

Minutes

of the
One-Hundred Second Annual Session
of the
Arkansas State Association
of
Free Will Baptists
Held at the
Cavanaugh Free Will Baptist Church

Fort Smith, Arkansas
August 4-5, 1999

Moderator

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David Winfrey
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MINUTES
of the
102nd Annual Session
Of the
ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS

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OFFICERS AND STANDING BOARDS

1999-2000

EXECUTIVE BOARD

Doug Little.....	2002
Andy Percy.....	2002
Hoover Lewis.....	2001
Raymond Chronister.....	2001
Dale Blackwell.....	2000
Randell Williams.....	2000

STATE HOME MISSION BOARD

Dwayne Roper.....	2002
Hursel Parker.....	2002
David Copeland.....	2001
Paul Payne.....	2001
Bobby Shepherd.....	2000
Johnny Fowlkes.....	2000

YOUTH BOARD

John Reed.....	2002
Mike King.....	2002
Leo Martin.....	2001
Mark Stripling.....	2001
Randall Ray.....	2000
Patrick Baze.....	2000

CHRISTIAN EDUCATION BOARD

Kendall Ross.....	2002
Nelson Henderson.....	2002
Rick Ketchum.....	2001
Harvey Butler.....	2001
Leroy Scudder.....	2000
Jackie Brown.....	2000

MODERATOR.....	David Bishop
ASSISTANT MODERATOR.....	David Winfrey
CLERK.....	Randy Ledbetter
ASSISTANT CLERK.....	Dalton Johnson

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PROCEEDINGS

Wednesday Evening, August 4, 1999

The 102nd annual session of the Arkansas State Association of Free Will Baptists met at the Cavanaugh Free Will Baptist Church in Fort Smith, Arkansas, on August 4-5, 1999. The convention theme was *"Building His Church Through: Exalting Christ, Equipping The Saints, and Evangelizing The Lost."* The theme verse was Matthew 16:18.

Pre-service music was presented by Sweeter Rain from Sallisaw, Oklahoma. The Wednesday evening service opened with the congregation singing *"I Will Build My Church."* Kendall Ross served as song director. Denise Ross was the pianist, and Angie Harmon played the keyboard. Maisie Little was the organist for this session.

The "Praise Team" for Cavanaugh sang *"Shout To The Lord."* Kendall Ross led in prayer.

The Cavanaugh Choir sang *"Have You Heard About Jesus?"* David Winfrey, clerk, called the meeting to order and introduced the moderator, David Bishop, pastor of the Union Grove Free Will Baptist Church.

Wednesday Evening, Continued

David Bishop recognized the visitors from out of state.

The Committee on Committees was elected as follows: Randy Scott, Leroy Scudder, Ed Cook, Rich Ketchum, and Kerry Gandy.

Motion passed to lay the Constitutional Amendment on the table which was as follows:

"Motion to change the constitution: Article IV, Section 2: 'Each district association shall send \$25.00 for each church belonging to the district association; \$50.00 for each church for National Association fees; and \$5.00 for each church for minutes, for a total of \$80.00.'"

Will Harmon, host pastor, was introduced and gave a word of welcome. He also introduced Ray Baker, mayor of Fort Smith, who welcomed us to the city of Fort Smith. The mayor made presentations to David Bishop and David Joslin.

The congregation sang "*I Will Sing The Wondrous Story*" and "*He Keeps Me Singing*."

The Cavanaugh Choir sang "*I Am Not Ashamed*."

The Praise Team and the congregation sang "*Let The Redeemed*," "*Spirit Song*," "*Come Holy Spirit*," "*I Need Thee Every Hour*," and "*O The Blood Of Jesus*."

The offertory prayer was led by David Bishop. The offering was divided: 1/3 to National Home Missionaries present (Ron Parker, George Harvey, Tommy Jones, Rue Dell Smith, and Norman Richards), 1/3 to Foreign Missionaries present (Darrell Nichols, Dale Bishop, Patsy Vanhook, and Terry Walker), and 1/3 to State Missionaries present (Ramon Zuniga, David Taylor, and Kerry Gandy). Offertory organ music was played by Al Valentine.

Special Music was presented by Sweeter Rain who sang two songs.

Doug Little, pastor of First Free Will Baptist Church in Russellville, introduced Terry and JaNelda Walker, missionaries to an unreached people (supported by The A.C.T.S. 1:8 Plan), who presented a carpet to the supporters of The A.C.T.S. 1:8 Plan. Doug Little led in prayer, especially for the Walkers.

Doug Little led the congregation in singing "*Brethren, We Have Met To Worship*" and brought the evening message on the subject "*Building His Church Through Exalting Christ*." He read from Revelation 4:1-11. After the message he closed with prayer.

Wednesday Evening, Continued

The congregation sang "*There's Just Something About That Name*," and "*His Name Is Wonderful*."

Report of the Committee on Committees was given and accepted (see page 10).

After announcements Dale Blackwell dismissed the service in prayer.

Thursday Morning, August 5, 1999

The service opened with the congregation singing "*A Shelter in the Time of Storm*."

George Lynn was introduced to bring the devotion. He led in prayer and read from Mark 5:1-8. He spoke on the subject "The Purpose of His Presence" and closed with prayer.

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 accept this report and to seat the delegates.

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 Marjorie Workman. Motion passed to receive this report as information.

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

Report of the Executive Board was given by Hoover Lewis (see pages 14-16). Motion passed that this report be received.

Motion passed to adopt the 2000 Coop Budget.

Motion passed to accept the invitation from the Social Band Association to host the state meeting for August 8-9, 2000, in Jonesboro, Arkansas.

Report of the National Executive Office was given by Dr. Melvin Worthington, Executive Secretary.

Report of the Promotional Director was given by David Joslin (see pages 17-31). David Joslin recognized Debe Taylor, newly elected president of the WNAC, and Phil Whitaker, one of our pastors who is also the Circuit Chancery Judge for the 23rd judicial district of Arkansas.

Thursday Morning, Continued

Ernest Harrison, Executive Secretary of Oklahoma Free Will Baptists, brought greetings from the state of Oklahoma. Motion passed to receive the Promotional Director's report and adopt the budgets.

Motion passed to remove the proposed constitutional amendment to Article IV, Section 2 (*stated on page 5*) from the table for consideration. Motion passed to adopt this constitutional change.

Report of the Christian Supply Store was given by Keith Johnson (*see pages 32-40*). Motion passed to receive this report and adopt the budget.

Report of the Nominating Committee was given by Steve Trail (*see page 64*). Motion passed to receive the report and fill each position as the reports are given.

Andy Percy and Doug Little were elected to the Executive Board for three-year terms.

Report of the A.C.T.S. 1:8 Task Force was given by Doug Little (*see pages 41-42*). He challenged churches to put The A.C.T.S. 1:8 Plan in their budget. The Task Force urged the state to help make up a \$42,000 deficit by challenging churches to give above their regular giving. If 42 churches gave \$1,000 extra, it would take care of this deficit. Motion passed to accept this report and adopt the budget.

Motion was made and seconded that only in the year 2000 that all monies received above the full payment of the projected \$450,000.00 for state Coop receipts be directed to The A.C.T.S. 1:8 Plan. Motion passed to table this motion.

Report from the National Foreign Missions Department was given by James Forlines.

The meeting was recessed for a few minutes.

Thursday Morning Worship Service

The service opened with the congregation singing "*There Is Power In The Blood.*"

Special music was presented by John Hays who sang "*It's My Desire.*"

After a letter of appreciation from Mary Kay Joslin was read and a prayer request was made for Jim Harris, who had been injured, Will Harmon led in prayer.

Thursday Morning, Continued

Dr. Melvin Worthington, Executive Secretary, was introduced as the morning speaker. He spoke on the subject "Building His Church Through Equipping The Saints" reading from Ephesians 4:11-16. He closed his message with prayer.

After announcements, Will Harmon led the dismissal prayer.

Thursday Afternoon Business Session

The afternoon session opened with the congregation singing "*Blessed Be The Name.*"

Dwayne Roper was introduced for the afternoon devotion. He read and spoke from Amos 5:19.

Report of the State Youth Board was given by Patrick Baze (*see page 43-44*). Motion passed to receive this report and adopt the budget.

Report of the State Youth Board Director was presented by Bob Thompson (*see pages 45-50*). Motion passed to receive this report.

John Reed and Mike King were elected to three-year terms on this board.

Report from Randall House Publications was given by Alton Loveless, General Director.

Report from Free Will Baptist Bible College was given by Terry Forrest.

Report from Hillsdale College was given by Carl Cheshier.

Will Harmon was elected as Hillsdale Trustee for a two-year term.

Report of the State Home Mission Board was given by David Copeland (*see pages 51-61*). Motion passed to accept this report and to adopt the budget.

Hursell Parker and Dwayne Roper were elected to three-year terms on this board.

Report from the National Home Missions Department was given by Richard Adams. He presented a Benjamin Randall afghan to David Joslin and a matching pillow to David Bishop.

Reports from the National Board of Retirement and the Free Will Baptist Foundation were given by Bill Evans.

Motion passed to remove the motion, placed on the table during the morning business session (*see page 7*), from the table for consideration. Motion was made and seconded to amend the motion to 25% of the monies above the \$450,000.00. The amendment to the motion failed and discussion on the original motion was opened. The motion failed.

Thursday Afternoon, Continued

Report of the Christian Education Board was given by Nelson Henderson (*See pages 62-63*). Motion passed to receive this report and adopt the budget.

Leroy Scudder was elected to the Christian Education Board for a one-year term. Nelson Henderson and Kendall Ross were elected to three-year terms.

Report from the Arkansas Master's Men was given by Johnny Fowlkes (*see page 65*).

Report of the National Master's Men was given by Tom Dooley.

Report of the Free Will Baptist Family Ministries was given by Jack Taylor.

Report from the Alabama Free Will Baptist Children's Home was given by Roger Bennett.

Report of the Resolution Committee was given (*see page 66*). Motion passed to adopt both resolutions.

Report of the Registration Committee was given and accepted (*see page 67*).

Delegates elected to the National Association in Anaheim, California, were elected as follows: Ron Puckett, Carolyn Winfrey, Sherlyn Blackwell, Patsy Bishop, and Mary Ann Chronister.

Statistics report from church letters was read as information (*see page 67*).

Officers elected for the next year were as follows: David Bishop—moderator, David Winfrey—assistant moderator, Randy Ledbetter—clerk, and Dalton Johnson—assistant clerk.

Report of the Obituary Committee was given by Randy Ledbetter (*see pages 68-69*). The congregation stood and Bobby Shepherd led in prayer, remembering those who have gone on before us.

Motion passed to dismiss this committee and accept the report.

Thursday Evening Worship Service

Pre-service music was presented by the Vista Instrumental Ensemble. The service opened with the congregation singing *"I Will Build My Church."*

Special music was presented by the Unity Association Choir who sang *"Follow Him/Lead Me Lord."*

David Bishop gave a word of welcome and led in prayer.

The congregation sang *"Send the Light"* and *"Bring Them In."*

Thursday Evening, Continued

The Unity Association Choir sang *"No More Night."*

The evening offering was received with David Bishop praying the offertory prayer. The total received in Wednesday and Thursday night offerings was \$1579.72. The Vista Ensemble played during the offering.

The congregation sang *"Great Is Thy Faithfulness."*

Special Music was presented by Calvin and Virgil Rainwater who sang *"A Few Good Men."*

Mike Hustsell, pastor of the Trinity Free Will Baptist Church in Hamburg, brought the evening message on the subject *"Building His Church Through Evangelizing The Lost."* He read from Mark 16:15, 16, 19, 20 and led in prayer. He closed the message with prayer. *"People Need the Lord"* and *"The Savior Is Waiting"* were sang as hymns of invitation. The congregation sang *"Amazing Grace."*

Appreciation was expressed to Will Harmon and the Cavanaugh Church for the great way they hosted this meeting.

The meeting was dismissed with prayer led by Phillip Payne.

REPORTS

REPORT ON THE COMMITTEE ON COMMITTEES

Credentials: Sidney Sawrie, Ron Puckett, Kevin Jewell, Brent Hutsell, and Orville Berg

Resolutions: Bobby Shepherd, Nelson Henderson, David Taylor, Berton Perry, and Paul Hammons

Obituary: Dale Blackwell, Hoover Lewis, Raymond Chronister, Lawnie Coffman, and Loy Counts

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

Committee:

Randy Scott, Rick Ketchum, Leroy Scudder, Edward Cook, Kerry Gandy.

REPORT OF THE CREDENTIALS COMMITTEE

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

REPORT OF THE CREDENTIALS COMMITTEE, Continued

Two associations, Old Mt. Zion and Zion Hope #2, represented by letter, delegates, and partial fees. The following church in Old Mt. Zion did not pay fees: Unity. The following churches from Zion Hope #2 did not pay: Centerpoint, Chester, and Kibler.

Committee:

Sidney Sawrie, Brent Huttzell, Orville Berg, Ronald Pucket, Kevin Jewell

REPORT OF THE ARKANSAS WOMEN ACTIVE FOR CHRIST

The 44th Annual Session of the Arkansas Women Active for Christ met August 4, 1999, at Cavanaugh Free Will Baptist Church in Ft. Smith. The theme for the day was *"Under the Shadow of His Wings"* taken from Psalms 36:7. Singing was directed by Janice Martin with Sue Patton as the pianist.

Sandra Bishop, foreign missionary to Japan, gave the morning devotion. Linda Harvey, Home Missionary, to Phoenix, Arizona, gave the afternoon devotion.

Special music was presented by Tammy Springwater. A word of greeting was given by the missionaries present in the morning session.

Norman Richards, home missionary to Slidell, Louisiana, was the 11:00 AM speaker.

All 11 districts reported with a membership of 766. A total of 123 registered, including 4 foreign missionaries, and 7 home missionaries.

Total receipts were \$68,893.21. Our cash, non-cash, and gifts sent direct were \$29,288.69, making a total giving of \$98,181.90. Our giving to Foreign Missions was \$22,382.97 (A.C.T.S. 1:8 receiving \$18,797.01 of this amount), National Home Missions \$23,885.88, Children's Home \$2,004.00, and our State Project "Richard's Land Fund" \$10,000.00.

The 32nd annual banquet was in the fellowship hall at Cavanaugh Church, August 4, 1999, with 121 in attendance. Bessie Richards, home missionary to Slidell, Louisiana, spoke from the theme *"Under the Shadow of His Wings"*. Special music was rendered by Tammy Springwater.

The Annual Retreat was conducted April 30 and May 1, 1999, at Camp Beaverfork with 197 registering. The speaker was Debe Taylor who spoke from the theme, *"Hats Off to Women"*.

State President—Mary Ann Chronister

EXECUTIVE COMMITTEE REPORT

April 8, 1999

The Executive Committee met at the state offices in Conway with all members present to plan the state meeting in 1999, which will be at the Cavanaugh Free Will Baptist Church in Fort Smith, Arkansas, on August 4-5, 1999.

(1) Motion passed to utilize the music director and musicians at the church at Cavanaugh.

(2) Motion passed to have the Cavanaugh choir for Wednesday night and the Unity Association choir for Thursday night.

(3) Motion passed to select the following speakers for the messages and devotions: Wednesday evening message - Doug Little; Thursday session: morning devotion - George Lynn; morning message - Melvin Worthington; afternoon devotion - Dwayne Roper; and evening message - Mike Hutsell. The theme will be *"Building His Church Through Exalting Christ, Equipping the Saints, and Evangelizing the Lost,"* Matthew 16:18.

July 6, 1999

All members of the Executive Committee as well as Promotional Director David Joslin met at the state offices in Conway with Ricky Taylor, CPA. 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 David Bishop
Will Harmon, Assistant Moderator
Promotional Director David Joslin

David Winfrey, Clerk
Randy Ledbetter, Assistant Clerk

STATE EXECUTIVE BOARD REPORT

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

October 13, 1998

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

(1) The following officers were elected: Chairman Hoover Lewis, Vice-Chairman, Raymond Chronister, and Secretary Doug Little.

(2) Motion passed to accept the Christian Supply Store reports given by Keith Johnson. Third quarter sales for 1998 were up 18% from 1997. January-September 1998 sales were up 12% from 1997. Store operation hours 9:00 AM-8:00 PM, Monday-Saturday will continue through December. The installation of a new computer system was nearly complete.

(3) Motion passed to accept the financial reports given by Promotional Director David Joslin. Coop receipts were up 15% over 1997.

(4) Motion passed to recommend to accept the invitation from the Social Band Association to host the state meeting for August 2-3, 2000, in Jonesboro, Arkansas.

(5) Motion passed to send a letter to the Board of Foreign Missions of Free Will Baptists to request their consideration of alternative dates for their annual Foreign Missions Retreat due to its continuing conflict with our state meeting.

(6) Motion passed to authorize the Promotional Director to purchase a replacement vehicle for the state office.

(7) Motion passed to give an honorarium of \$350 to Sue Patton and \$200 to Linda Whitten in appreciation for their exceptional efforts in the preparations for the centennial meeting of the state association.

(8) Motion passed to pay the expenses from the General Fund for the moderator to attend the National Leadership Conference in Nashville, Tennessee, on December 7-8, 1998.

(9) A time of discussion was held jointly with the Christian Education Board regarding the Leadership Conference scheduled for March 1999. Clarification was desired about the format and intent of the open forum session scheduled for Saturday morning during the conference. It was agreed that the chairman of each board and the A.C.T.S. 1:8 Task Force would comprise a panel which would be chaired by the Promotional Director. During the forum, each chairman would present a brief overview and challenge regarding that aspect of their work in the future. Time would be allowed for questions from the floor.

(10) Motion passed to share (50/50) the expenses of the Leadership Conference with the Christian Education Board.

(11) Motion passed to appoint Mike King to the State Youth Board due to Scott Real leaving the state.

January 12, 1999

The Executive Board met at the state office in Conway, Arkansas, with all members present as well as Moderator David Bishop, Christian Supply Store Manager Keith Johnson, Promotional Director David Joslin, Bryan Johnson from Christian Supply, and Roy Harris from Free Will Baptist Bible College.

(1) Motion passed to accept the reports from Christian Supply Store as given by Manager Keith Johnson. He reported 1998 sales were nearly \$775,000 which was a 3.3% increase from 1997. Fourth quarter sales were approximately \$245,000 compared to \$271,000 in 1997. In light of the slower-than-expected overall growth, Mr. Johnson reported that salaries had been frozen going into the new year. He also re-negotiated his and his wife's medical insurance premiums to secure a better rate, with savings to the bookstore. Excess inventory would be returned to lower the accounts payable.

(2) The chairman introduced Roy Harris, Director of Development for Free Will Baptist Bible College. He reported on the relocation campaign for the college and asked for Arkansas' support in promoting the campaign to the people and churches in Arkansas. Motion passed to endorse the Bible College relocation campaign and recommend that all our churches and associations participate in any way possible.

(3) Motion passed to accept the financial reports as given by Promotional Director David Joslin, noting that the 1998 fourth quarter was one of the strongest ever in year-end giving. Bro. Joslin reported that the renter of the bookstore space in the state office building would be vacating March 1. He is working to secure another renter.

STATE EXECUTIVE BOARD, Continued

January 12, 1999, Continued

(4) Motion passed to appoint Nelson Henderson as Hillsdale trustee for a two-year term.

(5) Motion passed to appoint David Joslin as an Arkansas General Board member for the National Association.

(6) Brother Joslin reported that the resolution adopted at the state meeting regarding higher education in the denomination had prompted mixed responses. He presented the resolution at the December meeting of the National Association General Board Executive Committee. They voted to recommend to the General Board that the study be conducted and a committee appointed to initiate the work.

In preparation for the State Leadership Conference in March, Brother Joslin presented a proposal for the development of the state promotional work. Other ideas were discussed pertaining to the future work of the Executive Board and the overall program of the State Association. The board will meet on Monday, March 1, 1999, after the evening service at the Minister's Retreat to finalize preparations for the report for the Leadership Conference.

January 24, 1999

The Executive Board met via telephone conference with all members present, including State Moderator and Promotional Director David Joslin and conducted the following business:

(1) Motion passed that the Youth Board be authorized to borrow up to \$50,000 from the First Financial Bank of Conway, Arkansas, for the purpose of capital improvements at Camp Beaverfork.

February 3, 1999

The Executive Board conducted a conference call with all members and Promotional Director David Joslin except Doug Little who was in France on behalf of the Foreign Missions Board. The following business was conducted:

(1) Prior motion on January 24, 1999, amended to authorize Bob Thompson to act as agent on behalf of the Executive Board and to sign the necessary papers on behalf of the Executive Board of the Arkansas State Association of Free Will Baptists, Inc. The loan proceeds are to be placed in the Camp Beaverfork account at First Financial Bank in Conway, Arkansas.

(2) Motion passed to transfer \$726.52 from the General Fund to cover the deficits for state and national association fees and expenses.

April 13, 1999

The Executive Board met at the state office with all members present including Christian Supply Store Manager Keith Johnson and State Office Manager Sue Patton. (Bro. David Joslin was at the hospital with his wife.)

(1) Motion passed to accept the Promotional Director's report as given by Sue Patton. In reference to the retail/office space available at the state office building, Bedding Mart had moved out on March 31, and another renter, Payless Rentals had moved in April 1, 1999.

(2) Motion passed to pay the balance on the loan for the state office building-approximately \$3,523.53.

(3) Motion passed to recommend to the state association that the Nominating Committee be selected by the Committee on Committees at each session of the State Association for that particular session.

A report was given from Moderator David Bishop for the plans for the 1999 state associational meeting.

(4) Motion passed to accept the Christian Supply Store report as given by Keith Johnson.

(5) Motion passed to increase the contribution to the Bookstore's contingency fund from \$200 per month to \$1,000 per month for the remainder of 1999.

(6) Motion passed to enroll Keith Johnson in the Arkansas Free Will Baptists Minister's Benevolent Fund and to maintain his status in it.

(7) Following the meeting, the entire board went to Conway Regional Hospital to visit Mary Kay Joslin.

July 13, 1999

The Executive Board met at the state office with all members present except for Randell Williams who was unable to attend. Moderator David Bishop, Promotional Director David Joslin, Christian Supply Manager Keith Johnson, Ricky Taylor, CPA, and Bryan Johnson were also in attendance.

(1) Motion passed to accept the auditor's reports for Camp Beaverfork, State Home Missions, Christian Supply Store and Arkansas Free Will Baptists.

EXECUTIVE BOARD REPORT, Continued

July 13, 1999, Continued

(2) Motion passed to accept the Christian Supply Store as presented by Keith Johnson. Sales for the first six months of 1999 were up 5% from 1998. Supervisor Bryan Johnson gave an update on the progress of the bookstore in pursuing goals for the next ten years.

(3) Motion passed to approve the Christian Supply Store 2000 proposed budget of \$840,000, an increase of 5% over 1999.

(4) Motion passed to accept the financial reports given by Promotional Director David Joslin. Cooperative receipts were up 9.6% from 1998.

(5) Motion passed that the current year's Cooperative Plan allocation of 22% to the General Fund be adjusted to 21%, and that the allotment for the A.C.T.S. 1:8 Task Force be increased from 1% to 2% for the remainder of this year.

Brother Joslin presented a letter from the Executive Board of Central Association requesting consideration of including support for the A.C.T.S. 1:8 Plan (actual missionary support) as part of the Coop allocation. Due to the nearness of the State Association meeting, the Board agreed to take the matter under advisement for next year.

(6) Motion passed to recommend the following Cooperative allocations for 2000, Plan A and Plan B, which continues the 2% allotment for the A.C.T.S. 1:8 Task Force and 21% for the General Fund:

PROPOSED 2000 COOP BUDGET PLAN A			PROPOSED 2000 COOP BUDGET PLAN B		
STATE ASSOCIATION	62.5%	\$281,250	STATE ASSOCIATION	62.5%	\$281,250
General Fund	21.0%	\$94,500	General Fund	21.0%	\$94,500
Youth Board	17.5%	78,750	Youth Board	17.5%	78,750
State Missions	17.0%	76,500	State Missions	17.0%	76,500
C.E. Board	3.0%	13,500	C.E. Board	3.0%	13,500
THE VISION	2.0%	9,000	THE VISION	2.0%	9,000
A.C.T.S. 1:8	2.0%	9,000	A.C.T.S. 1:8	2.0%	9,000
NATIONAL ASSOC.	37.5%	\$168,750	NATIONAL ASSOC.	33.5%	\$150,750
HILLSDALE	-0-		HILLSDALE	4.0%	\$18,000
TOTAL	100.0%	\$450,000	TOTALS	100.0%	\$450,000

(7) Upon request of the Executive Board, David Joslin reported on his wife's condition and their medical expenses. After hearing his report, motion passed unanimously that the board give \$1,750 from the General Fund to help towards the medical expenses.

(8) Motion passed to give \$1,000 each to A.C.T.S. 1:8 from the General Fund, Operational Fund, and THE VISION account to offset the deficit.

Hoover Lewis, Chairman
Raymond Chronister, Vice-Chairman
Doug Little, Secretary

Randell Williams
Andy Percy
Dale Blackwell

ARKANSAS FREE WILL BAPTISTS COMPARATIVE RECEIPTS January - December 1997 - 1998

	STATE ASSOCIATION		INCREASE/ (DECREASE)	%
	1998	1997		
Christian Supply Store	\$775,002.47	\$745,840.16	\$29,162.31	3.9%
Camp Beaverfork	233,137.14	198,913.70	34,223.44	17.2%
General Fund	94,263.08	78,358.71	15,904.37	20.3%
Operational Fund	24,480.00	34,972.55 ⁽¹⁾	(10,492.55)	(30.0)%
State Missions-Designated	181,970.86	155,116.36 ⁽²⁾	26,854.50	17.3%
SM Property Notes	49,843.44	39,306.44	10,537.00	26.8%
Sunday School Literature	242,667.74	233,578.36	9,089.38	3.9%
State Association Fees	6,450.00	6,640.00	(190.00)	(2.9)%
National Association Fees	5,375.00	5,325.00	50.00	1.0%
THE VISION	16,964.67	15,876.58	1,088.09	6.9%
Christian Education Board	16,575.42	19,129.47	(2,554.05)	(13.4)%
Mission Task Force-A.C.T.S. 1:8	4,176.82	3,731.36	445.46	11.9%
Miscellaneous Accounts	32,198.07	13,273.10	18,924.97	142.6%
TOTALS (3)	\$1,683,104.71	\$1,550,061.79	\$133,042.92	8.6%
A.C.T.S. 1:8	303,117.83	238,434.48 ⁽⁴⁾	64,683.35	27.1%
COOP (5)	447,491.77	400,651.37	46,840.40	11.7%
HILLSDALE	50,034.63	44,585.68	5,448.95	12.2%

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: These totals represent monies receipted through the Arkansas agencies.

NOTE 4: 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 5: Coop Plan receipts are included in other agencies that receive percentages of Coop.

NOTE 6: The 1998 Foreign Missions total includes December 1997 receipts of \$18,222.61.

	NATIONAL ASSOCIATION		INCREASE/ (DECREASE)	%
	1998	1997		
Executive Office	\$81,435.72	\$77,476.95	\$3,958.77	5.1%
Foreign Missions	426,401.45 ⁽⁶⁾	305,389.51	121,011.94	39.6%
National Home Missions	224,033.44	177,469.50	46,563.94	26.2%
FWBBC	56,659.31	63,728.37	(7,069.06)	(11.1)%
Bd. of Retirement & Insurance	13,934.56	10,846.75	3,087.81	28.5%
Master's Men	14,644.56	12,081.75	2,562.81	21.2%
WNAC	13,897.11	13,714.93	182.18	1.3%
FWB Foundation	5,971.95	4,648.61	1,323.34	28.5%
Theological-Integrity Commission	497.79	387.38	110.41	28.5%
Media Commission	497.66	387.38	110.28	28.5%
Music Commission	497.66	387.38	110.28	28.5%
Historical Commission	497.66	387.38	110.28	28.5%
TOTALS	\$838,968.87	\$666,905.89	\$172,062.98	25.8%
GRAND TOTALS (STATE, NATIONAL AND HILLSDALE)	\$2,572,108.21	\$2,261,553.36	\$310,554.85	13.7%

COOPERATIVE PLAN RECEIPTS JANUARY-DECEMBER 1997-98

\$46,840.40 GAIN OVER 1997 - 11.7%

	1997	1998		1997	1998		1997	1998
Allen Chapel, Batesville	14,104.00	13,000.00	Harmony, Rison	-0-	2,266.89	Poplar Valley, Bono	1,925.98	1,299.51
Alma, First	5.00	-0-	Harmony, Russellville	3,022.00	6,017.00	Ranger, Danville	584.90	568.61
Arbor Grove, Hoxie	2,147.00	1,684.00	Hatfield	725.46	889.93	Rogers, First	300.00	1,400.00
Arkadelphia, First	752.40	716.80	Heritage Oaks, Ft. Smith	-0-	608.90	Rolling Oaks, Maumelle	2,774.10	3,004.00
Ballew's Chapel	5,503.00	6,048.00	Hillview, Bastrop, LA	-0-	224.00	Rose Hill, Monticello	5,092.04	3,986.60
Batesville, First	12,227.00	12,222.48	Jacksonville, First	1,630.00	1,995.74	Russellville, First	42,339.38	39,741.76
Berryville, First	67.30	273.00	Jonesboro, First	8,835.97	9,710.42	Shady Grove, Hackett	842.25	-0-
Bethel, Little Rock	1,616.00	1,406.28	Kenner Chapel, Rudy	659.50	468.21	Sharon, Vilonia	2,391.11	2,733.25
Bethlehem, Van Buren	-0-	3,351.00	Kibler, Van Buren	415.00	274.50	Sheridan, First	156.41	-0-
Blackland Chapel	3,637.50	3,755.31	Lake Hills, Hot Springs	7,372.94	10,249.83	South Heights, Searcy	4,341.06	4,053.29
Calvary, Springdale	3,740.88	4,098.02	Locke, Mountainburg	563.50	585.50	Southeast District	-0-	678.75
Catcher, Van Buren	929.54	926.56	Lodi, Glenwood	509.49	435.36	Southside, Fort Smith	1,178.41	3,011.54
Cavanaugh, Ft. Smith	38,929.15	49,342.05	Macedonia, N. Edinburg	312.64	320.74	Spring Hill, Banks	56.00	56.00
Cave City, First	300.00	300.00	Malvern, First	876.00	794.08	Star City, First	7,244.49	7,790.80
Center Point, Vilonia	5,134.02	6,283.36	Monticello, First	4,437.89	4,397.74	Sutton, Pocahontas	10,587.84	11,260.60
Central, Central City	3,723.13	4,792.69	Moore, Berryville	750.60	993.40	Trinity, Green Forest	476.60	-0-
Chapel Lane, Searcy	1,087.36	1,337.66	Mt. Bethel, Rose Bud	4,346.77	4,299.15	Trinity, Hamburg	10,886.74	14,847.87
Charleston, First	8,053.20	7,334.47	Mt. Calvary, Conway	3,244.66	2,450.56	Tuckerman, First	4,591.50	4,561.00
Clifty Chapel, Rogers	590.57	1,008.42	Mt. Harmony, Saffel	3,231.00	3,067.00	Union Grove, Atkins	7,753.00	9,026.00
Conway, First	1,263.00	1,807.56	Mt. Olivet	58.22	-0-	United, Walnut Ridge	7,080.65	9,134.89
Corbin Ferry, Louisiana	140.00	350.00	Mt. Pleasant, Hamburg	59.50	24.50	Upper Spring Creek	1,963.77	1,889.31
Cottonwood, OK	592.92	335.55	Mt. Vernon, Russellville	4,233.28	3,971.58	Victory, Springdale	3,693.68	3,685.05
Crossett, First	6,374.80	8,166.02	New Sulphur	-0-	125.00	Vista, Van Buren	7,453.29	13,175.80
Daisy, Kirby	2,421.88	3,023.14	Newport, First	4,548.92	4,398.01	Waldron, First	1,967.01	-0-
Danville, First	250.00	368.06	North Little Rock, First	8,483.00	7,769.59	Walnut Ridge, First	7,963.95	8,788.57
Dardanelle, First	1,383.00	1,146.00	Oak Grove, Monticello	1,232.82	1,094.40	Walnut Street, Fort Smith	3,712.24	4,407.06
Eastgate, Siloam Sprgs	2,114.29	-0-	Oak Grove, Oak Grove	767.91	994.79	Warren, First	5,996.90	5,967.31
Eastvale, Blytheville	1,690.10	264.26	Oak Grove, Russellville	2,712.00	3,011.00	Welcome Home, Hector	3,252.00	3,663.00
Enterprise, Charleston	-0-	854.44	Oak Lane, Harrison	282.88	312.75	Wesley Chapel, Quitman	277.66	-0-
Eureka Springs	195.43	301.43	Oak Park, Pine Bluff	5,325.00	5,231.28	West Ridge, Fayetteville	1,800.00	1,800.00
Faith, Jonesboro	3,330.00	6,000.00	Old Reyno	3,294.68	2,844.13	Westside, Springdale	1,800.00	2,055.61
Faith, Warren	453.05	555.19	Oliver Springs, Rudy	2,227.26	2,460.61	Willoughby, Warren	170.70	-0-
Fayetteville, First	-0-	120.00	Ozark	6,067.83	7,017.18	Wilson, Belleville	350.00	262.50
First, Fort Smith	576.80	846.95	Phillip's Chapel, Springdale	11,908.74	18,161.65	Woodlawn, Russellville	3,702.00	3,484.00
Fordyce	-0-	184.80	Pine Hill, Star City	615.30	728.00	Wynne, First	714.52	100.00
Free Hill, Rison	28.00	28.00	Plainview, First	672.50	653.50	Yorktown	786.73	984.82
Friendship, Rose Bud	2,806.71	2,334.92	Pleasant Grove, Monticello	28.00	14.00			
Glenwood, First	1,719.24	1,975.60	Pleasant Grove, New Hope	245.37	14.00			
Gospel Lighthouse, MO	209.98	227.90	Pleasant Valley, Warren	2,384.88	2,043.93			
Greenwood, First	12,520.62	13,753.25	Pocahontas, First	7,146.08	8,404.82			
						TOTAL	\$400,651.37	\$447,491.77

ANTIOCH		POLK BAYOU, Continued		WOMEN ACTIVE FOR CHRIST	
Atkins	745.00	Ballew's Chapel	2347.62	ANTIOCH	288.00
Benton, First	612.00	Bateville, First	2249.94	Atkins	51.00
Freedom, Booneville	175.00	Blackland Chapel	374.00	Mt. Home, Lamar	720.00
Hector	340.00	Cave City	660.00	Mt. Vernon	186.30
Johnson	681.00	Mt. Harmony	1569.00	Ola	360.50
Mt. Vernon	2104.00	Newport, First	2442.77	Slaty Crossing	290.10
Smith Springs	355.00	Oak Grove	538.36	ANTIOCH TOTAL	\$1895.90
ANTIOCH TOTAL	\$5012.00	Oakland	180.00	CENTRAL	
ARKANSAS DISTRICT		Tuckerman, First	10228.35	Conway, First	273.00
Bales	272.00	Weaver's Chapel	1680.00	Jacksonville, First	328.00
Hosanna	180.00	Wynne, First	200.00	Malvern, First	97.39
ARKANSAS TOTAL	\$452.00	TOTAL	\$36907.43	No. Little Rock, First	161.00
CENTRAL		SALINE		Oak Park	480.00
Central Association	7340.17	Saline Association	6000.00	Russellville, First	576.00
Bethel	1073.00	Corbin Ferry	360.00	CENTRAL TOTAL	\$1915.39
Conway, First	1227.67	Crossett, First	5665.43	FELLOWSHIP	
Jacksonville, First	2606.90	Faith	480.00	Fellowship District	300.00
Malvern, First	215.38	Fordyce	264.00	Dardanelle, First	20.00
N. Little Rock, First	14143.73	Harmony	440.00	Harmony	296.50
Oak Park	8008.04	Hillview	50.00	Union Grove	300.00
Russellville	37063.62	Macedonia	480.00	Union Grove Actionettes	650.00
Individual	49.35	Oak Grove	459.00	Welcome Home	105.00
CENTRAL TOTAL	\$72627.86	Pine Hill	108.00	Woodlawn	280.00
FELLOWSHIP		Pleasant Valley	480.00	FELLOWSHIP TOTAL	\$1951.50
Fellowship District	2844.00	Rose Hill	3928.16	HARMONY Ranger	220.00
Dardanelle, First	1470.00	Spring Hill	400.00	LITTLE MISSOURI RIVER	
Dover	480.00	Star City, First	13726.31	Daisy	200.00
Harmony	1534.00	Trinity	1079.68	Glenwood	75.00
Oak Grove	1440.00	Warren, First	800.00	LMR TOTAL	275.00
Union Grove	3312.25	Willoughby	90.00	NEW HOPE	
Welcome Home	1020.00	Yorktown	1408.88	Center Point	447.00
Woodlawn	948.00	Individuals	760.00	Friendship	25.00
FELLOWSHIP TOTAL	\$13048.25	SALINE TOTAL	\$36979.46	Mt. Calvary	83.41
HARMONY		SOCIAL BAND		NEW HOPE TOTAL	\$555.41
Harmony Association	490.66	Social Band Association	5710.33	OLD MT. ZION	
Harmony CTS	200.00	Arbor Grove	1622.00	OMZ District	973.91
Danville	240.00	Coffman	816.00	Faith	180.00
Plainview	4220.00	Corning	479.31	New Sulphur	500.00
Ranger	581.52	Eastvale	60.00	Victory	210.00
Upper Spring Creek	965.00	Faith	3682.50	OLD MT. ZION TOTAL	\$1863.91
Wilson, Belleville	225.00	Grandview	224.00	POLK BAYOU	
Individual	300.00	Jonesboro, First	5134.98	Polk Bayou District	440.00
HARMONY TOTAL	\$7222.18	Northside	982.29	Allen Chapel	2400.00
LITTLE MISSOURI RIVER		O'Kean	240.00	Ballew's Chapel	319.00
Little Missouri River District	4648.23	Old Reyno	3839.86	Bateville, First	502.00
Arkadelphia, First	120.00	Pioneer	762.25	Blackland Chapel	200.00
Daisy	1165.00	Pocahontas, First	4539.64	Cave City	240.00
Glenwood	240.00	Sharon	1224.00	Grace	1515.00
Lake Hills	977.00	Sutton	3795.51	Mt. Harmony	282.00
Pleasant Grove	100.00	United, Walnut Ridge	1333.93	Newport, First	462.50
LRM RIVER TOTAL	\$7550.23	Walnut Ridge, First	2655.75	Tuckerman, First	680.00
NEW HOPE		SOCIAL BAND TOTAL	\$37102.35	Weaver's Chapel	97.00
Center Point	1867.00	SOUTHEAST ARKANSAS DISTRICT	720.00	POLK BAYOU TOTAL	\$7137.50
Chapel Lane	1021.84	UNITY		SALINE	
18th Street	200.00	Bethlehem	500.00	Saline District	24.50
Friendship	300.00	Cavanaugh	3881.00	Crossett, First	720.00
Gravel Hill, Romance	150.00	Greenwood	2999.44	Monticello, First	661.50
Mt. Bethel	3085.00	Oliver Springs	980.00	Rose Hill	264.00
Mt. Calvary	1934.00	Ozark	1352.00	Star City	200.00
Sharon	2051.00	Southside	1800.00	Trinity	61.00
South Heights	2636.36	Vista	1335.75	Warren, First	140.00
Wesley Chapel	324.00	Walnut Street	1037.34	SALINE TOTAL	\$2071.00
Individual	185.00	UNITY TOTAL	\$13,885.53	SOCIAL BAND	
NEW HOPE TOTAL	\$13754.20	ZION HOPE		Social Band District	356.25
NORTHWEST		Central	345.00	Jonesboro, First	444.00
Northwest District	2400.00	Chester	230.00	Pioneer	150.00
Eureka Springs	554.48	Enterprise	140.00	Pocahontas	250.00
Moore	3705.00	Fort Smith, First	1763.21	Sutton	880.00
NORTHWEST TOTAL	\$6659.48	Independence	600.00	Walnut Ridge, First	150.00
OLD MT. ZION		Kenner Chapel	440.00	SOCIAL BAND TOTAL	\$2230.25
Bentonville	650.00	Kibler	228.00	UNITY	
Clifty Chapel	100.00	First, Mulberry	228.00	Bethlehem	180.00
Eastgate	311.00	Riverdale	374.00	Charleston, First	30.00
Faith	750.00	Seventy-One	240.00	Greenwood	165.00
Fayetteville	120.00	Individuals	390.00	Oliver Springs	720.00
Freedom	375.06	ZION HOPE TOTAL	\$4978.21	Walnut Street	130.00
Hope	2330.00	TOTAL FROM ASSOCIATIONS	\$267732.95	UNITY TOTAL	\$1225.00
Huntsville	285.00	OTHER		ZION HOPE	
Mt. Zion	1104.00	Arkansas State Master's Men	864.00	Zion Hope District	115.00
New Sulphur	125.00	Cave City Master's Men	220.00	Central	779.00
Pea Ridge	1466.71	Polk Bayou Master's Men	200.00	Highway 71	35.00
Victory	660.00	Individuals	1440.00	Kenner Chapel	258.69
West Ridge	2370.00	Lafferty Community	200.00	Kibler	194.00
Individual	187.00	Mt. Home, Lamar	408.00	First, Mulberry	185.00
OLD MT. ZION TOTAL	\$10833.77	Pleasant Flat, Mt. Home	9,125.03	ZION HOPE TOTAL	\$1566.69
POLK BAYOU		Red Oak, Marshall	20.00	TOTAL W.N.A.C.	\$22907.55
Polk Bayou Association	1155.29	OTHER TOTALS	\$12477.03	Grand Total - \$303,117.83	
Allen Chapel	13281.10				

ARKANSAS FREE WILL BAPTISTS 1998 Associational Receipts

ASSOC.	COOP	A.C.T.S. 1:8	S.M.	N.H.M.	F.M.	FWBBC	HILLS	MISC.	TOTALS
ANTIOCH	3,971.58	5,012.00	-0-	929.50	600.00	-0-	-0-	1400.00	11,913.08
<i>Antioch Auxiliary</i>		1,895.90							1,895.90
ARKANSAS	-0-	452.00	932.39	-0-	-0-	-0-	-0-	825.00	2,209.39
CENTRAL	58,746.29	72,627.86	25,537.37	6,078.02	22,614.87	15,906.86	1,988.38	20,510.88	224,010.53
<i>Central Auxiliary</i>		1,915.39							1,915.39
FELLOWSHIP	26,317.00	13,048.25	2,375.00	4,684.00	465.00	724.75	250.00	20,610.00	68,474.00
<i>Fellowship Auxiliary</i>		1,951.50							1,951.50
HARMONY	3,741.98	7,222.48	3,040.00	120.00	1,234.50	-0-	784.00	305.00	16,447.96
<i>Harmony Auxiliary</i>		220.00						150.00	370.00
L MO RIVER	17,548.09	7,550.23	42,649.93	6,757.84	1,183.41	2,136.16	640.00	590.00	79,055.66
<i>L.MO River Auxiliary</i>		275.00							275.00
NEW HOPE	23,492.19	13,754.20	10,227.15	15,828.84	1,181.03	700.00	2,524.47	1,380.00	69,087.88
<i>New Hope Auxiliary</i>		555.41							555.41
NORTHWEST	3,103.27	6,659.48	-0-	5,186.62	670.00	-0-	60.00	525.00	16,204.37
OLD MT. ZION	32,453.75	10,833.77	3,711.59	12,893.24	2,749.89	-0-	-0-	1,455.00	64,097.24
<i>Old Mt. Zion Auxiliary</i>		1,863.91							1,863.91
POLK BAYOU	47,451.80	36,907.43	9,466.66	10,553.19	3,794.35	2,570.00	600.00	1,115.00	112,458.43
<i>Polk Bayou Auxiliary</i>		7,137.50							7,137.50
SALINE	54,045.61	36,979.46	3,254.66	7,173.21	671.55	1,334.50	3,448.91	1,290.00	108,197.90
<i>Saline Auxiliary</i>		2,071.00							2,071.00
SOCIAL BAND	59,391.20	37,102.35	13,647.21	7,473.27	4,440.08	670.00	730.00	2,183.03	125,637.14
<i>Social Band Auxiliary</i>		2,230.25	156.25						2,386.50
SOUTHEAST	678.75	720.00	-0-	-0-	-0-	-0-	-0-	245.00	1,643.75
UNITY	103,852.96	13,885.53	6,383.34	7,542.77	3,624.14	755.00	16,827.00	1,490.00	154,360.74
<i>Unity Auxiliary</i>		1,225.00							1,225.00
ZION HOPE	9,084.40	4,978.21	207.38	1,449.06	100.00	100.00	-0-	1,035.00	16,954.05
<i>Zion Hope Auxiliary</i>		1,566.69	50.00		240.00				1,856.69
OTHER	3,612.90	12,477.03	28,969.48	1,392.28	1,692.28	-0-	913.24	18,360.07	67,417.28
<i>State WAC</i>			3,527.00					-0-	3,527.00
TOTALS	\$447,491.77	\$303,117.83	\$154,135.41	\$88,061.84	\$45,261.10	\$24,897.27	\$28,766.00	73,468.98	\$1,165,200.20
<i>Total Woman's Auxiliary</i>		\$22,907.55	\$3,577.00		\$240.00			150.00	\$27,030.80

Ricky J. Taylor
Certified Public Accountant
P. O. Box 2851
Russellville, AR 72811
(501) 967-4439

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, 1998 and 1997, 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, 1998 and 1997 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 24, 1999

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

ASSETS

LIABILITIES AND NET ASSETS

NET ASSETS:		
Unrestricted	435,662	414,752
Permanently Restricted	<u>1,325</u>	<u>1,300</u>
Total Net Assets	<u>436,987</u>	<u>416,052</u>
Total Liabilities and Net Assets	\$ <u>493,222</u>	\$ <u>479,606</u>

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1998

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

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
STATEMENTS OF ACTIVITIES - (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	1998			1997
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
EXPENSES: (CONTINUED)				
Property insurance	\$ 1,854			\$ 1,854
Workmen's comp insurance	156			156
Utilities	2,370			2,370
Janitor	1,040			1,040
Supplies	1,078			1,078
Miscellaneous	18,645			18,645
Salary, housing, retirement, insurance & social security	64,402			64,402
Board mileage & meals	5,589			5,589
Auto & travel expense	4,513			4,513
Repairs & maintenance	2,187			2,187
Telephone	3,113			3,113
Postage & printing	16,258			16,258
Computer expense	590			590
Secretary salaries	42,243			42,243
Stockroom expense	1,794			1,794
Professional fees	2,675			2,675
Retreat expense	10,072			10,072
Rent	0			0
National Association expense	899			899
Depreciation	6,630			6,630
Total Expenses	1,418,386	0	0	1,418,386
Increase <Decrease> in net assets	20,910	0	25	20,935
Increase <Decrease> in appraised value of building	0			0
Net assets-Beginning of Year as restated	414,752		1,300	416,052
Net assets-End of Year	\$ 435,662	\$ 0	\$ 1,325	\$ 436,987

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, 1998 AND 1997

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 20,935	\$ 25,569
Adjustments to reconcile net revenues over expenditures to net cash provided by operating activities:		
Depreciation	6,630	7,231
<Increase> decrease in:		
Accounts receivable	<1,714>	636
Inventory	<3,741>	<391>
Increase <decrease> in:		
Accounts payable	3,053	991
Payroll taxes payable	199	168
Sales tax payable	<5>	46
Designated contributions payable	<5,808>	11,363
Net Cash Provided by Operating Activities	19,549	45,613
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property & equipment	0	<9,735>
Net Cash Used by Investing Activities	0	<9,735>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	<4,758>	<13,290>
Net Cash Provided by Financing Activities	<4,758>	<13,290>
Net Increase <Decrease> in Cash	14,791	22,588
Cash at Beginning of Year	95,963	73,375
Cash at End of Year	\$ 110,754	\$ 95,963
SUPPLEMENTAL DISCLOSURES:		
Cash Paid During the Year for Interest	\$ 630	\$ 1,349

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, 1998 AND 1997

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 © (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, 1998 AND 1997

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>1998</u>	<u>1997</u>
Auto	\$ 23,342	\$ 23,342
Office Furniture & Equipment	31,458	31,458
Building Improvements	<u>22,522</u>	<u>22,522</u>
	77,322	77,322
Less Accumulated Depreciation	<u>56,510</u>	<u>49,880</u>
	20,812	27,442
Land and Building	<u>355,000</u>	<u>355,000</u>
Total Property and Equipment	\$ <u>375,812</u>	\$ <u>382,442</u>

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 1998 AND 1997

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, 1998 and 1997 was as follows:

	1998		1997
	PLAN A	PLAN B	
State General Fund	22%	22%	21%
State CTS Board	17.5%	17.5%	17.5%
State Missions Board	17%	17%	17%
Christian Education Board	3%	3%	4%
THE VISION	2%	2%	2%
National Association	37.5%	33.5%	37.5%
ACTS 1:8 Task Force	1%	1%	1%
Hillsdale	0%	4%	0%
TOTAL	100%	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:

	Rent	Debt Retirement
1998	\$ 0	\$ 0
1997	\$ 8,550	\$ 2,850

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 1998 and 1997 are \$ 2,951 and \$ 2,054. 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, 1998 AND 1997

NOTE 7 - RESTRICTIONS ON NET ASSETS

Permanently restricted net assets are available for the following purposes:

	1998	1997
Ministers Benevolent Fund	\$ 1,325	\$ 1,300

These net assets are restricted due to donor restrictions.

NOTE 8 - NOTES PAYABLE

	1998	1997
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.	\$ 4,779	\$ 9,537
Total Debt	\$ 4,779	\$ 9,537

NOTE 9 - CONCENTRATION OF CREDIT RISK

The Board has an accounting risk of loss in the area of cash and cash equivalents to the extent cash funds are not insured by a governmental agency. The amount of accounting risk of loss on December 31, 1998 is \$84,427.

GENERAL FUND BUDGET
January - December 2000

Receipts:		
Coop Plan (21% of \$450,000.00)	\$94,500.00	\$94,500.00
Disbursements:		
Salary (\$530 per week)	\$27,560.00	
Housing (\$1,100 per month)	13,200.00	
Retirement (\$1,000 per month)	12,000.00	
Social Security	8,200.00	
Health Insurance	6,710.00	
Life Insurance	1,200.00	
Board Meals & Mileage	2,200.00	
Travel and Auto	4,000.00	
Phone	2,300.00	
Audit	1,500.00	
Office Supplies/Postage/Printing	2,000.00	
Auto Payments	6,000.00	
Auto Insurance	1,200.00	
Miscellaneous	2,230.00	
Reserve	3,600.00	
Computer Fund	600.00	
Total Disbursements	\$94,500.00	\$94,500.00

THE VISION BUDGET
January - December 2000

Receipts:		
Cooperative Plan (2% of \$450,000.00)	\$9,000.00	
Subscriptions (3,000 @ 3.00 each)	9,000.00	
Advertisement	200.00	
Total Receipts	\$18,200.00	\$18,200.00
Disbursements:		
Printing	\$ 7,500.00	
Postage	6,500.00	
Supplies	1,000.00	
Writer's Fees	300.00	
Computer Fund	1,200.00	
Audit	600.00	
Miscellaneous	1,100.00	
Total Disbursements	\$18,200.00	\$18,200.00

CONTINGENCY FUND BUDGET
January - December 2000

Receipts:		
Interest on Checking Account (\$150.00 per month)	\$1,800.00	
Total Receipts	\$1,800.00	\$1,800.00

SUNDAY SCHOOL LITERATURE BUDGET
January - December 2000

Receipts:		
Sales	\$238,000.00	\$238,000.00
Disbursements:		
Literature for Resale	\$152,000.00	
Postage-RPS-UPS	7,500.00	
Incoming Freight	1,800.00	
Secretaries' Salaries	35,800.00	
Stockroom Salaries	1,800.00	
Retirement	1,620.00	
Hospitalization Insurance	6,500.00	
Payroll Taxes	13,000.00	
Sales Tax	13,800.00	
Phone	1,000.00	
Supplies	1,000.00	
Audit	600.00	
Miscellaneous	980.00	
Total Disbursements	\$238,000.00	\$238,000.00

OPERATIONAL FUND BUDGET
January - December 2000

Receipts:		
Rental	\$24,480.00	
Rental/Utilities	3,500.00	
Total Receipts	\$27,980.00	\$27,980.00
Disbursements:		
Utilities	\$ 7,000.00	
Pest & Dust Control	500.00	
Janitor and Yard	1,300.00	
Property Insurance	2,800.00	
Property Taxes	1,500.00	
Supplies	1,200.00	
Repairs and Maintenance	1,500.00	
Audit	1,000.00	
Miscellaneous	2,200.00	
Computer Fund	1,200.00	
Savings/Improvements	7,780.00	
Total Disbursements	\$27,980.00	\$27,980.00

Ricky J. Taylor
 Certified Public Accountant
 P. O. Box 2851
 Russellville, AR 72811
 (501) 967-4439

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, 1998 and 1997, 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, 1998 and 1997 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 C.P.A., P.A.

Russellville, Arkansas
 May 25, 1999

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, 1998 AND 1997

ASSETS		1998	1997
CURRENT ASSETS:			
Cash on hand	\$	100	\$ 100
Cash in bank		19,529	50,817
Cash-contingency fund		311	302
Accounts receivable		15,354	15,993
Inventory		301,781	229,788
Total Current Assets		337,075	297,000
FIXED ASSETS:			
Auto		14,159	14,159
Equipment		50,996	41,500
Less: Accumulated Depreciation		<43,547>	<39,123>
Total Fixed Assets		21,608	16,536
TOTAL ASSETS	\$	<u>358,683</u>	\$ <u>313,536</u>

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES:			
Accounts payable	\$	64,876	\$ 29,157
Current portion of L-T debt		4,407	0
Payroll taxes payable		2,230	2,321
Sales tax payable		6,661	7,467
Total Current Liabilities		78,174	38,945
LONG-TERM DEBT:			
Notes payable (net of current portion)		<u>3,576</u>	<u>0</u>
Total Liabilities		81,750	38,945
FUND BALANCES:			
Fund balance, Beginning		274,591	231,383
Current year profit		2,342	43,208
Fund balance, Ending		<u>276,933</u>	<u>274,591</u>
TOTAL LIABILITIES AND FUND BALANCES	\$	<u>358,683</u>	\$ <u>313,536</u>

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

CHRISTIAN SUPPLY STORE, INC.
STATEMENTS OF REVENUE AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	1998	1997
REVENUE:		
Sales	\$ 774,424	\$ 745,975
COST OF SALES:		
Merchandise purchases	462,476	442,294
Freight	3,918	4,025
Sales tax	43,734	40,761
Supplies	13,793	14,177
Total cost of sales	523,921	501,257
GROSS PROFIT	250,503	244,718
OPERATING EXPENSES:		
Advertising	20,054	17,428
Auto expense	1,885	1,288
Insurance	5,446	967
Bank charges & credit card fees	3,356	2,525
Miscellaneous	5,170	4,176
Postage	6,167	5,741
Rent	48,000	22,550
Debt retirement	0	2,850
Payroll taxes	8,962	7,697
Telephone	4,528	3,899
Travel	1,298	1,391
Salaries-other	83,410	70,708
Manager-salary & housing	30,846	30,516
Manager-insurance & retirement	12,615	11,638
Professional fees	3,500	3,050
Board mileage and meals	733	1,357
Property tax	1,972	1,787
Returned checks	<180>	<232>
Repairs & maintenance	0	2,000
Utilities	6,519	1,158
Store moving expense	0	4,414
Expired leasehold improvement costs	0	2,124
Depreciation	4,425	3,695
Total operating expenses	248,706	202,727
NET OPERATING PROFIT	\$ 1,797	\$ 41,991

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

CHRISTIAN SUPPLY STORE, INC.
STATEMENTS OF REVENUE AND EXPENSES - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	1998	1997
NET OPERATING PROFIT	\$ 1,797	\$ 41,991
OTHER REVENUE AND EXPENSES		
Interest income	740	1,217
Interest expense	<195>	0
NET PROFIT	\$ 2,342	\$ 43,208

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

CHRISTIAN SUPPLY STORE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	1998	1997
CASH FROM OPERATING ACTIVITIES:		
Excess of revenues over expenses	\$ 2,342	\$ 43,208
Adjustments to reconcile excess to net cash provided by operating activities:		
Expired leasehold improvement costs	0	2,124
Depreciation	4,425	3,695
(Increase)decrease in accounts receivable	639	<135>
(Increase)decrease in inventory	<71,993>	<11,707>
Increase(decrease) in accounts payable	35,719	3,002
Increase(decrease) in payroll taxes payable	<91>	437
Increase(decrease) in sales tax payable	<806>	1,612
Net cash provided by operating activities	<29,765>	42,236
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	<9,497>	<12,036>
Net cash used in investing activities	<9,497>	<12,036>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	<1,041>	0
Proceeds from debt	9,024	0
Net cash used in financing activities	7,983	0
Net Increase (Decrease) in Cash	<31,279>	30,200
Cash at Beginning of Year	51,219	21,019
Cash at End of Year	\$ 19,940	\$ 51,219

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

CHRISTIAN SUPPLY STORE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997

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, 1998 and 1997 are \$ 4,425 and \$ 3,695, 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 \$ 19,629 and cash in the contingency fund is \$ 311.

Cash paid for interest is as follows:

1998	\$ 195
1997	\$ 0

INCOME TAXES

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

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.

CHRISTIAN SUPPLY STORE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997

NOTE 2 - NOTES PAYABLE

Note payable - First Financial Bank, Conway, Arkansas, requires monthly installments of \$ 412, including principal and interest at an annual percentage rate of 9%. The note is secured by equipment.

	<u>1998</u>	<u>1997</u>
Note payable - First Financial Bank, Conway, Arkansas, requires monthly installments of \$ 412, including principal and interest at an annual percentage rate of 9%. The note is secured by equipment.	\$ 7,983	\$ 0
Total	7,983	0
Less current portion of L-T debt	<u>4,407</u>	<u>0</u>
Long-Term Debt	\$ <u>3,576</u>	\$ <u>0</u>

Scheduled minimum maturities of debt over the two years subsequent to December 31, 1998 are as follows:

1999	\$ 4,407
2000	<u>3,576</u>
	\$ 7,983

NOTE 3 - 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>1998</u>	<u>1997</u>
Rents\Utilities	\$ 0	\$ 8,550
Debt Retirement	\$ 0	\$ 2,850

CHRISTIAN SUPPLY STORE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997

NOTE 4 - 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>1998</u>	<u>1997</u>
Beginning Balance	\$ 302	\$ 2,141
Contributions	0	9,000
Disbursements	0	<11,000>
Interest earnings	9	161
Ending Balance	<u>\$ 311</u>	<u>\$ 302</u>

NOTE 5 - 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:

1999	\$48,000
2000	\$48,000
2001	\$48,000
2002	\$48,000
2003	\$48,000

NOTE 6 - 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, 1998 all of the Board's deposits were insured.

Christian Supply Store

Budget for the Year 2000

Receipts	\$840,000.00	
Disbursements:		
Merchandise for Resale	\$508,000.00	(60%)
<u>Employee Salaries & Wages</u>		
Manager's Salary and Housing	32,735.00	
Other Salaries	81,533.00	
<u>TOTAL</u>	114,268.00	(14%)
<u>Insurance</u>		
Hospitalization Insurance	\$9,000.00	
Retirement Insurance	2,580.00	
Worker's Compensation Insurance	800.00	
Inventory and Equipment Insurance	1,600.00	
<u>TOTAL</u>	13,980.00	(2%)
<u>Operating Expenses</u>		
Advertising	25,000.00	
Freight	4,500.00	
Postage	6,500.00	
Supplies	12,000.00	
Telephone	5,000.00	
Travel and Auto Expense	3,000.00	
Rent	48,000.00	
Utilities	7,200.00	
Equipment	2,000.00	
Accounting	3,860.00	
Executive Board Expense	1,000.00	
Miscellaneous	3,592.00	
Contingency Fund	12,000.00	
<u>TOTAL</u>	133,652.00	(16%)
<u>Taxes</u>		
Social Security and Other Withholding	17,000.00	
Sales Tax	51,000.00	
Property Tax (Inventory and Equipment)	2,100.00	
<u>TOTAL</u>	70,100.00	(8%)
<u>GRAND TOTAL DISBURSEMENTS</u>	\$840,000.00	

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

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

October 21, 1998

The A.C.T.S. 1:8 Task Force met at the state office in Conway, Arkansas, with the following members present: Doug Little, Nelson Henderson, Sidney Sawrie, Doug Harris, and Dwayne Roper, as well as Moderator David Bishop and 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 and to send a letter from the board to all the pastors.

January 14, 1999

The A.C.T.S. 1:8 Task Force met at the state office in Conway, Arkansas, with the following members present: Doug Little, Dwayne Roper, Doug Harris, Sidney Sawrie, and Nelson Henderson, as well as Moderator David Bishop, and Promotional Director David Joslin.

(1) Motion passed to have Nelson Henderson write a letter of thanks to the pastors who helped make it possible to reach the 1998 goal of \$303,000--at \$303,117.83.

(2) Motion passed to have Dwayne Roper design a new brochure for the 1999 A.C.T.S. 1:8 Plan

(3) Motion passed to have Doug Harris design a bulletin insert to be included in the distribution of the Spring Sunday School literature with volunteers to stuff the insert into the literature.

(4) Motion passed to publish a quarterly newsletter and to get updated 1999 stickers to place on the 1998 A.C.T.S. 1:8 poster.

May 18, 1999

The A.C.T.S. 1:8 Task Force met at the state office in Conway, Arkansas, with the following members present: Doug Little, Nelson Henderson, Dwayne Roper, and Sidney Sawrie, as well as Moderator David Bishop and Promotional Director David Joslin. An update was given on the current cash balances from the Foreign Missions Board which showed the Bishop and Bowerman accounts were in the red at approximately \$2,000 each.

(1) Motions passed to accept the resignation of Doug Harris due to the heavy demands of the schooling he is finishing this next year and the resignation of Ben Scott who moved away from Central Arkansas and asked that we replace him with someone from a different region of the state. Due to the two resignations and the extreme drop in giving since the beginning of year, the Task Force voted to recommend to the Executive Board that the Task Force be expanded to include a representative from each District Association in the state, and that the President of the Arkansas Women Active For Christ be an *ex-officio* member as well.

June 3, 1999

The A.C.T.S. 1:8 Task Force met at the First Free Will Baptist Church in Conway, Arkansas, with a representative from each District Association as granted by the Executive Board. The A.C.T.S. 1:8 Task Force now includes: **Antioch** - Jim Chronister; **Arkansas** - David Williams; **Central** - Doug Little; **Harmony** - Terry Latham; **Little Missouri River** - Kevin Jewell; **Fellowship** - David Bishop; **New Hope** - Sidney Sawrie; **Northwest** - Open; **Old Mt. Zion** - David Watson; **Polk Bayou** - David Winfrey; **Saline** - Dwayne Roper; **Social Band** - Nelson Henderson; **Southeast Arkansas** - Phillip Payne; **Unity** - Jim Walker; and **Zion Hope** - Chet Smith. (All were present except for two who had prior commitments). President of Women Active for Christ Mary Ann Chronister, Moderator David Bishop and Promotional Director David Joslin were also present.

The January-May 1999 contributions were distributed which showed receipts of \$102,981.56, which was approximately \$45,000 short of the five-month goal for 1999. After general discussion and meeting in small groups to concentrate on how to make our people more aware and informed of the need for support, the Task Force voted to ask Sidney Sawrie to act as representative for the A.C.T.S. 1:8 Task Force. Motion passed to pay \$75 per service plus traveling expenses. He accepted the position and will start visiting churches and associations immediately.

(4) Motion passed to approve the 2000 proposed budget and the percentage allocations for the A.C.T.S. 1:8 participants. The next meeting will be a breakfast meeting August 5, 1999, at 7:00 AM in Fort Smith.

**A.C.T.S. 1:8 Mission Task Force Budget
January - December 2000**

Receipts:

Cooperative Plan (2% of \$450,000)	\$9,000.00	\$9,000.00
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Disbursements:

Travel - Mileage	5,000.00
Printing	1,000.00
Promotion	2,500.00
Secretarial	300.00
Miscellaneous	200.00

Total Disbursements	\$9,000.00	\$9,000.00
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ACTS 1:8 BUDGET FOR 2000

Missionary	FM Budget	Rate	ACTS 1:8 Budget
Bobby Aycock	\$81,554.44	25%	\$20,388.61
David Aycock	\$71,768.90	25%	\$17,942.23
Dale Bishop	\$111,108.83	50%	\$55,554.42
Eddie Bowerman	\$63,782.49	100%	\$63,782.49
Stan Bunch	\$77,637.79	50%	\$38,818.90
Anthony Edgmon	\$69,851.06	25%	\$17,462.77
Jaimie Lancaster	\$114,745.28	50%	\$57,372.64
Don McDonald	\$112,583.36	25%	\$28,145.84
Patsy Vanhook	\$60,340.87	100%	\$60,340.87
Terry Walker	\$78,384.00	50%	\$39,192.00
TOTALS	\$841,757.02	(47.4%)	\$399,000.77

Breakdown of designations for 2000

Bobby Aycock.....	5%
David Aycock.....	5%
Dale Bishop.....	14%
Eddie Bowerman.....	16%
Stan Bunch.....	10%
Anthony Edgmon.....	4%
Jaimie Lancaster.....	14%
Don McDonald.....	7%
Patsy Vanhook.....	15%
Terry Walker.....	10%
TOTAL.....	100%

STATE YOUTH BOARD REPORT

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

October 15, 1998

The State Youth Board met at Camp Beaverfork near Conway, Arkansas, with all members present and elected the following officers: Patrick Baze, Chairman; Randall Ray, Vice-Chairman, and Mark Stripling, Secretary.

November 9, 1998

The State Youth Board met at Camp Beaverfork near Conway, Arkansas, with the following members present: Patrick Baze, Randall Ray, Leo Martin, John Reed, and Mike King as well as 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) Motion passed to contact Alan Pointer to be the speaker for the 1999 State Teen Retreat.
- (3) Motion passed to contact Mike Stahl to be the speaker for the 1999 State Children's Retreat.
- (4) Motion passed to combine the two weeks of Junior Camp into one week. The first half of the week would start on Sunday night and continue through Wednesday morning. The second half of the week would start Wednesday night and go through Saturday morning.

- (5) Motions passed to contact the following for evangelists and music directors:

1999 Teen Camp	Kenny Simpson, Evangelist	Kendall Ross, Music
	Casey Cariker, Alternate Evangelist	
1999 Jr. High Camp	Curt Gwartney, Evangelist	Mark Stripling, Music
	Casey Cariker, Alternate Evangelist	
1999 Junior Camp	Jeff Nichols, Evangelist	Johnny Miller, Music
	Johnny Miller, Alternate Evangelist	

- (5) Motion passed to pay the evangelist \$250 per week plus mileage, and the music directors, \$125 per week.

- (6) Motion passed to have a ministry team called the "A-TEAM," instead of current Junior Counselors for camp. The "A-Team" would consist of Free Will Baptist teens who have shown themselves to be dedicated Christians. They would be required to go through an application and evaluation process as well as an intensive training program to equip them to minister during Junior camp. They must meet the guidelines and requirements for the current Junior Counselors and would go through a final interview process during Teen camp.

- (7) Motion passed to charge \$20 per person at the 1999 State Youth Worker's Retreat.

- (8) Motion passed to contact Calvin Miller to be the keynote speaker at the 1999 State Youth Workers Retreat.

- (9) Motion passed to have an architect and/or builder draw up plans to extend the front of the Tabernacle to house new bathrooms and a vestibule area as well as draw up plans to improve and expand the existing bathroom and shower facilities.

January 21, 1999

The State Youth Board met at the state office in Conway, Arkansas, with the following members present: Patrick Baze, Randall Ray, Leo Martin, and Mike King as well as Director Bob Thompson and Promotional Director David Joslin. The following business was conducted:

- (1) Motion passed to receive the financial report as given by Director Bob Thompson.
- (2) Motion passed to lower the cost of the Junior Camp from \$50 to \$45 per week, due to the shortened camp week.
- (3) Motion passed to purchase new mattresses for all the cabins at an estimated cost of \$27 per mattress.
- (4) Motion passed to obtain a construction loan up to \$25,000 upon approval of the Executive Board.
- (5) Motion passed to contact Kenny Simpson to be the speaker for 1999 State Teen Retreat due to Alan Pointer being unavailable.

STATE YOUTH BOARD REPORT

May 27, 1998

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

- (1) Motion passed to approve the financial report as given by Director Bob Thompson.
- (2) Motion passed to resurface the basketball court before camp.
- (3) Motion passed to purchase new lights and wiring for the softball field up to \$6,500.

July 8, 1999

The State Youth Board met at the state office in Conway, Arkansas, with all members present as well as State Youth Director Bob Thompson, Promotional Director David Joslin, and Ricky Taylor, CPA. The following business was conducted:

- (1) Motion passed to approve the audit reports as given by auditor Ricky Taylor.

STATE YOUTH BOARD BUDGET January - December 2000

Receipts:

Coop Plan (17.5% of \$450,000.00)	\$78,750.00
Camp Registration and Concession	62,000.00
Camp Rentals	90,000.00
Missions	1,000.00
Interest Income	350.00

Total Receipts

\$232,100.00

Disbursements:

\$232,100.00

Director Salary	\$ 33,650.00
Maintenance Caretaker Salary	24,150.00
Maintenance Caretaker Insurance	3,000.00
Clerical Salary	3,000.00
Auto Payment	7,428.00
Director Home Equity	900.00
Car Expense	4,500.00
Utilities-Camp and Director	29,000.00
Camp Insurance	7,000.00
Director Insurance and Retirement	6,000.00
Payroll Taxes	5,000.00
Postage	1,000.00
Professional Fees	1,900.00
CTS Rally	3,200.00
Conventions	2,500.00
Miscellaneous	1,000.00
Camp Literature	500.00
Pool Upkeep	4,572.00
Food Service	32,000.00
Food Service-Labor	10,000.00
Repairs	17,000.00
Supplies	7,500.00
Camp Labor	4,000.00
Guest Speakers	7,000.00
Designated Gifts-Missions	1,000.00
Board Mileage and Meals	2,500.00
Capital Improvements	4,800.00
Special Projects	8,000.00

Total Disbursements

\$232,100.00

\$232,100.00

Patrick Baze, Chairman
Randall Ray, Vice-Chairman
Mark Stripling, Secretary

Mike King
Leo Martin
John Reed

Ricky J. Taylor

Certified Public Accountant

P. O. Box 2851

Russellville, AR 72811

(501) 967-4439

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, 1998 and 1997, 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, 1998 and 1997, 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, P.A.

Russellville, Arkansas

June 25, 1999

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, 1998 AND 1997

ASSETS

	1998	1997
CURRENT ASSETS:		
Cash in bank	\$ 23,946	\$ 4,531
Cash-savings account	10,699	10,409
Cash-capital improvements	9,629	0
Accounts receivable	6,444	6,916
Total Current Assets	50,718	21,856
FIXED ASSETS:		
Land and buildings	333,760	333,760
Auto	18,704	18,704
Equipment	23,969	17,968
Camp improvements	76,705	76,705
Less: accumulated depreciation	<52,818>	<41,252>
Total Fixed Assets	400,320	405,885
TOTAL ASSETS	\$ 451,038	\$ 427,741

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES:		
Current notes payable	\$ 0	\$ 1,872
Current portion of L-T debt	4,420	4,294
Accounts payable	2,288	2,621
Payroll taxes payable	1,450	1,076
Total Current Liabilities	8,158	9,863
LONG-TERM DEBT:		
Notes payable (Less: current portion of L-T debt)	2,615	7,036
TOTAL LIABILITIES	10,773	16,899
FUND BALANCE:		
Fund balance, Beginning of Year	410,842	402,746
Excess revenue over expenses	29,423	8,096
Fund balance, End of Year	440,265	410,842
TOTAL LIABILITIES AND FUND BALANCE	\$ 451,038	\$ 427,741

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, 1998 AND 1997

	1998	1997
REVENUE:		
COOP	\$ 73,953	\$ 65,299
Camp rentals	92,057	63,285
Registration & concessions	47,592	43,000
Special projects	0	11,848
CTS rally	4,085	3,285
Gifts and contributions	9,125	1,857
Special offerings	962	0
Interest income	838	347
Miscellaneous income	2,234	0
Total Revenues	230,846	188,921
EXPENSES:		
Salaries-director	29,648	27,456
Salaries-maintenance	21,710	20,280
Salaries-clerical	0	2,250
Home equity plan-director	600	600
Auto expense	4,490	2,759
Utilities	25,533	25,602
Insurance-camp	8,822	5,851
Insurance and retirement-director	5,700	5,675
Payroll taxes	7,209	4,470
Office supplies	2,226	420
Professional fees	1,725	1,660
CTS rally	2,531	2,352
Meetings & conventions	1,392	1,523
Interest expense	361	732
Miscellaneous	1,654	1,693
Camp literature	490	348
Pool upkeep	0	1,225
Food service	25,659	26,112
Food service-labor	8,160	7,450
Repairs & maintenance	14,557	17,008
Supplies	13,203	7,311
Camp labor	4,300	2,440
Guest speakers	5,880	2,525
Designated gifts	962	0
Board mileage & meals	1,949	1,394
Printing	1,096	0
Depreciation	11,566	11,689
Total Expenses	201,423	180,825
Excess Revenues Over Expenses	\$ 29,423	\$ 8,096

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, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
CASH FROM OPERATING ACTIVITIES:		
Net revenue over expenses	\$ 29,423	\$ 8,096
Adjustments to reconcile net revenue over expenses to net cash provided by operations:		
Depreciation	11,566	11,689
(Increase)decrease in accounts receivable	472	<1,844>
Increase(decrease) in accounts payable	<333>	511
Increase(decrease) in payroll tax payable	<u>374</u>	<u>111</u>
Net Cash Provided by Operating Activities	41,502	18,563
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	<u><6,001></u>	<u><3,707></u>
Net cash used in investing activities	<6,001>	<3,707>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	<u><6,167></u>	<u><8,465></u>
Net cash used by financing activities	<6,167>	<8,465>
Net increase (decrease) in cash	29,334	6,391
Cash at beginning of year	<u>14,940</u>	<u>8,549</u>
Cash at end of year	\$ <u>44,274</u>	\$ <u>14,940</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, 1998 AND 1997

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 \$ 11,566 and \$ 11,689 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:

1998	\$ 361
1997	\$ 732

INCOME TAXES

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

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.

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997

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, 1998 and 1997, due payable to Camp Beaverfork, Arkansas Free Will Baptist Youth Camp, Inc.

NOTE 2 - NOTES PAYABLE

	1998	1997
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.	\$ 0	\$ 1,872
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.	7,035	11,330
	7,035	13,202
Less: Current notes payable	0	1,872
Less: Current portion L-T Debt	4,420	4,294
Long-term Debt	\$ 2,615	\$ 7,036

Scheduled minimum maturities of long-term debt over the years subsequent to December 31, 1998, are as follows:

1999	\$ 4,420
2000	2,615
	\$ 7,035

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, 1998 all of the corporation's money was insured.

STATE HOME MISSION BOARD REPORT

The State Home Mission Board of the Arkansas State Association met six times this year and conducted two conference calls as follows:

August 17, 1998

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) Election of officers were as follows: Chairman, David Copeland; Vice-Chairman, Paul Payne, and Secretary John Fowlkes.
- (2) After interviewing Ramon and Ede Zuniga as possible missionaries to the Hispanics, motion passed to hire the Zunigas at a monthly salary of \$2,500 and enter into a joint project with the National Home Mission Department.
- (3) Motion passed to transfer \$5,000 from the State Home Mission General Fund to start the Hispanic Mission Account.

September 13, 1998

The State Home Mission Board conducted a conference call with Vice-Chairman Paul Payne, Bobby Shepherd, Dwayne Roper, and John Fowlkes, including Promotional Director David Joslin and conducted the following business:

The board was informed that the Lake Hills Free Will Baptist Church would like to call Bro. David Taylor as pastor of their church upon approval by the State Home Mission Board. Motion passed to hire David Taylor as missionary pastor at Lake Hills Free Will Baptist in Hot Springs, Arkansas, and offer a pay package of \$45,000 and to pay his moving expenses from Arizona to Arkansas.

October 8, 1998

The State Home Mission Board met at the state office in Conway, with the following members present: David Copeland, Paul Payne, Bobby Shepherd, and John Fowlkes, including Promotional Director David Joslin and conducted the following business:

- (1) Motion passed to give the balance of the income from the sale of the House of Prayer, Monroe, Louisiana, to the Monroe, Louisiana Land Fund where Rue Dell Smith has started a mission church under the National Home Missions Board.
- (2) Motion passed to pay up to \$200 for T-shirts for the Northeast Arkansas Mission Challenge walk-a-thon scheduled for October 1998.
- (3) Motion passed to pay 16 cents per mile to the missionaries for any itinerant mileage.
- (4) Motion passed to sign the contractual agreement between the Arkansas State Home Mission Board and Missionary David Taylor and the mutual agreement between the Arkansas State Home Mission Board, Lake Hills Free Will Baptist Church, and the First Free Will Baptist Church, Russellville, Arkansas.
- (5) Motion passed to accept the report given by Ramon Zuniga on the Hispanic ministry.
- (6) Motion passed to accept the reports given by Kerry Gandy on the Maumelle work.

Rev. Ron Brown and Phil Cheshier met with the board and shared their burden for a work in the Barling Arkansas, area.

October 14, 1998

The State Home Missions Board conducted a conference with all the following members present: David Copeland, Paul Payne, Bobby Shepherd, and John Fowlkes, as well as Promotional Director David Joslin and transacted the following business:

- (1) Motion passed to not endorse or finance the starting of a new church in the Barling, Arkansas, area at this time.

The Hispanic ministry was discussed, and the board was informed that the Zunigas had purchased a 1988 Plymouth van.

STATE HOME MISSION BOARD REPORT, Continued

January 4-6, 1999

The State Home Mission Board attended the north American Strategy Forum at Nashville, Tennessee. Those attending were Paul Payne, Bobby Shepherd, and John Fowlkes as well as Promotional Director David Joslin. One item of business was conducted: (1) Motion passed to loan the Rolling Oaks Free Will Baptist \$8,000 to start a daycare ministry sponsored by the church.

April 22, 1999

The State Home Missions Board met at the state office in Conway, with the following members present: David Copeland, 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 and amended to give \$2,300 to Ramon Zuniga for self-employment taxes
 - (3) Motion passed to raise Ramon Zuniga's pay from \$2,500 to \$3,000 per month effective immediately.
 - (4) Motion passed to accept the reports given by missionary pastors: Kerry Gandy, Maumelle; David Taylor, Hot Springs, and Ramon Zuniga, Hispanic ministry.
 - (5) Motion passed to accept the resignation of Norman McFall.
- Rue Dell Smith, national home missionary to Monroe, Louisiana, gave an update on the land purchase for their church.

May 23, 1999

The State Home Mission Board met at the Rolling Oaks Free Will Baptist Church in Maumelle, Arkansas, after their organizational service with the following members present: David Copeland, Bobby Shepherd, Paul Payne, and John Fowlkes, as well as Promotional Director David Joslin and conducted the following business:

- (1) Motion passed to pay an additional \$410 per month on the Lake Hills property financed at Mercantile Bank, Conway, Arkansas.
- (2) Motion passed to accept the mutual agreement between Lake Hills and the State Home Missions Board as follows:

LAKE HILLS AGREES:

1. That they will assume \$1,000 more towards the pastor's pay package effective June 1, 1999 (\$2,500 per month); an additional \$750 effective September 1, 1999 (\$3,250 per month); the balance of the pay package (approximately \$750) effective September 1, 2000 (approximately \$4,000 per month).
2. That they will continue to pay \$2,500 per month towards repayment of the APPLE Loan. Upon full repayment of the APPLE Loan, they will assume the responsibility of paying the remaining balance of the bank loan.

STATE HOME MISSION BOARD AGREES:

1. That the balance remaining in the Lake Hills account at September 1, 2000, will be utilized in paying towards the APPLE Loan.

July 8, 1999

The State Home Mission Board met at the state office with all members present as well as Promotional Director David Joslin and Ricky Taylor, CPA and conducted the following business:

- (1) Motion passed to accept the audited reports as given by auditor Ricky Taylor, CPA.
- (2) Motion passed to give Ramon Zuniga \$1,000 from the Hispanic account towards expenses to attend the national convention.
- (3) Motion passed to give Kerry Gandy \$1,000 from the State Home Mission General Fund towards expenses to attend the national convention.

David Copeland, Chairman
Paul Payne, Vice-Chairman
John Fowlkes, Secretary

Bobby Shepherd
Dwayne Roper

STATE HOME MISSION BOARD REPORT, Continued

State Mission Board Budget January - December 2000

Receipts:

Cooperative Plan (17% of \$450,000.00)	\$76,500.00	
West Monroe to Monroe	4,500.00	
Rolling Oaks, Maumelle to APPLE	18,000.00	
Rolling Oaks, Maumelle to Self Support	12,000.00	
Lake Hills, Hot Springs to APPLE	30,000.00	
Lake Hills, Hot Springs to Self Support	31,520.00	
Churches, Individuals, and Associations	60,100.00	
Total Receipts	\$232,620.00	\$232,620.00

Disbursements:

Maumelle - Salary and Benefits	\$46,300.00	
Maumelle Property Payment	12,000.00	
Lake Hills - Salary and Benefits	31,520.00	
Lake Hills Property Payment	27,600.00	
Hispanic Ministry	36,000.00	
Monroe Mission	4,500.00	
APPLE - Maumelle	18,000.00	
APPLE - Hot Springs	30,000.00	
Phone	1,200.00	
Secretarial Expense	3,600.00	
Computer	1,800.00	
Board Mileage and Meals	2,500.00	
Audit	2,000.00	
Miscellaneous	3,100.00	
New Project	12,500.00	
Total Disbursements	\$232,620.00	\$232,620.00

Ricky J. Taylor
 Certified Public Accountant
 P. O. Box 2851
 Russellville, AR 72811
 (501) 967-4439

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, 1998 and 1997, 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, 1998 and 1997 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 15, 1999

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, 1998 AND 1997

ASSETS

ASSETS:	1998	1997
Cash	\$ 40,491	\$ 11,848
Cash - Savings Accounts	23,537	12,059
Cash - Certificate of Deposits	100,479	50,785
Property	754,918	754,918
Mortgage/Notes Receivable	<u>20,910</u>	<u>43,744</u>
Total Assets	\$ <u>940,335</u>	\$ <u>873,354</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Bonus Payable	\$ 1,611	\$ 2,437
Remittance Due	1,128	0
Escrow Payable	57,743	32,951
Scholarship Fund Payable	9,515	0
Mortgage Payable	<u>276,716</u>	<u>293,504</u>
Total Liabilities	<u>346,713</u>	<u>328,892</u>
NET ASSETS:		
Unrestricted	571,581	545,066
Temporarily Restricted	<u>22,041</u>	<u><604></u>
Total Net Assets	<u>593,622</u>	<u>544,462</u>
Total Liabilities and Net Assets	\$ <u>940,335</u>	\$ <u>873,354</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, 1998 AND 1997

	1998				1997
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
REVENUE:					
General fund income	\$ 71,226	\$	\$ 9,125	\$ 80,351	\$ 63,458
Missionary income-Hispanic Mission		15,587		15,587	0
Missionary income-Maumelle		46,621	550	47,171	29,091
Missionary income-Hot Springs		45,855		45,855	40,750
Guthrie Memorial Income			5,697	5,697	0
Guthrie Scholarship Income			7,132	7,132	0
Louisiana Land Fund Income			1,128	1,128	0
Interest income	6,819	157		6,976	8,535
Net assets released from restrictions:					
Restrictions satisfied by payments	109,207	<85,575>	<23,632>	0	0
Total Revenue	187,252	22,645	0	209,897	141,834
EXPENSES:					
Board mileage & meals	4,016			4,016	4,096
Telephone	907			907	527
Printing	356			356	0
Postage	301			301	255
Office supplies	19			19	37
Secretarial expense	2,100			2,100	1,800
Computer expense	450			450	0
Professional fees	1,625			1,625	1,550
Workman's comp insurance	104			104	170
Miscellaneous	1,228			1,228	1,270
Conference training	834			834	0
Travel	164			164	0
Missionary expense-Maumelle	44,986			44,986	45,188
Missionary expense-Hot Springs	34,220			34,220	44,797
Missionary expense-Hispanic Mission	16,393			16,393	0
General Fund-Designated expense	10,253			10,253	0
Guthrie Memorial Fund	5,697			5,697	0
Guthrie Scholarship Fund	7,132			7,132	0
Hispanic missionary cost	5,000			5,000	0

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 - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	1998				1997
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Louisiana Land Fund expense	\$ 1,128	\$	\$	\$ 1,128	\$ 0
Interest expense	23,824			23,824	25,918
Total Expenses	160,737	0	0	160,737	125,608
Increase (decrease) in net assets	26,515	22,645	0	49,160	16,226
Net assets-Beginning of Year	545,066	<604>	0	544,462	528,236
Net assets-End of Year	\$ 571,581	\$ 22,041	\$ 0	\$ 593,622	\$ 544,462

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, 1998 AND 1997

CASH FLOWS FROM OPERATING ACTIVITIES:	1998	1997
Increase in net assets	\$ 49,160	\$ 16,226
Increase <Decrease> in:		
Bonus payable	<826>	<2,114>
Escrow payable	24,791	9,093
Remittance due	1,128	0
Scholarship Fund payable	9,515	0
Net Cash Provided by Operating Activities	83,768	23,205
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from collection from Mortgage Receivable	22,835	45,229
Net Cash Provided from Investing Activities	22,835	45,229
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of Debt	<16,788>	<37,612>
Net Cash Provided by Financing Activities	<16,788>	<37,612>
Net Increase <Decrease> in Cash	89,815	30,822
Cash at Beginning of Year	74,692	43,870
Cash at End of Year	\$ 164,507	\$ 74,692
SUPPLEMENTAL DISCLOSURES:		
Cash Paid During the Year for Interest	\$ 23,824	\$ 25,918

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, 1998 AND 1997

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 © (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, 1998 AND 1997

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 and Lake Hills Free Will Baptist Church in Hot Springs, Arkansas are 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 and Hot Springs respectively. The property will not be transferred to Rolling Oaks Free Will Baptist Church or Lake Hills Free Will Baptist Church until the church goes self-supporting.

ARKANSAS STATE HOME MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 1998 AND 1997

NOTE 5 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	1998	1997
Missionary - Maumelle	\$ <23>	\$ <4,532>
Missionary - Hot Springs	21,677	3,928
Missionary - Hispanic Mission	<u>387</u>	<u>0</u>
	\$ <u>22,041</u>	\$ <u><604></u>

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

NOTE 6 - NOTES PAYABLE

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.

1998	1997
\$ 59,795	\$ 67,827

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.

1998	1997
216,921	225,677
\$ <u>276,716</u>	\$ <u>293,504</u>

The aggregate maturities of these notes are as follows:

1999	\$ 17,486
2000	18,967
2001	20,575
2002	22,318
2003	24,210
Thereafter	<u>173,160</u>
	\$ <u>276,716</u>

NOTE 7 - CONCENTRATION OF CREDIT RISK

The Board has an accounting risk of loss in the areas of cash and cash equivalents to the extent cash funds are not insured by a governmental agency or guaranteed by the United States Government. The accounting risk of loss at December 31, 1998 is \$ 22,417.

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, 1998

The Christian Education Board met during the Trail Blazer's Retreat at Camp Beaverfork with the following board members: Nelson Henderson, Harvey Butler, Doug Harris, Rick Ketchum, Kendall Ross, and Jackie Brown and conducted the following business:

- (1) Motion passed to elect Nelson Henderson as chairman and Jackie Brown as secretary.
- (2) Motion passed to pay \$700 to Camp Beaverfork to cover expenses incurred during the Trail Blazer's Retreat.
- (3) Motion passed to invite the Reggie Sadler Family for the 1999 Trail Blazer's Retreat. Nelson Henderson will contact and set dates according to their schedule.

October 13, 1998

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

- (1) Motion passed to pay David Gibbs \$1,000 plus expenses to speak at the Minister's Retreat at the Ozark Folk Center near Mt. View, Arkansas, on March 1-3, 1999.
- (2) Motion passed to provide a breakfast and program for the Wednesday morning session at the minister's retreat paid by the board.
- (3) The date of September 10-11, 1999, was confirmed for the date of the 1999 Trail Blazer's Retreat at Camp Beaverfork. Motion passed to pay an honorarium of \$1,500 to the Sadler family plus expenses.
- (4) Motion passed to approve the following schedule for the 1999 Trail Blazer's Retreat:

FRIDAY		SATURDAY	
2:00 PM	Registration	7:30 AM	Breakfast
3:00 PM	Call to Worship	8:30 AM	Session I
4:45 PM	Supper	9:15 AM	Break
6:00 PM	Evening Service	9:30 AM	Session II

- (5) The Board met jointly with the State Executive Board and voted to split (50/50) the cost of the Leadership Conference between the Christian Education Board and the Executive Board, March 19-20, 1999, at the First Free Will Baptist Church, Russellville.

January 19, 1999

The Christian Education Board met at the state offices in Conway, Arkansas, with the following members present: Nelson Henderson, Harvey Butler, Rick Ketchum, and Jackie Brown, as well as Promotional Director David Joslin and conducted the following business:

- (1) Motion passed to have local entertainment during the Wednesday morning breakfast at the Minister's Retreat at a cost of approximately \$100.
- (2) Motion passed to ask Doug Little to direct the music during the 1999 Minister's Retreat with an honorarium of \$75 plus room expense.
- (3) Motion passed to accept the financial report as given by David Joslin.

March 2, 1999

The Christian Education Board met during the 1999 Minister's Retreat at Ozark Folk Center State Park near Mt. View, Arkansas, with all members present.

- (1) Motion passed to sponsor a pastor and wife retreat on October 22-23, 1999, in Jonesboro and Springdale, Arkansas, with Rob Morgan and Joe Grizzle.
- (2) Motion passed to give David Gibbs a total of \$1,450 for honorarium and expenses.
- (3) Motion passed to purchase a wireless microphone to be used during future events. Kendall Ross will bring estimates to the next board meeting.

June 29, 1999

The Christian Education Board met at the state offices with the following members present: Nelson Henderson, Rick Ketchum, Jackie Brown, Kendall Ross, Harvey Butler, and Promotional Director David

CHRISTIAN EDUCATION BOARD, Continued

June 29, 1999, Continued

- (1) Motion passed to accept the resignation of board member Doug Harris due to time constraints in the pursuit of his doctorate degree.
 - (2) Motion passed to allow Kendall Ross to spend up to \$400 for a wireless microphone.
 - (3) Motion passed to give Rob Morgan \$600 honorarium plus expenses for speaking during the upcoming marriage seminar in Jonesboro, Arkansas.
 - (4) Motion passed to cancel the proposed marriage seminar in the Springdale area due to time constraints and scheduling problems.
 - (5) Motion passed to adopt the proposed budget for 2000 of \$17,200.
- The 2000 Minister's Retreat will be February 21-23, at Lake DeGray State Park at a cost of \$40.

CHRISTIAN EDUCATION BOARD BUDGET January-December 2000

Receipts:

Coop Plan (3% of \$450,000.00)	\$13,500.00	
Minister's Retreat (80 @ \$40.00 each)	3,200.00	
Trail Blazer's Retreat	500.00	
Total Receipts	\$17,200.00	\$17,200.00

Disbursements:

Minister's Retreat	\$7,500.00	
Trail Blazer's Retreat	2,300.00	
Board Mileage and Meals	2,100.00	
Phone	300.00	
Printing and Postage	1,200.00	
Secretarial Expense	720.00	
Computer	480.00	
Audit	300.00	
Workshops/Seminars	1,500.00	
Miscellaneous	800.00	
Total Disbursements	\$17,200.00	\$17,200.00

Nelson Henderson, Chairman
Jackie Brown, Secretary
Kendall Ross

Harvey Butler
Rick Ketchum
Doug Harris

ELECTION SCHEDULE FOR 1999-2000
(Submitted by the Nominating Committee)

EXECUTIVE BOARD

TERM ENDS 2000

Dale Blackwell

Randell Williams

TERM ENDS 2001

Hoover Lewis

Raymond Chronister

3-YEAR TERM-2002

Andy Percy

(Replacing Andy Percy)

Doug Little

(Replacing Doug Little)

CHRISTIAN EDUCATION BOARD

TERM ENDS 2000

(Replacing Doug Harris)

Jackie Brown

TERM ENDS 2001

Rick Ketchum

Harvey Butler

3-YEAR TERM 2002

Nelson Henderson

(Replacing Nelson Henderson)

Kendall Ross

(Replacing Kendall Ross)

STATE YOUTH BOARD

TERM ENDS 2000

Randall Ray

Patrick Baze

TERM ENDS 2001

Leo Martin

Mark Stripling

3-YEAR TERM 2002

John Reed

(Replacing John Reed)

Mike King

(Replacing Mike King)

STATE MISSION BOARD

TERM ENDS 2000

Bobby Shepherd

Johnny Fowlkes

TERM ENDS 2001

David Copeland

Paul Payne

3-YEAR TERM 2002

Hursel Parker

(Replacing Norman McFall)

Dwayne Roper

(Replacing Dwayne Roper)

OFFICERS

Moderator - David Bishop

(Replacing David Bishop)

Assistant Modertor - David Winfrey

(Replacing Will Harmon)

Clerk - Randy Ledbetter

(Replacing David Winfrey)

Assistant Clerk - Gary Crowder

(Replacing Randy Ledbetter)

HILLSDALE TRUSTEE - Will Harmon - 2 Year Term

NOMINATING COMMITTEE

Steve Trail, Chairman

Raymond Chronister

Mike Hutsell

Bobby Shepherd

David Copeland

Master's Men Report

25th Annual Meeting, August 5, 1999
Cavanaugh Free Will Baptist Church
Fort Smith Arkansas

There were 56 in attendance.

Brother Tom Brown opened the meeting with prayer.

Brother John Fowlkes welcomed the men and visitors.

Brother Don Brown reported on the work that "Helping Hands" was doing and how much he enjoyed working as a carpenter to help build churches. The "Helping Hands" are working on a church in Roland, Oklahoma. If you would like to help, please let Brother Gwartney or the Master's Men Department know.

Brother John Fowlkes reported that the National Master's Men Department was debt free. If your church would like to send \$25.00 per month, they will receive membership for all the men in their church. Also, they will receive literature from the national office to help with your meetings. Brother John thanked the men for working on the house that was sold. The \$15,000.00 profit was put in the "Build A House Project." This gives us \$55,000.00 in that account. The state project this year was to buy siding for the tabernacle at Camp Beaverfork. We raised \$451.00 toward this project. Brother John stated that the volunteer work the men did this year saved the camp more than \$10,000.00 in labor and material cost.

The state project for 1999-2000 was voted on to purchase a commercial refrigerator for the camp. The men voted to raise \$1,500.00 for this project.

New officers were elected as follows: Carmon Rushing—President, Tom Brown—Membership VP, Larry Bonnema—Activities VP, Jim Martin—Program VP, Don Burris—Chorister, and Larry Phillips—Sec. Treasurer.

The men voted to give the offering to Brother Tom Dooley for travel expense.

Brother John Fowlkes introduced the speaker, Tom Dooley, for the meeting and thanked him for the job he was doing for the National Master's Men Department.

Brother Tom's message was taken from Ephesians 2:1-10, "The Believer's Worth, God's Grace!" Brother Tom's three points were "Objective of God's Grace," "Operation of God's Grace," and "Outcome of God's Grace." What a person needs is the saving grace of God. Paul teaches us about grace. We need a special life. We share in the resurrection of Christ. Paul says we sit together with Him. God extends His grace to each of us. If we experience God's grace we will do God's work. Paul says we are the workmanship of God. Tom stated that he wanted to be a vessel God can use.

The meeting was closed with prayer by Brother Bob Isbell.

RESOLUTIONS

Resolution #1

1. That the Arkansas College Outreach Committee be established by the appointment of a five-member committee by the moderator.
2. That persons at this state association meeting be encouraged to turn in names of individuals to the moderator who would be qualified and interested in working on this committee.
3. That the moderator consider individuals for this committee and meet with the State Executive Board in October for finalization of the selections.
4. That the five-member committee report their recommendations to the state meeting next year for implementation.
5. That \$1,000 be transferred from the General Fund to the College Outreach Committee for its initial funding.
6. That the state moderator and promotional director be *ex officio* members of the committee.
7. That the actions of the committee between sessions of the state association be approved by the State Executive Board.

Resolution #2

Be it resolved that we give rising vote of thanks to the Cavanaugh Free Will Baptist Church for their hospitality and excellent joy of hosting the 1999 Arkansas State Association.

Bobby Shepherd, Chairman

Berton Perry

Nelson Henderson

David Taylor

Paul Hammons

STATISTICS REPORT FROM CHURCH LETTERS

The Arkansas State Association of Free Will Baptists reports 15 associations comprised of 222 churches. The statistics for membership, baptism, etc., are based on the 208 churches that reported.

There are 103 churches located in a city/town, 119 churches in rural, 100 with full-time pastors, and 97 part-time pastors.

There are 342 ordained ministers, 47 licensed ministers, and 543 ordained deacons.

The churches reported 708 baptisms with 1,271 members added, 548 members lost, and a total membership of 20,443.

Sunday school enrollment was 10,833; CTS enrollment was 2,493; Women Active for Christ membership was 1,176; and Master's Men membership was 200.

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

The total income of all churches reporting was \$18,201,535.64. Fifty churches reported having budgets.

There were 71 churches with parsonages, and a total value of all church property, including parsonages, of \$50,876,860.00.

REGISTRATION COMMITTEE

We, the registration committee, submit the follow information concerning those registering during the 1999 session of the Arkansas State Association of Free Will Baptists: Ministers 91, Deacons 32, Delegates 53, Missionaries 19, Visitors 574, Total 769.

David Copeland
Michael Morrison
Bob Isbell
Gerald Greenwood
Gilbert Philips

OBITUARY REPORT - 1999

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

ANTIOCH

Don Dehart
Suzie Crouch
Mary Palmer
Edna Seeman
Magie Johnson
Willard Cooper
R. L. Walker
Eugene O'Bar
Maureen Brewer
Edna Burris
John Burris
Hazel Allen
Lettie Taylor

ARKANSAS

Virgil Owens
Ellise L. Oliver
Johnny Willingham
Roy Yandell
Lorene Looney

CENTRAL

Albert Goodnight
Hazel Chappell
Catrina Dale Brown
Natella Childs
Marie Bewley

FELLOWSHIP

Lucille Willis
Robert Hillis
Monroe Witherspoon
Wilson Stanton
Cammie Virden
Leatha Penington
Johnny Higgins
Ava Harvill
Janie Snyder
Phyllis Kinder
Peggy Condley
Arvena Cook

HARMONY

Anna Belle Moudy
Bonnie May
Noble Poindexter
Quinton Yzncy
Calvin Morris Kassaw
Junior Fowler

LITTLE MISSOURI RIVER

Rev. Herman Greenwood
Oscar Tabor
Opal Nichols
Evelyn Fruen Metcalf
Goldie Mae Latch
R. T. Simmons
Ethel Johnson

NEW HOPE

Mae Dean Jennings
Dora Dee Forbes
Lula Thomas
Shirley Parish
Judy Elliott
J. C. Walls
Alice Ballard
Paul Ballard
Kenneth Harrison

NORTHWEST

Mary Householder
Kermit Householder

OLD MT. ZION

Wanda Lee Lawson
Etta Bell Roles
Nora Green
Frankie Marie Smith
Pete Reddick
William "Chet" Dean
Nola Marie Ross
Raymond "Ray" Drake
Melva Self
Donnie Mae Johnson
Elma Stout
Otis Holder
Delsa Hamley
George Bohannon
Alma "Sis" Rodden
Melba Mcarty

OLD MT. ZION

Ella Morris
Wilton "Bill" Drennan
Charles Lossing
Blanche Bradshaw
Millie Hulse
Hazel McCullah
Geneva Musteen
Hester McMahan
Chris Burrell
Steven Easterling
Rev. Dee Smith
Virgil Collins
L. D. Jones
Donald Hutcheson
Lee Smith
Billy Ruckman

POLK BAYOU

Josephine Hipp
Bill Thompson
Francis Oyler
Dovie Tinkle
Alma Lassiter
Dean Tucker
Frank Caraway
Cora Huskey
Peter Huskey
Everett Huskey
Ervin Lewis
Fred Medlock
Larry Berger
Mike D. Isley
Lavon Wood
August Rowlett
Alice Hodge
Patricia Matheny
Dale Lesley
Pearl McCoy
James Matlock

SALINE

Clara West
Sybil Lloyd
Willie Jean Beaty
Irene Connor
Kathy Golden
Lawson Yorder
Freddie Guin, Sr.

OBITUARY REPORT - 1999

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

ANTIOCH

Don Dehart
Suzie Crouch
Mary Palmer
Edna Seeman
Magie Johnson
Willard Cooper
R. L. Walker
Eugene O'Bar
Maureen Brewer
Edna Burris
John Burris
Hazel Allen
Lettie Taylor

ARKANSAS

Virgil Owens
Ellise L. Oliver
Johnny Willingham
Roy Yandell
Lorene Looney

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Hazel Chappell
Catrina Dale Brown
Natella Childs
Marie Bewley

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Robert Hillis
Monroe Witherspoon
Wilson Stanton
Cammie Virden
Leatha Penington
Johnny Higgins
Ava Harvill
Janie Snyder
Phyllis Kinder
Peggy Condley
Arvena Cook

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Pete Reddick
William "Chet" Dean
Nola Marie Ross
Raymond "Ray" Drake
Melva Self
Donnie Mae Johnson
Elma Stout
Otis Holder
Delsa Hamley
George Bohannon
Alma "Sis" Rodden
Melba McCarty

OLD MT. ZION

Ella Morris
Wilton "Bill" Drennan
Charles Lossing
Blanche Bradshaw
Millie Hulse
Hazel McCullah
Geneva Musteen
Hester McMahan
Chris Burrell
Steven Easterling
Rev. Dee Smith
Virgil Collins
L. D. Jones
Donald Hutcheson
Lee Smith
Billy Ruckman

POLK BAYOU

Josephine Hipp
Bill Thompson
Francis Oyler
Dovie Tinkle
Alma Lassiter
Dean Tucker
Frank Caraway
Cora Huskey
Peter Huskey
Everett Huskey
Ervin Lewis
Fred Medlock
Larry Berger
Mike D. Isley
Lavon Wood
August Rowlett
Alice Hodge
Patricia Matheny
Dale Lesley
Pearl McCoy
James Matlock

SALINE

Clara West
Sybil Lloyd
Willie Jean Beaty
Irene Connor
Kathy Golden
Lawson Yorder
Freddie Guin, Sr.

OBITUARY REPORT 1999, Continued

SALINE, Continued

Betty Bolin
Kathlene Carlock
Annice Williams
James Frith
Bertha Fairchild
Fannie Swafford
Jewel Faye Smith
Opal Thompson
Charles Trammell
Ethel Wagon
Lee Saffold
Mildred Russell
Fannie Potts
Mabel Johns
Ladane Savage
Clinton Riley
Rev. Cecil Williams

SOCIAL BAND

Maxine Crump
B. F. Owens
Orville Prince
Pearlie Mae Thomas
Thelma Minton
Billy Doyle
Bobbie Lou Grimes
Herman Tougaw
Jim Smith
Viola Henderson
Lynn Snow
Lelah Shepherd
Hazel Surles
Hilda Fisher
Charles Hendrickson
Pat Murphy
Dessie Holder
Kevin Blalock
Joy Sutton
Lucille Goodwin
Glennis Ogden
Walter Ball
Mary Kohut
Ruth Rose
Elsie Winebaugh
Raymond Wood
Syble Keech
Thelma Counts
Alex Brown

SOCIAL BAND, Continued

Margaret Hipperson
Roxie Hatley
Dorothy Lowe
Lucille Waddell
Nola Graham
Billy Miller
Essie Croom

SOUTHEAST ARKANSAS

Kermit Fuller

UNITY

Ila Nicely
Eugene Furr
Harold Pope
Veda Rae Grubb
Ray Cusick
Ed Chadwick
Luther Jetton
Archie Garner
Kate Baker

ZION HOPE

Letha Brown
Mary Katherine
Everett Clark
Culpit Keck
Ora Dempse
Williams Cronister
Cly Cluck
Elever Sullivan
Violet Watson
Inez Osborne
Thyra Turner
Billy Parks
Clayton Morse
Sybil Wilson
Pat Scott
Vivian Jeffcoat
Johnny Crawford
Edna Floyd
America Owens
Vivian Kath
Raymond Morgan
Ed Lewis

Respectfully Submitted,

OBITUARY COMMITTEE:

Dale Blackwell
Lawnie Coffman
Hoover Lewis
Raymond Chronister
Loy Counts

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 denominational government.

Article I

Name:

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

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; \$50.00 for each church for National Association fees; and \$5.00 per each church for minutes, for a total of \$80.00.

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.