurance and retirement-director	5,675	5,225
Payroll taxes	4,470	3,971
Office supplies	420	655
Professional fees	1,660	1,600
CTS rally	2,352	3,019
Meetings & conventions	1,523	0
Interest expense	732	870
Miscellaneous	1,693	848
Camp literature	348	309
Pool upkeep	1,225	0
Food service	26,112	28,239
Food service-labor	7,450	8,584
Repairs & maintenance	17,008	14,467
Supplies	7,311	9,057
Camp labor	2,440	8,297
Guest speakers	2,525	1,723
Designated gifts	0	616
Board mileage & meals	1,394	969
Moving expense	0	1,561
Depreciation	11,689	11,332
Total Expenses	<u>180,825</u>	<u>173,119</u>
Excess Revenues Over Expenses	\$ <u>8,096</u>	\$ <u><2,018></u>

The Accompanying Notes Are an Integral Part of These Financial Statements.

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
CASH FROM OPERATING ACTIVITIES:		
Net revenue over expenses	\$ 8,096	\$ <2,018>
Adjustments to reconcile net revenue over expenses to net cash provided by operations:		
Depreciation	11,689	11,332
Gain on sale of assets	0	<1,413>
(Increase)decrease in accounts receivable	<1,844>	<62>
Increase(decrease) in accounts payable	511	2,026
Increase(decrease) in payroll tax payable	<u>111</u>	<u>37</u>
Net Cash Provided by Operating Activities	18,563	9,902
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	<3,707>	<25,986>
Sale of fixed assets	<u>0</u>	<u>1,500</u>
Net cash used in investing activities	<3,707>	<24,486>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds of debt	0	17,205
Repayment of debt	<u><8,465></u>	<u><5,669></u>
Net cash used by financing activities	<u><8,465></u>	<u>11,536</u>
Net increase (decrease) in cash	6,391	<3,048>
Cash at beginning of year	<u>8,549</u>	<u>11,597</u>
Cash at end of year	\$ <u>14,940</u>	\$ <u>8,549</u>

The Accompanying Notes Are an Integral Part of These Financial Statements.

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997 AND 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL

Camp Beaverfork, Arkansas Free Will Baptists Youth Camp, Inc. is a nonprofit corporation established to serve the Arkansas Free Will Baptists Youth by providing summer camp and retreat facilities.

METHOD OF ACCOUNTING

The Camp maintains its financial records on a basis of cash received and cash disbursed for internal purposes, with appropriate accruals for receivable and payable balances at the end of each fiscal period for financial statement purposes. This accounting method is generally accepted among nonprofit organizations as the most feasible way of reflecting their financial activity and position. The fund balance represents the Camp's equity in its assets.

LAND, BUILDINGS AND EQUIPMENT

Due to limited records and the extensive use of donations related to the establishment, development, and maintenance of the campground facilities, the land and buildings are recorded at their appraised value. Generally accepted accounting principles require that fixed and operational assets be recorded at cost less appropriate adjustments for depreciation and substantial decreases for obsolescence. Equipment, auto and camp improvements are recorded at cost and appropriate provisions for depreciation have been applied. Depreciation expenses for the years ended are \$ 11,689 and \$ 11,332 respectively.

STATEMENT OF CASH FLOWS

For purposes of the statement of cash flows, the company considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

Cash paid for interest is as follows:

1997	\$ 732
1996	\$ 870

INCOME TAXES

The corporation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Service Code.

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997 AND 1996

ACCOUNTS RECEIVABLE

Accounts receivable represent the balance of the COOP monies and contributions held by the Arkansas Association of Free Will Baptists, Inc. as of December 31, 1997 and 1996, due payable to Camp Beaverfork, Arkansas Free Will Baptist Youth Camp, Inc.

NOTE 2 - NOTES PAYABLE

	<u>1997</u>	<u>1996</u>
Note payable-Nationsbank, Conway, Arkansas, requires monthly installments of \$ 386, including principal and interest at an annual percentage rate of 7.980%. This note is secured by a mobile home.	\$ 1,872	\$ 6,196
Note payable-Ford Motor Credit, requires monthly installments of \$ 381, including principal and interest at an annual percentage rate of 2.9%. This note is secured by a vehicle.	<u>11,330</u> 13,202	<u>15,501</u> 21,697
Less: Current notes payable	1,872	0
Less: Current portion L-T Debt	<u>4,294</u>	<u>8,466</u>
Long-term Debt	\$ <u>7,036</u>	\$ <u>13,231</u>

Scheduled minimum maturities of long-term debt over the years subsequent to December 31, 1997, are as follows:

1998	\$ 4,294
1999	4,421
2000	<u>2,615</u>
	\$ <u>11,330</u>

NOTE 3 - CONTINGENCY FUND

Camp Beaverfork, Arkansas Free Will Baptists Youth Camp, Inc. makes periodic payments to a contingency fund to be used in case of an emergency. The C.T.S. Board has discretion over the disbursements of this fund.

NOTE 4 - CONCENTRATION OF CREDIT RISK

Camp Beaverfork, Arkansas Free Will Baptists Youth Camp, Inc., maintains cash deposits at a financial institution located in the United States. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$ 100,000. At December 31, 1997 all of the corporation's money was insured.

RECOMMENDATION FROM EXECUTIVE BOARD

Whereas,

1. Christian higher education must be a priority among Free Will Baptists as we seek to fulfill the Great Commission, and Whereas,

2. A comprehensive approach to Christian education could better fulfill our needs than the current system,

BE IT RESOLVED:

1. That we send a letter from Arkansas Free Will Baptists to the presidents and chairmen of the respective boards of Free Will Baptist Bible College, Hillsdale Free Will Baptist College, Southeastern Free Will Baptist College, and California Christian College urging them to explore the possibilities of a unified educational system among Free Will Baptists, and

2. That we ask the Executive Committee and the General Board of the National Association of Free Will Baptists to initiate a study committee to develop a long-range comprehensive plan for Christian higher education for Free Will Baptists.

STATE HOME MISSION BOARD REPORT

The State Home Mission Board of the Arkansas State Association met ten times this year and conducted one conference call as follows:

August 6, 1997

The State Home Mission Board met at the state offices in Conway, Arkansas, with all members present including Promotional Director David Joslin. The following business was conducted:

- (1) Motion passed to approve the application forms as presented by David Copeland and Norman McFall, who were asked to develop the forms.
- (2) Motion passed to accept Kerry Gandy's resignation as chairman of the board.
- (3) Motion passed to elect David Copeland as chairman of the board and Norman McFall as secretary.

August 12, 1997

The State Home Mission Board conducted a conference call with all members, including Promotional Director David Joslin and conducted the following business:

- (1) Motion passed to elect David Copeland as chairman; Paul Payne, vice-chairman; and Norman McFall as secretary.
- (2) Motion passed to employ Kerry Gandy as missionary-pastor to the Rolling Oaks Free Will Baptist Church, Maumelle, and to accept Kerry Gandy's resignation from the State Mission Board.
- (3) Motion passed to transfer \$2,000 from the general fund to Kerry Gandy's account for the purpose of beginning itinerary.
- (4) Motion passed to pay the Gandy's moving expenses to Maumelle.

September 10, 1997

The State Home Mission Board met at the state offices in Conway, with all members present including Promotional Director David Joslin and conducted the following business:

- (1) Motion passed to receive the report as given by Missionary Don Guthrie.
- (2) Motion passed to authorize the state office to transfer monies that came into Levan Hubbard's account to be transferred to the Maumelle account, retroactive to the time of transition.
- (3) Motion passed to accept the report as given by Missionary Kerry Gandy.

January 27, 1998

The State Home Mission Board met at the First Free Will Baptist Church, Conway, during the All Board's Meeting with all members present. Due to the news of the death of Don Guthrie, the meeting was postponed until February 17, 1998. Motion passed to send flowers to the Guthrie family.

February 17, 1998

The State Home Missions Board met at the state offices in Conway with all members present as well as Promotional Director David Joslin and transacted the following business:

- (1) Motion passed to give a gift of \$5,000 from the General Fund to the Guthrie family.
- (2) Motion passed to continue paying salary to the Guthries for March and April.
- (3) Motion passed to designate the first Sunday of June as *Don Guthrie Memorial Fund Sunday* for the purpose of raising funds for State Missions.

March 19, 1998

The State Missions Board met at the state offices in Conway with all members present, as well as Promotional Director David Joslin.

- (1) Motion passed to distribute a gift of \$9,125.05 to State Missions in the following accounts: Hot Springs - \$3,125.03; and Maumelle - \$6,000.00.
- (2) Motion passed to meet with the Lake Hills Free Will Baptist Church in Hot Springs on Tuesday night, March 24, 1998, and representatives from the First Free Will Baptist Church, Russellville, to discuss plans of support.
- (3) Motion passed to start a *Guthrie Children Scholarship Fund* for the Guthrie children.

STATE HOME MISSION BOARD REPORT, Continued

March 24, 1998

The State Home Mission Board met at the Lake Hills Free Will Baptist Church, Hot Springs, Arkansas, with the following members present: David Copeland, Bobby Shepherd, Paul Payne, and John Fowlkes, as well as Promotional Director David Joslin, Doug Little, Pastor of First Free Will Baptist Church, Russellville, and two other members. The following business was conducted:

(1) Doug Little gave a presentation of how the Russellville church would like to support the work in Hot Springs. After discussion, motion passed to draw up a contractual agreement between the three groups: State Home Missions Board - \$900 per month; Lake Hills Free Will Baptist Church - \$1,500 per month; and the First Free Will Baptist Church, Russellville - \$1,200.

(2) Motion passed to recommend Rev. Tommy Tims to Lake Hills Free Will Baptist Church, and a service was set for April 5, 1998.

April 27, 1998

The State Home Missions Board met at the state offices in Conway, with the following members present: David Copeland, Bobby Shepherd, Paul Payne, Dwayne Roper, and John Fowlkes, as well as Promotional Director David Joslin and conducted the following business:

(1) Motion passed to accept the financial reports given by David Joslin.

(2) Motion passed to have the secretary respond with a letter to all the applicants for pastor at the Hot Springs church and inform them that the board was reviewing all applications.

(3) Motion passed to meet with the leadership of the Lake Hills Free Will Baptist Church, Hot Springs, on May 7, 1998, at 7:00 PM. The purpose is to convey to them that the board has a relationship from the beginning of this work that it must fulfill until this mission church becomes fully self-supporting.

(4) Motion passed to meet with Jeff Gaskins on May 7, 1998, at 4:00 PM, in southwest Little Rock, in consideration for pastor at Hot Springs.

May 7, 1998

The State Home Mission Board met at Ryans in Little Rock, with the following members present: David Copeland, Bobby Shepherd, Dwayne Roper, Paul Payne, and John Fowlkes, as well as Promotional Director David Joslin, and interviewed Jeff Gaskins for pastor at Hot Springs. Motion passed to recommend him for pastor at Lake Hills.

The board later met with the Leadership Council of Lake Hills Free Will Baptist Church. It was a very productive meeting with everyone having a better understanding of how the board was working toward filling the vacancy.

June 23, 1998

The State Home Missions Board met at the state offices in Conway with the following members present: David Copeland, Bobby Shepherd, Paul Payne, and John Fowlkes, as well as Promotional Director David Joslin.

(1) Motion passed to approve the financial reports as presented by David Joslin.

(2) Motion passed to adopt the proposed budget for 1999.

(3) Discussion was held in regards to the Hispanic work in Northwest Arkansas.

(4) Motion passed to pay \$1,000 from the General Fund for Kerry Gandy's expenses to the 1998 National Association in Tulsa, Oklahoma.

(5) Motion passed to have the board attend the North America Strategy Forum in Nashville, Tennessee, on January 7-8, 1999, sponsored by the National Home Missions Department. The focus of the forum will be to develop a strategy of evangelism for the denomination.

(6) Motion passed to accept the reports as given by Missionary Kerry Gandy.

(7) Motion passed to extend the payment of \$1,000 per month through July 1998, from Rolling Oaks, and begin \$1,500 per month effective August 1998.

STATE HOME MISSION BOARD REPORT, Continued

July 7, 1998

David Copeland and John Fowlkes, acting as a finance ommittee, met with auditor Ricky Taylor and accepted the 1997 financial statement for the State Home Mission Board

State Mission Board Budget January - December 1999

Receipts:

Cooperative Plan (17% of \$400,000.00)	\$68,000.00	
West Helena to APPLE	4,500.00	
Rolling Oaks, Maumelle to APPLE	18,000.00	
Lake Hills, Hot Springs to APPLE	30,000.00	
Churches, Individuals, & Associations	83,700.00	
Total Receipts	\$204,200.00	\$204,200.00

Disbursements:

Maumelle - Salary & Benefits	\$44,100.00	
Maumelle Property Payment	12,000.00	
Lake Hills - Salary & Benefits	43,200.00	
Lake Hills Property Payment	27,600.00	
APPLE-West Helena	4,500.00	
APPLE - Maumelle	18,000.00	
APPLE - Hot Springs	30,000.00	
Phone	1,200.00	
Secretarial Expense	3,600.00	
Computer	600.00	
Board Mileage and Meals	2,500.00	
Audit	2,000.00	
Miscellaneous	2,400.00	
New Project	12,500.00	
Total Disbursements	\$204,200.00	\$204,200.00

David Copeland, Chairman
Norman McFall, Secretary
John Fowlkes

Bobby Shepherd
Dwayne Roper
Paul Payne

RICKY J. TAYLOR, C.P.A., P.A.

P. O. Box 2851 • RUSSELLVILLE, AR 72801 • (501) 967-4439 • FAX: (501) 967-2481

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Arkansas State Home Mission Board of the Arkansas State
Association of Free Will Baptists, Inc.

I have audited the accompanying statements of financial position of Arkansas State Home Mission Board of the Arkansas State Association of Free Will Baptists, Inc. (a nonprofit Corporation) as of December 31, 1997 and 1996, and the related statements of activities, and cash flows for the years then ended. The financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

The Organization has elected to record the values of land and buildings, specifically the state mission church at Wynne, Arkansas, at the appraised values. Generally accepted accounting principles require that operational assets be valued at actual cost less appropriate adjustments for depreciation and substantial decreases for obsolescence. Due to limited records and the extensive use of donations relating to the establishment of the above mentioned property, it was not practical for me to extend my examination of such records beyond the amounts recorded.

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the actual cash and donations records referred to in the preceding paragraph been susceptible to satisfactory audit tests, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Arkansas State Home Mission Board of the Arkansas State Association of Free Will Baptists, Inc. as of December 31, 1997 and 1996 and its results of operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Ricky J. Taylor C.P.A., P.A.

Russellville, Arkansas
June 16, 1998

Member of:
American Institute of Certified Public Accountants
Arkansas Society of Certified Public Accountants
Oklahoma Society of Certified Public Accountants

ARKANSAS STATE HOME MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 1997 AND 1996

ASSETS

ASSETS:	<u>1997</u>	<u>1996</u>
Cash	\$ 11,848	\$ 21,301
Cash - Savings Accounts	12,059	22,569
Cash - Certificate of Deposits	50,785	0
Property	754,918	754,918
Mortgage/Notes Receivable	<u>43,744</u>	<u>88,973</u>
Total Assets	\$ <u>873,354</u>	\$ <u>887,761</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Bonus Payable	\$ 2,437	\$ 4,551
Escrow Payable	32,951	23,858
Mortgage Payable	<u>293,504</u>	<u>331,116</u>
Total Liabilities	<u>328,892</u>	<u>359,525</u>
NET ASSETS:		
Unrestricted	545,066	513,938
Temporarily Restricted	<u><604></u>	<u>14,298</u>
Total Net Assets	<u>544,462</u>	<u>528,236</u>
Total Liabilities and Net Assets	\$ <u>873,354</u>	\$ <u>887,761</u>

The Accompanying Notes Are an Integral Part of These Financial Statements.

ARKANSAS STATE HOME MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997			1996
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE:				
General fund income	\$ 63,458	\$	\$	\$ 59,218
Missionary income-Wynne				888
Missionary income-Maumelle		25,975	3,116	38,282
Missionary income-Hot Springs		40,015	735	45,833
Interest income	8,343	192		8,426
Net assets released from restrictions:				
Restrictions satisfied by payments	84,935	<81,084>	<3,851>	
Total Revenue	156,736	<14,902>		141,834
				152,647
EXPENSES:				
Board mileage & meals	4,096			2,749
Telephone	527			304
Printing	0			98
Postage	255			212
Office supplies	37			27
Secretarial expense	1,800			1,800
Computer expense	0			450
Professional fees	1,550			1,400
Workman's comp	170			136
Miscellaneous	1,270			637
Bank charge	0			39
Mission task force	0			51
Missionary expense-Maumelle	45,188			29,040
Missionary expense-Hot Springs	44,797			48,003
Interest expense	25,918			35,188
Closing cost	0			942
Total Expenses	125,608			125,608
				121,076
Increase <Decrease> in net assets	31,128	<14,902>		16,226
				31,571
Net assets-Beginning of Year as restated	513,938	14,298		528,236
				496,665
Net assets-End of Year	\$ 545,066	\$ <604>		\$ 544,462
				\$ 528,236

The Accompanying Notes Are an Integral Part of These Financial Statements.

ARKANSAS STATE HOME MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>1997</u>	<u>1996</u>
Increase in net assets	\$ 16,226	\$ 31,571
Increase <Decrease> in:		
Bonus payable	<2,114>	1,542
Escrow payable	<u>9,093</u>	<u>11,685</u>
Net Cash Provided by Operating Activities	23,205	44,798
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of land & building	0	<31,350>
Advance on notes receivable	0	<14,533>
Proceeds from collection from Mortgage Receivable	<u>45,229</u>	<u>87,251</u>
Net Cash Provided from Investing Activities	45,229	41,368
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt	0	30,000
Repayment of debt	<u><37,612></u>	<u><101,144></u>
Net Cash Provided by Financing Activities	<u><37,612></u>	<u><71,144></u>
Net Increase <Decrease> in Cash	30,822	15,022
Cash at Beginning of Year	<u>43,870</u>	<u>28,848</u>
Cash at End of Year	\$ <u>74,692</u>	\$ <u>43,870</u>
SUPPLEMENTAL DISCLOSURES:		
Cash Paid During the Year for Interest	\$ <u>25,918</u>	\$ <u>35,188</u>

The Accompanying Notes Are an Integral Part of These Financial Statements.

ARKANSAS STATE HOME MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1997 AND 1996

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Arkansas State Home Mission Board of the Arkansas State Association of Free Will Baptists, Inc. is a nonprofit Corporation incorporated under the law of the State of Arkansas. The purpose of the corporation is to establish and support Free Will Baptists Mission Churches in the state of Arkansas. The corporation's support comes primarily from donor contributions and COOP receipts.

The Corporation is exempt from federal income tax under section 501 (c) (3) of the Internal Revenue Service.

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

Basis of Accounting

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

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.

Contributions

The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization has no permanently restricted net assets.

ARKANSAS STATE HOME MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 1997 AND 1996

Property

As mentioned in the audit report, the property located in Wynne, Arkansas is carried at the appraised values. The property at Maumelle, Arkansas and Hot Springs, Arkansas is carried at cost plus donated labor and material. Expenditures for repairs and maintenance are charged to operations when incurred, while major betterments and renewals are capitalized.

Cash Equivalents

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

NOTE 2 - PROPERTY

A summary of property is as follows:

Land & building - Wynne, Arkansas	\$	135,000
Land & building - Maumelle, Arkansas		254,230
Land & building - Hot Springs, Arkansas		<u>365,688</u>
	\$	<u>754,918</u>

NOTE 3 - MORTGAGE RECEIVABLE

The State Missions Board has sold various properties to various organizations and carries the mortgage on the property until paid.

NOTE 4 - ESCROW PAYABLE

Rolling Oaks Free Will Baptist Church in Maumelle, Arkansas is making payments to the Arkansas State Mission Board of the State Association of Free Will Baptists, Inc., to be applied to the purchase of the property in Maumelle. The property will not be transferred to Rolling Oaks Free Will Baptist Church until the church goes self-supporting.

NOTE 5 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>1997</u>		<u>1996</u>
Missionary - Maumelle	\$ <4,532>	\$	8,324
Missionary - Hot Springs	<u>3,928</u>		<u>5,974</u>
	\$ <u><604></u>	\$	<u>14,298</u>

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

ARKANSAS STATE HOME MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 1997 AND 1996

NOTE 6 - NOTES PAYABLE

	<u>1997</u>	<u>1996</u>
Note payable - Mercantile Bank, Conway, Arkansas, requires monthly installments of \$ 1,026, including principal and interest at an annual percentage rate of 7.75%. Note secured by real estate.	\$ 67,827	\$ 77,651
Note payable - Mercantile Bank, Conway, Arkansas, requires monthly installments of \$ 2,300, including principal and interest at an annual percentage rate of 8.5%. Note secured by real estate.	<u>225,677</u>	<u>253,465</u>
	\$ <u>293,504</u>	\$ <u>331,116</u>

The aggregate maturities of these notes are as follows:

1998	\$ 16,069
1999	17,426
2000	18,902
2001	20,503
2002	22,252
Thereafter	<u>198,352</u>
	\$ <u>293,504</u>

NOTE 7 - CONCENTRATION OF CREDIT RISK

The Board maintains cash deposits at a financial institution located in the United States. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$ 100,000. At December 31, 1997 all of the Board's deposits were insured.

NOTE 8 - CHANGE FOR NEW PRONOUNCEMENTS

The Corporation elected to adopt SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, in 1996. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. As permitted by SFAS No. 116, the Organization has retroactively applied the provisions of this new Statement by restating net assets as of December 31, 1995. Under SFAS No. 116, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction or compliance with the purpose restriction.

In 1996, the Corporation also elected to adopt SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by this new Statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statement to present the three classes of net assets required. This reclassification had no effect on the change in net assets for 1996.

RICKY J. TAYLOR, C.P.A., P.A.

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

To The Board of Directors
Arkansas State Home Mission Board of the Arkansas State
Association of Free Will Baptists, Inc.

The report on my audit of the basic financial statements of Arkansas State Home Mission Board of the Arkansas State Association of Free Will Baptists, Inc. for 1997 and 1996 appears on page 54. The audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The statements of cash receipts and disbursements (cash basis) and the schedules of detail listings of notes receivable and liabilities, are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ricky J. Taylor CPA PA.

Russellville, Arkansas
June 16, 1998

Member of:
American Institute of Certified Public Accountants
Arkansas Society of Certified Public Accountants
Oklahoma Society of Certified Public Accountants

STATE MISSIONS - GENERAL FUND
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$ 7,002.85	\$13,430.62
Receipts:		
Arkansas Free Will Baptists - Coop	\$63,433.24	\$58,919.38
Churches, Associations, Individuals & Others	25.00	20.00
Hot Springs Building Loan	-0-	279.00
Notes Receivable - New Haven, West Helena	-0-	4,708.04
Bank Interest	517.86	478.49
Transfer from APPLE Savings - Hot Springs	-0-	1,500.00
Total Receipts	\$63,976.10	\$65,904.91
Disbursements:		
Board Mileage & Meals	\$ 4,096.10	\$ 2,748.89
Phone	527.16	303.58
Printing	-0-	98.00
Postage	255.31	212.11
Office Supplies	36.54	26.81
Secretarial	1,800.00	1,800.00
Computer	-0-	450.00
Audit	1,550.00	1,400.00
Mission Task Force	-0-	50.64
Miscellaneous Expense	1,271.67	809.31
Bank Charges	-0-	39.30
Workman's Compensation	169.75	136.24
Wynne - Cross County Bank (Principal)	-0-	2,332.77
Wynne - Cross County Bank (Interest)	-0-	669.03
Hubbard - Christmas Bonus	-0-	500.00
Hubbard - Special Bonus Account	530.19	676.19
Hubbard - Conference Expense	1,400.00	1,600.00
Maumelle - Hubbard Newsletter	809.47	811.99
Maumelle - Miscellaneous	259.80	190.25
New Haven, West Helena (Principal)	-0-	3,264.31
New Haven, West Helena (Interest)	-0-	238.32
Security Bank - Maumelle (Principal)	6,708.32	5,967.66
Security Bank - Maumelle (Interest)	5,605.96	6,346.62
Hot Springs - Construction Interest	-0-	6,585.88
Hot Springs-Mercantile Bank (Principal)	7,287.50	8,154.35
Hot Springs-Mercantile Bank (Interest)	20,312.50	21,240.89
Hot Springs - Miscellaneous	10.00	2,779.50
Guthrie - Conference Expense	1,300.00	1,600.00
Guthrie - Special Bonus Account	840.00	800.04
Guthrie - Christmas Bonus	500.00	500.00
Maumelle - Gandy Newsletter	150.02	-0-
Maumelle - Gandy Moving Expenses	344.01	-0-
Maumelle - Special Bonus Account	262.93	-0-
Maumelle - Gandy Christmas Bonus	500.00	-0-
Total Disbursements	\$56,527.23	\$72,332.68
Less Transfer to Maumelle - Gandy	2,000.00	-0-
Ending Balance, December 31	\$12,451.72	\$ 7,002.85

See Accountants' Report on Supplementary Information

LEVAN HUBBARD - MAUMELLE
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginng Balance, January 1	\$ 8,324.21	\$(1,844.77)
Receipts:		
Churches, Associations, Individuals & Others	\$14,854.50	\$34,781.43
Hubbard Tape Sales	-0-	597.50
Total Receipts	\$14,854.50	\$35,378.93
Disbursements:		
National Home Missions - Hubbard	\$22,921.94	\$23,300.00
Itinerant Expenses	256.77	266.76
Hubbard Music Tape	-0-	1,325.14
Miscellaneous	-0-	318.05
Total Disbursements	\$23,178.71	\$25,209.95
Ending Balance, December 31	-0-	\$ 8,324.21

MISSION POSSIBLE - MAUMELLE
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginng Balance, January 1	-0-	-0-
Receipts:		
Churches, Associations, Individuals & Others	\$3,116.36	\$1,903.25
Insurance Dividend	-0-	1,000.00
Total Receipts	\$3,116.36	\$2,903.25
Disbursements:		
Mercantile Bank-Principal on Maumelle Loan	\$3,116.36	\$2,903.25
Ending Balance, December 31	-0-	-0-

HUBBARD SPECIAL BONUS SAVINGS ACCOUNT
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$3,268.24	\$2,540.09
Receipts:		
2% of Monthly Salary	\$ 530.19	\$ 676.19
January - September Interest	99.29	51.96
Other Interest	41.72	-0-
Total Receipts	\$ 671.20	\$ 728.15
Disbursements:		
Levan Hubbard	\$3,897.72	-0-
Total Disbursements	\$3,897.72	-0-
Less Transfer to General Fund	41.72	-0-
Ending Balance, December 31	-0-	\$3,268.24

See Accountants' Report on Supplementary Information

DON GUTHRIE - HOT SPRINGS
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance	\$ 5,973.53	\$ 9,950.97
Receipts		
Churches, Associations, Individuals & Others	\$40,014.63	\$39,832.52
Total Receipts	\$40,014.63	\$39,832.52
Disbursements:		
Don Guthrie - Salary & Benefits	\$41,983.34	\$43,499.96
Itinerant Expense	76.26	310.00
Total Disbursements	\$42,059.60	\$43,809.96
Ending Balance, December 31	\$ 3,928.56	\$ 5,973.53

GUTHRIE SPECIAL BONUS SAVINGS ACCOUNT
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$1,282.41	\$ 469.05
Receipts:		
2% of Monthly Salary	\$ 840.00	\$ 800.04
Bank Interest	50.92	13.32
Total Receipts	\$ 890.92	\$ 813.36
Ending Balance, December 31	\$2,173.33	\$1,282.41

HOT SPRINGS BUILDING LOAN/FUND ACCOUNT
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	-0-	\$ (150.00)
Receipts from Churches		
Sale of Hot Springs Land #1	\$21,299.20	\$22,907.50
Sale of Hot Springs Village Lot	-0-	5,000.00
Brotherhood Insurance Dividend	-0-	1,000.00
Churches	735.00	-0-
Total Receipts	\$22,034.20	\$28,907.50
Loan from Security Bank	-0-	\$27,296.68
Transfer from SMGF for Loan Interest Fees	-0-	\$ 2,703.32
Disbursements:		
Mercantile Bank-Hot Springs Loan	\$19,764.20	\$28,907.50
Hot Springs Document	35.00	-0-
Mercantile Bank - Principal	735.00	-0-
Total Disbursements	\$20,534.20	\$28,907.50
Less Transfer to APPLE	\$ 1,500.00	-0-
Less Note Withdrawals Paid to Lake Hills	-0-	\$29,850.00
Ending Balance, December 31	-0-	-0-

See Accountants' Report on Supplementary Information

KERRY GANDY - MAUMELLE
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	-0-	-0-
Receipts:		
Churches, Associations, Individuals & Others	\$11,120.57	-0-
Total Receipts	\$11,120.57	-0-
Plus Transfer from General Fund to Gandy-Maumelle	\$ 2,000.00	-0-
Disbursements:		
National Home Missions - Gandy	\$15,978.06	-0-
Itinerant Expenses	1,053.78	-0-
Printing	601.86	-0-
Miscellaneous	19.28	-0-
Total Disbursements	\$17,652.98	-0-
Ending Balance, December 31	(\$4,532.41)	-0-

GANDY SPECIAL BONUS SAVINGS ACCOUNT
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	-0-	-0-
Receipts:		
2% of Monthly Salary	\$262.93	-0-
Bank Interest	.46	-0-
Total Receipts	\$263.39	-0-
Ending Balance, December 31	\$263.39	-0-

A.P.P.L.E.
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	-0-	-0-
Receipts:		
Notes Receivable:		
House of Prayer, Louisiana	\$ 4,513.44	\$ 4,515.10
Lighthouse Baptist, Texarkana	-0-	999.90
Heritage, Shreveport, Louisiana	4,800.00	3,820.00
Rolling Oaks, Maumelle	9,093.00	11,685.51
Lake Hills, Hot Springs	20,900.00	8,500.00
Total Receipts	\$39,306.44	\$29,520.51
Plus Transfer from Hot Springs Building to APPLE	\$1,500.00	-0-
Disbursements:		
APPLE Savings	\$40,806.44	\$29,520.51
Total Disbursements	\$40,806.44	\$29,520.51
Ending Balance, December 31	-0-	-0-

See Accountants' Report on Supplementary Information

WYNNE MORTGAGE PAY-OFF
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	-0-	-0-
Receipts:		
Churches, Associations, Individuals & Others	-0-	\$888.22
Total Receipts	-0-	\$888.22
Disbursements:		
Cross County Bank - Wynne	-0-	\$888.22
Total Disbursements	-0-	\$888.22
Ending Balance, December 31	-0-	-0-

HOT SPRINGS PROPERTY - FROM APPLE
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	-0-	-0-
Receipts:		
Transfer from APPLE	-0-	\$14,532.67
Disbursements:		
Cresendo Sound System	-0-	\$ 2,418.87
Copy Systems-Copier	-0-	1,605.00
Lake Hills, Hot Springs	-0-	10,000.00
Christian Supply-Chairs, Tables, Hymnals	-0-	508.80
Total Disbursements	-0-	\$14,532.67
Ending Balance, December 31	-0-	-0-

TEXARKANA PROPERTY
Statement of Cash Receipts and Disbursements
For The Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	-0-	-0-
Receipts:	-0-	\$48,867.13
Disbursements:		
Mercantile Bank-Hot Springs	-0-	\$29,383.94
Mercantile Bank-Hot Springs-Fees	-0-	90.00
Cross County Bank-Wynne	-0-	19,391.19
Cross County Bank-Wynne-Fees	-0-	2.00
Total Disbursements	-0-	\$48,867.13
Ending Balance, December 31	-0-	-0-

See Accountants' Report on Supplementary Information

A.P.P.L.E. SAVINGS
Statement of Cash Receipts and Disbursements
For The Year Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Beginning Balance, January 1	\$18,018.38	\$ 4,451.62
Receipts:		
Notes Receivable:		
House of Prayer, Louisiana	\$ 4,513.44	\$ 4,515.10
Lighthouse Baptist, Texarkana	-0-	999.90
Heritage, Shreveport, Louisiana	4,800.00	3,820.00
Hot Springs Building	1,500.00	-0-
Rolling Oaks, Maumelle	9,093.00	11,685.51
Lake Hills, Hot Springs	20,900.00	8,500.00
Interest	796.99	80.92
Total Receipts	\$41,603.43	\$29,601.43
Disbursements:		
Transfer to Hot Springs for Architect	-0-	1,500.00
Transfer to Hot Springs - Christian Supply	-0-	508.80
Transfer to Hot Springs-Cresendo Sound System	-0-	2,418.87
Transfer to Hot Springs-Copy Systems	-0-	1,605.00
Transfer to Hot Springs	-0-	10,000.00
Savings Withdrawal Fee	-0-	2.00
Transfer to Certificate of Deposit	50,000.00	-0-
Total Disbursements	\$50,000.00	\$16,034.67
Ending Balance, December 31	\$ 9,621.81	\$18,018.38

STATE MISSIONS FUND BALANCES/CERTIFICATES OF DEPOSIT
For the Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
State Mission General Fund	\$12,451.72	\$ 7,002.85
Don Guthrie - Hot Springs	3,928.56	5,973.53
Levan Hubbard - Maumelle	-0-	8,324.21
Kerry Gandy - Maumelle	(4,532.41)	-0-
TOTAL FUND BALANCES, December 31	\$11,847.87	\$21,300.59
THREE CERTIFICATES OF DEPOSIT	\$50,523.56	-0-

STATE MISSIONS - Detail Listing of Notes Receivable
For the Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
House of Prayer, Louisiana	\$23,205.60	\$25,284.01
Heritage, Shreveport, Louisiana	2,230.00	7,030.00
Guy Seaton - Land Hot Springs	-0-	19,250.00
Rolling Oaks - To be applied towards land note	(32,951.19)	(23,858.19)
Lake Hills, Hot Springs	18,308.72	37,408.72
State Missions General Fund	-0-	1,500.00
TOTAL Notes Receivable, December 31	\$10,793.13	\$66,614.54

STATE MISSIONS - Detail Listing of Liabilities
For the Years Ending December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Mercantile Bank - Hot Springs	\$225,677.51	\$253,464.21
Mercantile Bank - Maumelle	67,826.62	77,651.30
Hubbard - Bonus Payable	-0-	3,268.24
Guthrie - Bonus Payable	2,173.33	1,282.41
Gandy - Bonus Payable	263.39	-0-
APPLE From State Mission General Fund	-0-	1,500.00
TOTAL Notes Payable, December 31	\$295,940.85	\$337,166.16

See Accountants' Report on Supplementary Information

CHRISTIAN EDUCATION BOARD REPORT

The Christian Education Board of the Arkansas State Association met five times during the year and conducted the following business:

September 11, 1997

The Christian Education Board met during the Trail Blazer's Retreat with the following board members: Mike Hutsell, Harvey Butler, and Joel Kircher and conducted the following business:

- (1) Motion passed to have Dr. Ken Hemphill for the 1998 Minister's Retreat and pay \$1,000 honorarium.

January 27, 1998

The Christian Education Board met at the First Free Will Baptist Church, in Conway at the all board's meeting with the following members present: Mike Hutsell, Harvey Butler, Joel Kircher, Doug Harris, Jackie Brown, and Nelson Henderson. The following officers were elected: Chairman, Joel Kircher and Secretary, Nelson Henderson.

- (1) Motion passed to purchase the video "*What the Bible is All About*" by Elmer Towns for the Christian Supply Store to use for our churches

- (2) Dr. David Gibbs confirmed to speak at the 1999 Minister's Retreat.

February 28, 1998

The Christian Education Board met during the 1998 Minister's Retreat at DeGray Lake Resort State Park, with all members present.

- (1) Motion passed to visit the Red Apple Inn at Heber Springs due to DeGray Lake Resort State Park being unavailable for the 1999 Minister's Retreat.

- (2) Motion passed to have Doug Little for the music for the 1999 Minister's Retreat.

- (3) Motion passed to contact Dr. Stan Toler and Dr. H. B. London for future retreats.

- (4) Motion passed to contact Ronnie Adkins and Jack Williams as speakers for the Bible Conference during the Arkansas State Association. An honorarium of \$500, plus mileage and lodging will be paid to both speakers.

- (5) Motion passed to contact the Sadler family for the 1999 Trail Blazer's Retreat.

- (6) Motion passed to contact the Oklahoma Minister's Quartet for the 1998 Trail Blazer's Retreat.

May 5, 1998

The Christian Education Board met at the Ozark Folk Center near Mt. View with the following members present: Joel Kircher, Nelson Henderson, Jackie Brown, Harvey Butler, Mike Hutsell, and Promotional Director David Joslin. The following business was conducted:

- (1) Motion passed to schedule the 1999 Minister's Retreat at the Ozark Folk Center State Park near Mt. View. The dates will be March 1-3, 1999.

- (2) Motion passed to contact Dr. Stan Toler or Dr. H. B. London as alternates if Dr. David Gibbs was unavailable for the above dates.

- (3) Motion passed to pay \$1,000 honorarium plus travel and lodging for the speaker.

- (4) The schedule for the 1998 Bible Conference during the state association will be as follows:

Wednesday morning session: 9:30-10:30 AM - First Speaker; 10:30-11:30 - Second Speaker; Lunch Break

Wednesday afternoon session: 1:30-2:30 PM - First Speaker; 2:30-3:30 PM - Second Speaker

- (5) Motion passed to ask Dick Martin to be in charge of music during this conference with Mark Stripling as alternate. An \$100 honorarium will be paid.

- (6) Motion passed to pay an honorarium of \$300 per person plus lodging for the Oklahoma Minister's Quartet confirmed for the 1998 Trail Blazer's Retreat on September 11-12, 1998.

July 7, 1998

The Christian Education Board met at the state offices with the following members present: Joel Kircher, Mike Hutsell, Nelson Henderson, Jackie Brown, and Harvey Butler. The following business was conducted:

- (1) Motion passed to confirm the dates for the 1999 Minister's Retreat to be March 1-3, 1999, at the Ozark Folk Center State Park near Mt. View.

CHRISTIAN EDUCATION BOARD, Continued

July 7, 1997, Continued

(2) Motion passed to revise the schedule for the Bible Conference during the state meeting due to the cancellation of Ronnie Adkins. The morning session will be cancelled; the afternoon session will be at 1:30 PM with Jack Williams.

(3) Motion passed to have Nelson Henderson contact Dr. Stan Toler or Dr. H. B. London for the 2000 Minister's Retreat. The dates will be February 21-23, 2000, at DeGray Lake Resort State Park near Bismarck.

(4) Motion passed to adopt the 1999 proposed budget.

(5) Motion passed to accept the resignation of board member Joel Kircher due to relocation.

(6) Motion passed to elect Nelson Henderson as temporary chairman.

(7) The next meeting is scheduled for October 13, 1998, at the state offices in Conway.

(8) The Christian Education Board met with the State Executive Board and discussed hosting a leadership conference. Motion passed to schedule a conference on March 19-20, 1999, at the First Free Will Baptist Church in Russellville, at no charge. The speaker will be Tim Elmore from the EQUIP Ministry. An honorarium of \$1000 plus expenses will be paid by the Christian Education Board. A panel discussion, moderated by Promotional Director David Joslin, concerning the needs of Arkansas Free Will Baptists will be conducted during the conference.

CHRISTIAN EDUCATION BOARD BUDGET

January-December 1999

Receipts:

Coop Plan (3% of \$400,000.00)	\$12,000.00	
Minister's Retreat (80 @ \$40.00 each)	3,200.00	
Trail Blazer's Retreat	500.00	
Total Receipts	\$15,700.00	\$15,700.00

Disbursements:

Minister's Retreat	\$8,500.00	
Trail Blazer's Retreat	1,800.00	
Board Mileage and Meals	1,100.00	
Phone	300.00	
Printing and Postage	1,200.00	
Secretarial Expense	720.00	
Computer	480.00	
Audit	500.00	
Sunday School Campaign	500.00	
Sunday School Workshops/Seminars	1,000.00	
Miscellaneous	350.00	
Total Disbursements	\$16,450.00	\$16,450.00

(This board will have a projected beginning balance, January 1, 1999, of \$22,000.00)

Nelson Henderson, Chairman
Mike Hutsell
Joel Kircher

Harvey Butler
Jackie Brown
Doug Harris

ELECTION SCHEDULE FOR 1998-1999
(Submitted by the Nominating Committee)

EXECUTIVE BOARD

TERM ENDS 1999

Andy Percy

Doug Little

TERM ENDS 2000

Dale Blackwell

(Replacing Larry Doggett)

Randell Williams

3-YEAR TERM-2001

Hoover Lewis

(Replacing Hoover Lewis)

Raymond Chronister

(Replacing Raymond Chronister)

CHRISTIAN EDUCATION BOARD

TERM ENDS 1999

Nelson Henderson

Kendall Ross

(Replacing Joel Kircher)

TERM ENDS 2000

Doug Harris

Jackie Brown

3-YEAR TERM 2001

Rick Ketchum

(Replacing Mike Hutsell)

Harvey Butler

(Replacing Harvey Butler)

STATE YOUTH BOARD

TERM ENDS 1999

John Reed

(Replacing Don Guthrie)

Scott Real

TERM ENDS 2000

Randall Ray

Patrick Baze

3-YEAR TERM 2001

Leo Martin

(Replacing Leo Martin)

Mark Stripling

(Replacing David Watson)

STATE MISSION BOARD

TERM ENDS 1999

Norman McFall

Dwayne Roper

TERM ENDS 2000

Bobby Shepherd

Johnny Fowlkes

3-YEAR TERM 2001

David Copeland

(Replacing David Copeland)

Paul Payne

(Replacing Paul Payne)

OFFICERS

Moderator - David Bishop

(Replacing James Forlines)

Assistant Modertor - Will Harmon

(Replacing David Bishop)

Clerk - David Winfrey

(Replacing David Winfrey)

Assistant Clerk - Randy Ledbetter

(Replacing Randy Ledbetter)

NOMINATING COMMITTEE

Tim Morgan, Chairman

David Outlaw

Sidney Sawrie

Patrick Baze

Berton Perry

ARKANSAS MASTER'S MEN

August 6, 1998 24th Annual Meeting

Holiday Inn Restaurant, Conway

Theme: *"The People Had a Mind to Work"* (Nehemiah. 4:6b)

There were 57 in attendance. Opening prayer by Joe Engdahl.

Arkansas Master's Men have done it again. The Build-A-House Project is well under way for the second time in Arkansas with an almost completed three bedroom, two bath home on three acres of land eight miles northeast of Conway, Arkansas. The home should be completed in the Fall of '98 and sold with profits going to help support the National Department of Master's Men.

President's Report:

We had a good spring retreat at Camp Beaverfork in March with Bro. Kerry Gandy preaching and challenging the men to be men of good character. (Daniel 1:3-8) The men's quartet of First FWB Church, Conway, brought the special music.

The men voted to buy one share of the A.C.T.S. 1:8 Plan for the following year.

The project for 1998-99 is to buy as many squares as possible of vinyl siding for the buildings at the camp. The cost is \$40 per square and each individual and church is encouraged to commit to this very worthwhile project.

Officers elected were: John Fowlkes—President, Larry Bonnema—Membership Vice-President, Larry Phillips—Secretary/Treasurer, and Ken Nabors—State Senator.

Bro Tom Dooley was introduced as the new general director of Master's Men and he gave a very inspiring message on getting the job done that is at hand.

Meeting closed with prayer by Kerry Phillips.

John Fowlkes—President

RESOLUTIONS

We, your Resolution Committee of the 101st annual convention of Arkansas Free Will Baptist do hereby submit the following resolution for your consideration:

1. Be it resolved that we give a rising vote of thanks to our Promotional Director, Moderator, the Centennial Committee, the Office Manager of Arkansas Free Will Baptists, and all those responsible for such an outstanding 100th year celebration.

Committee:

Jerry Bromley, Ed Cook, Jackie Brown, Sidney Sawrie, Lonny Burks

STATISTICS REPORT FROM CHURCH LETTERS

The Arkansas State Association of Free Will Baptists reports 15 associations comprised of 220 churches. The statistics for membership, baptism, etc., are based on the 201 churches who reported.

There are 89 churches located in a city/town, 113 churches in rural, 96 with full-time pastors, and 97 part-time pastors.

There are 338 ordained ministers, 66 licensed ministers, and 533 ordained deacons.

The churches reported 822 baptisms with 1,600 members added, 583 members lost, and a total membership of 19,657.

Sunday School enrollment was 11,383; CTS enrollment was 2,648; Women Active for Christ membership was 1,112; and Master's Men membership was 138.

There were four churches with day cares; two churches with kindergartens, and three with Christian day schools.

The total income of all churches reporting was \$9,629,588.68 with 41 churches with budgets.

There were 64 churches with parsonages, and a total value of all church property, including parsonages, of \$40,981,080.00.

REGISTRATION COMMITTEE REPORT

We, the registration committee, submit the follow information concerning those registering during the 1998 session of the Arkansas State Association of Free Will Baptist: Ministers-109, Deacons-43, Delegates-69, Missionaries-18, Visitors-734, Total-973.

Committee:

Mike King, Michael Morrison, George Lynn, Ben Scott, Kendall Ross

OBITUARY REPORT - 1998

The following have been called from our midst this past year:

ANTIOCH

J. M. Harris
Rev. Leon Garrison
Odis McGehee
Louise Zachary
Mary Latham
Frank Williams
Bernice Hill
Dolan Burris
Goldie Blankinship
Melvin Flewellen
Jerry McConnell
William Venable
Anna Adaire
Al Capps
Alice Kelley
Vester Neeley

ARKANSAS

Inez Speaks
Jim Millard
Lois Honey
B. B. Riggs
Lorene Looney
Elvie Metcalf

CENTRAL

Madeline Whiteaker
George Gray
J. C. Elsberry
Georgia Reel
Bea Hooper
Shielda Johnson
Randy Ring
Joe Mason
Mary Hensley
Harold (Joe Bill) Duvall

FELLOWSHIP

Cecil A. Kinslow
Arthur Monroe Witherspoon
Wilma Canady
Jacie Mae Anderson Eudy
Georgia Higgins
Nancy Crouch
Rhea Darter
Louise Gunther

HARMONY

LITTLE MISSOURI RIVER

Willie O'Neal
Sherry Cook
Ruth (Plyler) Tabor
Lannie Richardson
Rev. Don Guthrie
Inez White

NEW HOPE

Justin Willis
Don Linn
Clara Fowler
Juanita Bradford
Alzera Burroughs
Dora Goff
Mary Holland
Sybil Ausburn
Lanell Baker
Aden Woodruff
Mrs. John Parks

NORTHWEST

Darla Allen

OLD MT. ZION

Rev. Tommy Day
Rev. Lloyd Ray Henry
Rev. William Smith
Raymond Jordon
Dennis Hamilton
Grace Tice
Earl Melvin West
Odie Westly Fowler
Imogene Byrd
Oleta Hazel Hill
Lois Dee Seals
George Self
Maude Shaver
Effie Dennis
Effie J. Armes
Norman Melton
Ruby Sebourn
Ruby May Rice
Prentiss Moore
Denver Glen Snow

OLD MT. ZION

Arlie Silvis
Clinton Stout
Edith Bennett
Jewel Franks
Nellie Irene Bartlett
Robert Donald Austill
Lillie Moore
Mary Barnes
Gladys Wright
Cora Smith
Efton Bohannon
Florta T. King
Bobby Mase
Dorothy Bloyd

POLK BAYOU

Geraldine Johnston
Alta Varnell
Trula Hughes
Maxine Harris
Daisy Byrd
Hazel McCoy
Ray McLaughlin
Kirby Johnson
Polly Pierce
Christine Ganey
Charlie McLaughlin
Chester Huskey
Jim Thomas
Bessie Cooper
Kathleen Hodge
Richard Haertlein
Elie Pippinger
J. A. Johnston
Norene Huskey
T. J. Hembry
Glen Wentz
Oma Smith
Rudolph Erwin

OBITUARY REPORT 1998, Continued

SALINE

Connie Shelton
Marvin Duncan
Rose Duncan
Willie Mae Belin
J. T. "Thed" Hollis
Mrs. Jessie Barnett
Rosie Cater
Jewel Smith
Bob Culp
Rev. Stanton White
Bertha Fairchild
Harry Moellenberndt
Lee Saffold
Lula Morning
Vivian Martin
Duncan McClellan
John F. Thompson
Pearl Williams
Lorie Trammell
Floyd Horton
Fatima Braswell Parham
Geraldine "Jewel" Williams Sylvest

SOCIAL BAND

Pearl Neece
Gail Buggica
Wanda Bonds
Faye Lakey
Katherine Eastland
Lottie Pulliam
Carol Dawson
Mrs. Jet Morgon
Theodore Winfrey
Inez Getson
Paul Morris
Edna Waltrip
Lawnie Hill
Raymond Gipson
Armal Burl Clark
Myrtle Hines
Ruby Rainwater
Christian Byrum
Vernell Tyler
Addie Jones

UNITY

Orville Moore
Juanita Davis
Alyne Hunter
Wanda Cormack
Luther Uselton
Mae Atkerson
Earl McCain
Charles Davis
Edd Chadwick

ZION HOPE #2

Vivian Jeffcoat

Respectfully Submitted,

OBITUARY COMMITTEE:

J. W. Blanks
Rupert Pixley
Gene Cullum
Thurston Taylor
Patrick Baze

DISTRICT ASSOCIATIONS 100 YEARS & MORE

<u>NAME</u>	<u>YEAR OF ORGANIZATION</u>	<u># OF YEARS</u>
OLD MT. ZION	1842	156
ARKANSAS DISTRICT	1869	129
SOCIAL BAND	1875	123
LITTLE MO RIVER	1879	119
POLK BAYOU	1880	118
NEW HOPE	1880	118
ANTIOCH	1892	106

PAST PROMOTIONAL DIRECTORS

<u>NAME</u>	<u>YEAR OF SERVICE</u>	<u># OF YEARS</u>
MILLARD WILLIAMS	1955-57	2 YEARS
EARL SMITH	1957-59	2 YEARS
WILLARD E. DAY	1959-62	3 YEARS
LOYD THOMAS	1962-67	5 YEARS
FRED WARNER	1967-73	6 YEARS
DAVID JOSLIN	1973-CURRENT	25 YEARS

CHURCHES - 100 YEARS OR OLDER

<u>NAME</u>	<u>ASSOCIATION</u>	<u>DATE ORGANIZED</u>	<u>#YEARS</u>
MT ZION	OLD MT. ZION	1866	132
MT. JOY, GLENWOOD	LITTLE MO RIVER	1873	125
MULBERRY, GRVELLY	ARKANSAS	1876	122
MT HARMONY, SAFFELL	POLK BAYOU	1878	120
PLEASANT GROVE	LITTLE MO RIVER	1878	120
ST JOE, ATKINS	ANTIOCH	1886	112
HICKORY GROVE	OLD MT. ZION	1886	112
OAK GROVE, RUSSELLVILLE	FELLOWSHIP	1886	112
POTTS (OLIVER)	ARKANSAS DISTRICT	1887	111
GRANDVIEW, MAYNARD	SOCIAL BAND	1889	109
CHRISTIAN HOME	OLD MT. ZION	1892	106
OAK GROVE, LYNN	POLK BAYOU	1895	103
PLEASANT GROVE	SALINE	1896	102
WARM SPRINGS	SOCIAL BAND	1888	100
GRAVEL HILL (BETHEL)	NEW HOPE	PRIOR TO 1899	100
GREENBRIER (PLEASANT GROVE	NEW HOPE	PRIOR TO 1899	100
HARMONY	SALINE	Unknown	100
FREE HILL	SALINE	Unknown	100
MACEDONIA	SALINE	Unknown	100
81 - LONE ELM	ZION HOPE	Unknown	100
FREEDOM	ZION HOPE	Unknown	100
PLEASANT HILL	UNITY	Unknown	100
SHADY GROVE	UNITY	Unknown	100
ARBOR GROVE	SOCIAL BAND	Unknown	100
SUTTON	SOCIAL BAND	Unknown	100
SHARUM	SOCIAL BAND	Unknown	100

DEACONS ORDAINED 40 YEARS OR MORE

NAME	ASSOCIATION	ORDAINED	# OF YEARS
BUSTER YELL	OLD MT. ZION	1958	40
GEORGE SNELGROVE	POLK BAYOU-BLACKLAND	1958	40
NEWT RICE	ANTIOCH-SMITH SPRINGS	1958	40
HARLEY PLYLER	LMR-GLENWOOD	1957	41
J. D. "DELBERT" HUGHES	CENTRAL-N LITTLE ROCK	1957	41
THURSTON TAYLOR	CENTRAL-OAK PARK	1956	42
KENNETH HUBBARD	OLD MT ZION	1956	42
JOHN EDINGTON, JR.	SOCIAL BAND-OLD REYNO	1956	42
BILLY NICHOLS	CENTRAL-CONWAY	1955	43
J. V. SAWYER	CENTRAL-OAK PARK	1955	43
BURL STEWART	CENTRAL-N LITTLE ROCK	1955	43
NORMAN CLINE	OLD MT. ZION-PHILLIPS CHAPEL	1955	43
JOHN CHISM	ANTIOCH-SMITH SPRINGS	1955	44
ALFRED MYERS	POLK BAYOU-POOL'S CHAPEL	1955	44
JOHN PLYLER	LMR-GLENWOOD	1954	44
ASTOR CROW	LMR-MT. JOY	1954	44
ALBERT SCHANDA	OLD MT. ZION-PHILLIPS CHAPEL	1954	44
ROY EDGMON	OLD MT. ZION-PHILLIPS CHAPEL	1954	44
RALPH MORROW, JR.	SOCIAL BAND-OLD REYNO	1954	44
RAY BRANHAM	SOCIAL BAND-JONESBORO	1954	44
B. F. OWNES	SOCIAL BAND-JONESBORO	1954	44
CLARENCE MCCLURE	ZION HOPE-CATCHER	1954	44
A. C."CHESTER"COTTON	CENTRAL-N LITTLE ROCK	1953	45
EWELL HENDERSON	ARKANSAS-DUBLIN	1953	45
EDWARD MORRIS	OLD MT. ZION-PHILLIPS CHAPEL	1952	46
RELTON FOREHAND	SOCIAL BAND-CLEAR LAKE	1952	46
ARVIL SATTERWHITE	POLK BAYOU-POOL'S CHAPEL	1951	47
OTHEL MAY	HARMONY-RANGER	1949	49
R. M. BUTLER	SALINE-CROSSETT	1949	49
LEWIS SAWRIE	NEW HOPE-GREENBRIER	1945	53
HAROLD HOWARD	POLK BAYOU	1945	53
ALDEN JONES	SOCIAL BAND-SUTTON	1945	53
JOHN S. "STANLEY" FOY, JR	SALINE-CROSSETT	1945	53
JAMES FRITH	SALINE	1945	53
PRATT BUELL	NORTHWEST-MT. OLIVET	1943	55
J. T. "THAD" HOLLIS	SALINE-CROSSETT	1943	55
THELL ELLISON	ZION HOPE-INDEPENCE	1943	55
EARL DAVIS	OLD MT. ZION	1941	57
RAYMOND MORGAN	ZION HOPE #2-INDEPENDENCE	1940	58

*The names listed above are those that were submitted to the office of Arkansas Free Will Baptists.
Please accept our apologies if your name was omitted.
Appreciation is extended to all who have faithfully served in our churches.*

MINISTERS-ORDAINED 40 YEARS & MORE

<u>NAME</u>	<u>ASSOCIATION</u>	<u>ORDAINED</u>	<u># OF YEARS</u>
VELON HARMON	NEW HOPE	1958	40
A.E. "BO" COFFMAN	FELLOWSHIP	1958	40
BOB RACKLEY	ANTIOCH	1957	41
HENRY BROWN	ARKANSAS	1957	41
JIM RICHARDSON	POLK BAYOU	1957	41
LOWELL GRAHAM	SOCIAL BAND	1957	41
L. D. JOHNSON	SOCIAL BAND	1957	41
HAROLD COLLINS	SOCIAL BAND	1957	41
DAVID A. JOSLIN	NEW HOPE	1957	41
RAYMOND PATRICK	NEW HOPE	1956	42
GLEN BARNES	OLD MT. ZION	1956	42
RAYMOND CHRONISTER	ZION HOPE #2	1956	42
EVERETT SMITH	ZION HOPE #2	1956	42
BOBBY JOE CHRONISTER	ANTIOCH	1955	43
ORIS DOGETT	SALINE	1955	43
RUE DELL SMITH	SALINE	1955	43
DON BROWN	CENTRAL	1954	44
JIM BUNDY	HARMONY	1954	44
GLEN JONES	OLD MT. ZION	1953	45
CECIL SANDERS	SALINE	1953	45
GLEN CAMPBELL	SOCIAL BAND	1953	45
LAWNIE COFFMAN	FELLOWSHIP	1952	46
KEITH JOHNSON	NEW HOPE	1952	46
O. D. WINFREY	POLK BAYOU	1952	46
J. C. RAWLS	SALINE	1952	46
DEWEY THOMPSON	SOCIAL BAND	1951	47
HUBERT HUTCHINS	ZION HOPE #2	1951	47
CHARLIE COLLINS	SALINE	1950	48
ELBERT MCCLELLAN	SALINE	1950	48
GRADY LINEBAUGH	SOCIAL BAND	1950	48
MELVIN SHELTON	SOCIAL BAND	1949	49
BURL OSBORNE	ZION HOPE #2	1949	49
J. W. BLANKS	POLK BAYOU	1946	52
BEN SCOTT	CENTRAL	1945	52
NATH BAKER	NEW HOPE	1945	53
GILBERT PIXLEY	ZION HOPE #2	1945	53
RUPERT PIXLEY	ZION HOPE #2	1938	60
CECIL GARRISON	OLD MT. ZION	1933	65
J. E. WHITE	SALINE	1929	69

The names listed above are those that were submitted to the office of Arkansas Free Will Baptists.

Please accept our apologies if your name was omitted.

Appreciation is extended to all who have faithfully served in our churches.

PAST MODERATORS OF ARKANSAS STATE ASSOCIATION

<u>MODERATOR'S NAME</u>	<u>YEAR OF SERVICE</u>	<u># OF YEARS</u>
RALPH STATEN	1949-49	9 YEARS
J. D. COFFMAN	1950-51	2 YEARS
O. T. DIXON	1952-54	3 YEARS
REFORD WILSON	1955, 1957-59	4 YEARS
RUPERT PIXLEY	1956	1 YEAR
WILLIAM MISHLER	1960-62	3 YEARS
BEN SCOTT	1963-65	10 YEARS
	1969-75	
JAMES EARL RAPER	1966-68	3 YEARS
CARL CHESHIER	1976-93	18 YEARS
JAMES FORLINES	1994-1998	5 YEARS

PAST CLERKS OF ARKANSAS STATE ASSOCIATION

<u>CLERK'S NAME</u>	<u>YEAR OF SERVICE</u>	<u># OF YEARS</u>
J. W. COFFMAN	1940	1 YEAR
S. L. WOODARD	1941-42	2 YEARS
W. F. MCGEE	1943	1 YEAR
M. B. WILLIAMS	1944-47	4 YEARS
J. D. COFFMAN	1948-49	2 YEARS
R. D. SMITH	1050-54	5 YEARS
LEWIS BARKER	1955-57	3 YEARS
HENRY BROWN	1958-63	6 YEARS
ALTON LOVELESS	1964-65	2 YEARS
DEAN DOBBS	1966	1 YEAR
CARL CHESHIER	1967	1 YEAR
CLARENCE CAMPBELL	1968-69	2 YEARS
LOYD THOMAS	1970-75	6 YEARS
WENDELL LECKBEE	1976-93	18 YEARS
GEORGE HARVEY	1980	1 YEAR
DAVID WINFREY	1994-1998	5 YEARS

ARKANSAS STATE ASSOCIATION CONSTITUTION

Preamble

From experience we, the members of the Free Will Baptist denomination, being regularly baptized upon a profession of our faith in Jesus Christ and realizing the necessity of a bond of union and fellowship among us; to preserve and maintain correspondence and coordination with us; to unify the work of the various districts composing the State Association; and to devise and execute measures for the extension of the Kingdom of God in cooperation with the various districts of the Association, for that may be hereafter represented therein, do therefore ordain this Constitution for our better denomination government.

Article I

Name:

This organization shall be known as the Arkansas State Association of Free Will Baptist, affiliated with the National Association of Free Will Baptist.

Article II

Purpose:

The purpose of this organization shall be to unify the work of the various districts composing the State Association and to devise and execute measures for the extension of the Kingdom of God in connection with the various districts in the Association.

Article III

Representation:

Section 1. This association shall be composed of all ordained ministers and deacons with membership in a church belonging to a district association, the district associational clerk, all members of state boards, and standing officers of the state association.

Section 2. Each district association shall be entitled to five (5) lay delegates at large. Each local church which holds membership in a district association affiliated with this body shall be entitled to send one lay delegate.

Section 3. Associational Delegates:

A. In the event any of the elected delegates fail to report, said vacancy may be filled by appointment of the moderator of said district or by the delegates present from said district.

B. In the event the elected delegate from a local church is not present, the Pastor of that local church shall have the authority to appoint a delegate to serve in place of the absent delegate.

Section 4. New associations desiring membership in the state association shall send messengers bearing a petitionary letter. If found orthodox, upon examination by the credentials committee, they shall be received by the vote of the association and given the right hand of fellowship by moderator.

Section 5. The State Convention shall convene annually on the Wednesday following the first Sunday in the month of August.

Article IV

Finance:

Section 1. This association shall be supported by a percentage of the Cooperative receipts as designated by the State Association and by designated gifts. Said allocations to national and state work to be recommended to the association by the budget committee.

Section 2. Each district association shall send \$25.00 for each church belonging to the district association for the purpose of entertaining the State Association; \$25.00 for each church for National Association fees; and \$5.00 per each church for minutes, for a total of \$55.00.

Section 3. In the event any church within a local association does not pay its fee; the delegates, deacons, and ministers of that church shall not be seated.

Article V

Discipline:

Section 1. This State Association shall have the right to settle any questions of discipline, doctrine, or practice that may properly come before it from any of the district composing said organization. If there be any question of discipline, doctrine, or practice on the part of a district body, delegates of that association shall be not seated until these questions have been settled to the satisfaction of the credentials committee.

Section 2. The decision of the credentials committee may be appealed to the State Association sitting in a committee as a whole.

Article VI

Officers:

Section 1. The officers of the State Association shall consist of a moderator, assistant moderator, clerk, assistant clerk, and promotional director. Each of these, with exception of the promotional director shall be elected annually. These shall constitute a standing Executive Committee.

Section 2. The Executive Committee shall plan the State Association. A district association desiring to host the state association shall extend an invitation at least one year in advance. If an invitation is not received, the State Association will convene in the Conway area unless another site is recommended by the Executive Committee.

Section 3. The Executive Committee shall employ the auditor for all standing boards. The auditor shall be responsible to report directly to the committee, and then to the directors and boards. The audits shall be paid for by each respective board.

Section 4. The Moderator shall be an ex-officio member of the Executive Board. The Promotional Director shall be an ex-officio member of all standing boards and committees.

Section 5. A committee on committees shall be elected by the body on the opening night of the association. All other committees shall be appointed by the committee on committees.

Section 4. The moderator, assistant moderator, promotional director, clerk, and assistant clerk shall serve as the program committee for the State Association.

Article VII

Duties and Rules of Standing Boards:

Section 1. All standing boards shall be composed of six (6) members, each of whom shall serve for three years. A member may be re-elected for an additional term of three years. No board member shall immediately succeed himself after having served two full three-year terms on said board.

Each board shall prepare a budget of its proposed financial expenditures at the beginning of each fiscal year and shall present same for approval by the Arkansas State Association along with an audit made by an independent certified public accountant, which audit shall lead to the expression of an unqualified opinion on the financial statements. The auditor's report shall include, where applicable, a balance sheet and

income statement and other schedules as may be necessary for a proper presentation of the financial condition and results of operation.

Section 2. All boards of this association shall organize immediately following the annual association meeting. They shall elect a chairman, vice-chairman, and secretary. Each board shall give a written report at the annual association of meetings conducted, work accomplished, monies received and expended during the year

Section 3. Executive Board: This board shall have the authority to fill irregular vacancies which may occur in its own body, and any irregular vacancies which may occur in any standing board between sessions of the state association. An office may be declared vacant for any of the following reasons: if a member moves from the State; if a member fails to attend the board meetings for a period of one year without providential hindrance; or if for any reason he submits a statement of resignation.

The Executive Board shall keep a record of all work accomplished, money raised, meetings conducted, and make a full and complete report at the annual association of the State Association. The Executive Board shall receive, hold, manage, use, control, and convey property entrusted to the State Association, except as stipulated elsewhere in the constitution.

No board shall buy or sell real estate, encumber the State Association beyond their current fiscal year and budget, or enter into litigation when the State Association is not in conference without the approval of the Executive Board. The chairman and secretary of the Executive Board shall sign all papers by which the State Association is to become legally responsible.

In case of an emergency situation, the Executive Board shall have the authority to call the State Association in conference by notifying each district association at least ten (10) days prior to the conference.

A bookstore shall be operated under the supervision and direction of the Executive Board who shall have the authority to employ a bookstore manager. A contractual agreement shall be signed annually by the manager of the bookstore and the Executive Board. The manager shall present a financial statement of the bookstore operation at each annual session of the association.

This board shall have the authority to employ the state promotional director. A contractual agreement shall be signed annually by the promotional director and the Executive Board. The promotional director shall assist in coordinating the work of the various boards of the State

Association and shall serve as state treasurer. He shall promote both the state and national works, missionaries, mission conferences, etc. It shall be his duty to edit and publish the state paper.

He shall receive, hold, and disburse money as is made available by the State Association to the various boards. Disbursements to the various boards will be made when requested.

He shall present a written report of his work at each annual session of this association, with a financial statement of all monies received and disbursed.

Section 4. Mission Board: It shall be the duty of this board to promote an active missions program. It shall work in cooperation with the national home mission and foreign missions boards in the arranging of missionary conferences, of missionary itineraries, and shall assist in the raising of the State quota for the national missions program.

The board shall not participate in the organization of any church or mission in a town, city, or community where there is an organized Free Will Baptist Church without seeking the cooperation of said church. Neither shall this board assist in the organization of a group that is out of fellowship with an established church.

This board shall be entrusted to receive, hold, manage, use, control, or convey State Mission Property.

Section 5. State Youth Board: It shall be the duty of the State Youth Board to sponsor activities for the youth of the state that will encourage, enlighten, and educate them in a manner which will be uplifting to Christ. This board shall sponsor retreats, conferences, activities, camps, and service oriented projects for the youth. This board shall be trustees of the camp facilities owned by the state. It shall be the responsibility of this board to employ a State Youth Director to manage the camp facilities, organize and coordinate youth activities, and receive and disburse designated funds as directed by this board. The State Youth Director shall promote district, state, and national programs involving the youth. The Youth Director shall be responsible for the hiring and dismissing of camp personnel under the direction of the State Youth Board.

Section 6. Christian Education Board: It shall be the duty of this board to promote Christian education throughout the state. They shall arrange activities which may include conferences, workshops, teacher training courses, and retreats to promote instruction and fellowship.

Article VIII

Amendments:

This constitution may be amended at any regular session of the State Association by a two-thirds vote of the members present, providing proposed amendment is presented in writing to the body one day in advance.

Article IX

Hillsdale Trustees:

The State Association shall have two trustees to Hillsdale Free Will Baptist College. They shall give an annual report to the State Association on the progress of the college. One board member shall be elected annually to serve a two-year term.

Article X

Parliamentary Procedure:

This meeting of the State Association shall be governed by the rules of parliamentary law as set forth in Robert's Rules of Order.