

**MINUTES
of the
105th Annual Session
of the
ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS**

**Held at the
Conway Public School Auditorium
Conway, Arkansas
August 6-7, 2002**

**Moderator of the 105th Annual Session
David Bishop
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Atkins, Arkansas 72823
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**Clerk of the 105th Annual Session
Randy Ledbetter
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OFFICERS AND STANDING BOARDS
2002-2003

EXECUTIVE BOARD

David Watson	2005
Ed Cook	2005
Will Harmon	2004
Tommy Tims	2004
Dale Blackwell	2003
Randell Williams	2003

STATE HOME MISSIONS BOARD

Dwayne Roper	2005
Kerry Gandy	2005
Randy Burris	2004
David Taylor	2004
Bobby Shepherd	2003
Johnny Fowlkes	2003

YOUTH BOARD

Dick Terry	2005
Mike King	2005
Leo Martin	2004
Mark Stripling	2004
Randall Ray	2003
Johnny Miller	2003

CHRISTIAN EDUCATION BOARD

Vince Daniels	2005
Kendall Ross	2005
Bob Brown	2004
Mike Phillips	2004
Leroy Scudder	2003
Jackie Brown	2003

MODERATOR	David Bishop
ASSISTANT MODERATOR	David Winfrey
CLERK	Randy Ledbetter
ASSISTANT CLERK	Paul Hammons

OFFICERS OF DISTRICT ASSOCIATIONS

ANTIOCH

Moderator-Wayne Douthit
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Moderator-Delbert Hodges
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Clerk-Kathy Minnie
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Ph. (479) 299-4607

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Clerk-Verna Puckett
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Clerk-Keth Bowden
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Moderator-David Laster
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Clerk-Rhonda Mitchell
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Moderator-Kenny Fant
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New Hope, AR 71959
Ph. (870) 398-4698

Clerk-Judy Short
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OFFICERS OF DISTRICT ASSOCIATIONS

NEW HOPE

Moderator-Andy Percy
10 Hawthorne
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Clerk- Linda Whitten
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Moderator-Bill Wyatt
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Green Forest, AR 72638
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Clerk-Bradley Clark
210 Cardinal Street
Harrison, AR 72601
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OLD MOUNT ZION

Moderator-Loy Counts
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Clerk-Carla Kay Henson
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Moderator-David Winfrey
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Clerk-Jennifer Daniel
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SALINE

Moderator- Tommy Tims
2136 Highway 35 W
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Ph. (870) 853-9109

Clerk-Linda Stevens
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SOCIAL BAND

Moderator-Leo Martin
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Reyno, AR 72462
Ph. (870) 769-2269

Clerk-Dale Blackwell
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Ph. (870) 932-6195

SOUTHEAST ARKANSAS

Moderator-Phillip Payne
644-B Highway 144 West
Lake Village, AR 71653
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Clerk-Phyllis Welch
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OFFICERS OF DISTRICT ASSOCIATIONS

UNITY

Moderator-Will Harmon
2825 Grinnell
Fort Smith, AR 72903
Ph. (479) 452-4796

Clerk- John R. Hays
2602 Phillips Drive
Van Buren, AR 72956
Ph. (501) 471-0854

ZION HOPE #2

Moderator-Chet Smith
6136 Arkhola Road
Van Buren, AR 72957
Ph. (479) 474-9243

Clerk-Gary O'Kelley
P.O. Box 1424
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PROCEEDINGS

Tuesday Evening, August 6, 2002

The 105th annual session of the Arkansas State Association of Free Will Baptists met at the Conway Public School Auditorium in Conway Arkansas on August 6-7, 2002. The convention theme was **"The Door of Opportunity."** The theme verse was 1 Corinthians 16:9a.

Pre-service music was provided by a Minister's Quartet. The Tuesday evening service opened with the North Little Rock Choir singing *"Let There Be Glory and Honor."*

Randy Ledbetter, Clerk, led in prayer, called the session to order, and introduced the Moderator, Brother David Bishop, pastor of the Union Grove Free Will Baptist Church in Atkins, Arkansas. Brother David brought a devotional challenge from Philippians 4.

The Committee on Committees was elected as follows: Hoover Lewis, Bobby Shepherd, Elmer Holiman, Terry Latham and Tim Landers. Motion passed. A proposed Constitutional amendment to Article IV, Section 2 was read and tabled. (page 5).

Offertory prayer was led by David Bishop. Offertory music was provided by the Minister's Quartet who sang *"I Have a Home."* The offering was divided 1/3 to National Home Missionaries present: 1/3 to Foreign Missionaries present: and 1/3 to State Missionaries present.

The North Little Rock Choir sang a medley *"Come Celebrate Jesus"* and *"Name Above All Names."* Mike Phillips led the congregation in singing *"All Hail the Power of Jesus Name"* and *"I Exalt Thee."* The pianist was Jimmy Reed and the Organist was Tena Stahl. *"Beyond the Open Door"* was sung by the North Little Rock Choir. The congregation sang the chorus to *"Beyond the Open Door"* and *"God Leads Us Along."* Dwayne Roper introduced the speaker for the evening, John Reed IV,

Home Missionary to Green Bay, Wisconsin. Special music was brought by Lindsey Barrow who sang "*Each One, Reach One.*" Following the special music, John Reed brought the evening message on the subject "*The Scope of the Opportunity*" from Ephesians 1:15-23. "*My Jesus I Love Thee*" was sung as a hymn of invitation.

Report of the Committee on Committees was given and accepted (page 9). After announcements, Bro. Coffman dismissed in prayer.

Wednesday Morning August 7, 2002

The service opened with the congregation singing "*To God Be the Glory*" led by Mike Phillips. Dale Blackwell led in prayer. Brother Leo Martin read from Psalms 113, brought the morning devotion and led in prayer. Moderator David Bishop brought a brief message reminding us to take advantage of the opportunities God has for us personally.

The Credentials Committee Report was read by the Clerk, Randy Ledbetter. (page 10). Motion passed to receive the report. Delegates to the Association were recognized and motion passed to seat the delegates. Visitors were welcomed.

Report of the Arkansas Women Active For Christ was given by President Lisa Bowden (page 10-11). Motion passed to receive this report.

Report of the Women Nationally Active for Christ was given by Executive Secretary Marjorie Workman.

Keith Burden, Incoming Executive Secretary, brought a report from The National Executive Office.

The National Home Missions Board Report was given by Director Larry Powell.

Report of the State Executive Board was given by Randell Williams (pages 16-21). In addition to the printed report, a conference call was made on July 28, 2002 (after the minutes were printed). A motion passed to revise the Christian Supply Store budget.

The board brought the following recommendations:

1. That: Article IV, Section 2 of the Arkansas State Association constitution be amended to read: "Each district association shall send \$25.00 for each church belonging to the district association for the purpose of entertaining the state association; \$100.00 for each church for national association fees; and \$5.00 for each church for minutes for a total of \$130.00."
2. Be it resolved that a stewardship committee of three be appointed by the moderator to study and devise a program of financial stewardship designed specifically for Arkansas churches. The executive director shall

serve as chair. The executive board shall finance the committee. The committee shall submit its findings and recommendations to the Executive Board by June 30, 2003.

The Executive Board also stated that they are closely monitoring the status of the Christian Supply Store. Motion made and passed to accept the report. After discussion, a motion passed to adopt the budget.

Motion passed to remove the Constitutional change from the table. After discussion, a motion passed to adopt this Constitution change (Recommendation 1).

Motion passed to appoint a Stewardship Committee (Recommendation 2) consisting of State Executive Director Tim Campbell, Paul Hammons, and Kerry Gandy.

Report of the Executive Director was given by David Joslin (pages 22-36). Motion passed to accept the report. Brother Joslin gave a special charge to incoming Executive Director Tim Campbell encouraging him to lead us forward to inherit what God has for us as Arkansas Free Will Baptists. He also charged us and Arkansas Free Will Baptists to stand behind and support him. The Executive Committee layed hands on Brother Tim and Brother David Joslin prayed a prayer of blessing and commitment. Brother Tim Campbell thanked those who have brought us this far, and accepted the challenge to led us forward. He presented the budgets under his responsibility. Motion passed to adopt the budgets. Ed Cook was elected to the Executive Board to replace Andy Percy, and David Watson was elected to replace Doug Little.

Report of the Christian Supply Store was given by Keith Johnson (pages 37-44). Motion passed to receive this report and adopt the budget. Another motion was made to amend the motion on the floor, and that the Executive Board bring back a revised budget for the afternoon session. This second motion did not pass. The original motion to adopt the original budget passed.

James Kilgore brought a report from Free Will Baptist Ministries in Greeneville, Tennessee.

Wednesday Morning Worship Service August 7, 2002

The service opened with the congregation singing "*I'll Fly Away*" led by worship leader Mike Phillips. Moderator David Bishop introduced the morning speaker Mark Elliott, pastor of Mt. Pleasant Free Will Baptist Church in Hamburg, Arkansas who spoke on the subject "*The Urgency of the Opportunity.*" He encouraged us to realize the reality and urgency of the spiritual needs of lost people around us, and to consider their fate. This realization will motivate us to reach them for Christ. After announcements, Kerry Gandy dismissed in prayer.

Wednesday Afternoon Business Session August 7, 2002

The session opened with the congregation singing "*I'm So Glad Jesus Lifted Me*" led by Mike Phillips. Bob Isbell led in prayer. Phillip Payne gave the afternoon devotion from Mark 6:45-48.

Kyle Hood, Campus Ministries Director of OASIS, brought the **OASIS Campus Ministries** report (page 45). Motion passed to receive the report and adopt the budget.

Mark Stripling gave the report of the **State Youth Board** (pages 46-47). Patrick Baze gave the Youth Directors report on Camp Beaverfork. (pages 48-55) Motion passed to receive these reports and adopt the budget. Dick Terry was elected to the State Youth Board, replacing John Reed. Mike King was re-elected to the board.

Report of the State Christian Education Board was given by Nelson Henderson (pages 56-58). Motion passed to receive the report and adopt the budget. Christian Education Board presented a plaque to Nelson in appreciation for his years of service. Vince Daniels (replacing Nelson Henderson) and Kendall Ross (succeeding himself) were elected to the Christian Education Board.

Report of the State Home Mission Board was given by Dwayne Roper. (pages 59-69). Motion passed to receive the report and adopt the budget. Brother Dwayne presented a plaque to Hursel Parker in appreciation for his years of service. Kerry Gandy (replacing Hursel Parker) and Dwayne Roper (succeeding himself) were elected to the State Home Missions Board.

James Forlines, National Foreign Mission General Director recognized the foreign missionaries present (Stan Bunch and Patsy Vanhook) and gave a report from the National Foreign Mission Department.

The Acts 1:8 Task Force Report was given by Nelson Henderson (pages 70-72). The Task Force recommended that National and State Home Missions be incorporated into the Acts 1:8 Plan. The recommendation read as follows:

1. That the criteria of support for national home and state home missionaries be a minimum of five year residency in the State of Arkansas and/or approval by the State Home Mission Board.
2. That National Home Missionary John Reed, and State Home Mission Project at Cabot begin receiving support from the A.C.T.S 1:8 Plan in 2003.
3. That we review that continued support of the National Home and State Home missionaries at the end of their contract.
4. That we give \$10,000 to Home Missionary John Reed's account, and \$10,000 to the State Home Mission Project at Cabot, to be taken from the A.C.T.S. 1:8 New Missionary account.

Motion passed to receive the report. Motion was made to adopt the A.C.T.S. 1:8 Resolution submitted by the Central Association (page 13). The motion was defeated. A motion then passed to adopt the recommendation of the Task Force (previous page). Motion passed to reimburse Stan Bunch for medical insurance costs during his one year leave of absence. Motion passed to adopt the 2003 A.C.T.S 1:8 Missionary Budget (page 72).

The Randall House Publications report was given by Alton Loveless, former General Director and current Director Ron Hunter

Matt Pinson, President of Free Will Baptist Bible College, gave the report from the college. Report from Hillsdale Free Will Baptist College was given by Carl Cheslier, President of the college. Nelson Henderson was re-elected as Hillsdale Trustee.

Bill Evans gave the report of the Board of Retirement, and David Brown gave the report of the Free Will Baptist Foundation.

Report from the Arkansas Master's Men was submitted by Jerry Lewis (pages 11-12).

Ken Akers gave the National Master's Men Report. The Alabama Free Will Baptist Children's Home report was given by Roger Bennett. The Harvest Free Will Baptist Children's Home report was given by Richard Green.

Report of the Resolution Committee was read (pages 12-13).

A motion was made to substitute Resolution 2 for Resolution 1. Motion passed to adopt Resolution 3. Motion passed to adopt Resolution 4. Resolution 5 was defeated in conjunction with the A.C.T.S. 1:8 Task Force Report.

The Nominating Committee was selected for 2003 State Meeting: Tim Landers, Jim Walker, Fred Warner, Kerry Gandy, Hoover Lewis. Motion passed to dismiss the Resolution Committee.

Report of the Obituary Committee was read by Assistant Clerk Paul Hammons (pages 74-75) David Winfrey led prayer of thanksgiving for these lives. Motion passed to dismiss the Obituary Committee.

The Statistics Report was read. (page 14) Motion passed to receive the report and dismiss the Committee.

The Registration Report was read (page 14) Motion passed to receive and dismiss the committee.

Delegates to the 2003 National Association in Tampa, Florida were elected as follows: Ron Puckett, Mary Kay Joslin, Robin Phillips, Brenda Housley, and Patsy Bishop.

State Officers elected for the next year were as follows: (State Election Schedule, page 73). Motion passed to adjourn. Andy Percy dismissed in prayer.

Wednesday Evening Worship Service August 7, 2002

Pre-service music was presented by the River Valley Messengers. The service opened with the congregation singing "*Brethren We Have Met to Worship.*" and "*O Come Let Us Adore Him.*" David Copeland led in prayer for the offering.

The service continued with the congregation singing "*He Keeps Me Singing*" and "*Dwelling in Beulah Land.*" The Cavanaugh Church Choir from Fort Smith brought a patriotic program singing portions of "*Land of the Free,*" "*Star Spangled Banner,*" "*O God Our Help in Ages Past,*" "*It is Well With My Soul,*" "*God of Our Fathers,*" "*Great is Thy Faithfulness,*" "*America the Beautiful,*" "*America, Bless God,*" concluding with the congregation joining in singing our National Anthem. The flags were presented by Private First Class Kevin Marr, US Marines; Chief Master Sargent Mack Landers, Retired US Air Force, and Staff Sargent Jon Landers, Arkansas National Guard. The Pledge of Allegiance and Pledge to the Christian Flag were recited, followed by Tim Landers leading in prayer. The congregation sang "*How Great Thou Art.*"

Assistant Moderator David Winfrey introduced the evening speaker Tim Campbell, recently appointed Executive Director of Arkansas Free Will Baptists who spoke on the theme "*The Potential of the Opportunity*" from Ephesians 3:14-21. He challenged us that with God's power working in us, there are great opportunities for us to take advantage of. After a hymn of invitation "*Give Me a Vision,*" a final revised Registration Report was given (page 14). A total of \$1000.00 was received in the two missions offerings. Moderator David Bishop dismissed the meeting in prayer.

REPORTS

REPORT OF THE COMMITTEE ON COMMITTEES

Nominating: Andy Percy, Ron Parker, Frank Matchett, Will Harmon, Nelson Henderson

Credentials: Gerald Greenwood, Don Brown, Kevin Jewell, Ken Winningham, David Rawls

Resolutions: David Copeland, Tommy Tims, Gene Cullum, Paul Payne, Johnny Miller

Obituary: A.E. "Bo" Coffman, Earl Stapleton, Bob Isbell, Bobby Ralph McDaniel, O.D. Winfrey

Respectfully submitted: Committee on Committees:

Hoover Lewis

Tim Landers

Elmer Holiman

Bobby Shepherd

Terry Latham

REPORT OF THE CREDENTIALS COMMITTEE

We, the Credentials Committee report the following:

The following district associations have represented by letter, delegates, and fees: Antioch, Central, Fellowship, Harmony, Little Missouri River, New Hope, Northwest, Polk Bayou, Saline, Social Band, Southeast, and Unity.

The following district associations have represented by letter, delegates, and partial fees: Arkansas District; one churches did not pay: Dublin. Zion Hope; six churches did not pay: Barling, Centerpoint, Chester, Cornerstone, Kibler, and Hwy 71.

Respectfully submitted:

Gerald Greenwood

Kevin Jewell

David Rawls

Don Brown

Ken Winningham

REPORT OF ARKANSAS WOMEN ACTIVE FOR CHRIST

The 48th Annual session of the Arkansas Women Active for Christ met August 6, 2002, at Conway Public School Auditorium. The theme for the day was "Our Anchor" taken from Hebrews 6:18-19. The singing was directed by Jayne Hannah with Sue Patton as the pianist.

Ken and Bonnie Doggett, Home Missionaries to Springfield, Illinois, gave the morning and afternoon devotions. Greetings were given by the missionaries present in the morning session.

Special music was given by Regina Stowers of the New Hope Association. James Forlines, Foreign Missions General Director, was the 11:00 speaker.

All 11 districts reported with 66 locals and membership of 727. A total of 174 registered, including 1 foreign missionary and 9 home missionaries. Total receipts were \$73,264.67. Our cash, non-cash and gifts sent directly were \$27,696.78, making a total giving of \$100,961.45. Our giving to Foreign Missions was \$25,571.41 (A.C.T.S. 1:8 receiving \$20,716.87 of this amount), National Home Missions \$10,711.67, Children's Home \$2,558.10, and our 2001 State Project The Zuniga's of Springdale and the Gandy's of Maumelle \$12,705.99.

The following resolutions were adopted. (page 11)

The 35th Annual Banquet was in the Brewer-Hegeman Conference Center of the UCA Campus, August 6, 2002, at 5:00 PM with 135 in attendance. Wanda Powell of Nashville, Tennessee, spoke from the theme, "*Peace in the Midst of the Storm.*" Special music was by Jan Morrison of New Hope Association.

The Annual Retreat was conducted May 3-4, 2001, at Camp Beaverfork with 170 registering. The theme was "*Safe Harbor*" taken from Psalm 46:1. The speaker was Marian Kern Pilgrim, Locust Grove Oklahoma. Respectfully Submitted, Lisa Bowden WAC President

ARKANSAS WOMEN ACTIVE FOR CHRIST RESOLUTIONS

We, the Resolution Committee, submit the following recommendations:

1. Give a rising vote of thanks to Social Band Association for the beautiful decorations and a job well done.
2. Thanks to the Women Active for Christ Executive Committee for their successful planning of this state meeting.
3. Rising vote of thanks to Rebecca Hill for her dedication and super job she has done for the Arkansas State Woman Active for Christ as treasurer for the past four years.

Respectfully submitted:

RESOLUTION COMMITTEE:

Janice Doggett

Lisa Miller

Bonnie Bean

Jackie Fowlkes

Ruby Hughes

STATE PROJECT

We, the Executive committee, recommend:

1. The State Project for 2003 be the Christian bookstore in Nantes, France.
2. That the Arkansas Women Active for Christ furnish a room for the Mission House at Free Will Baptist Bible College. We recommend that each district send \$300 before December 31, 2002, to our state treasurer, Rebecca Hill, for this project.

Respectfully submitted by the Executive Committee:

Lisa Bowden

Judy Trail

Mary Bromley

Belinda Adaire

Mary Ann Chronister

Rebecca Hill

Velda Tucker

Brenda Housely

ARKANSAS MASTER'S MEN

The Arkansas State Masters Men meeting was held at Ryan's on Wednesday evening and was attended by 32 people who heard a message by Brother Tim Campbell from Acts 8:1-8, the examples of Phillip.

During the past year we gave to Free Will Baptist Family Ministries \$1,092.36 for flood relief, \$402.36 to Bible College Build a House Campaign, Arkansas A.C.T.S. 1:8 - \$300.00 and support to National Masters Men office.

On April 19-20, 2002, we gathered for our spring retreat at Camp Beaverfork and did some clean up at the camp. The next retreat is set for April 18- 19 2003.

Submitted by Treasurer Jerry Lewis

RESOLUTIONS

Resolution 1

WHEREAS For some 105 years, God has blessed and prospered our denomination, both in North America and foreign fields,

WHEREAS we are living in troubled times where other denominations are “departing from the faith” through liberal theology and manifold temptations,

WHEREAS God is not the “author of confusion,”

WHEREAS there are at present time many different translations of the Bible available,

AND WHEREAS some of these translations are found in error of Fundamental Doctrines that this denomination holds as Foundational Truths,

BE IT THEREFORE RESOLVED that the Authorized King James Version be the standard which is used at all state meeting services of the Arkansas Free Will Baptists.

Submitted by Phillip Payne

Resolution 2

WHEREAS, there arises a need to reaffirm our commitment to the Holy Scriptures, be it therefore resolved that:

We reaffirm our commitment by a great emphasis to the statement in the Treatise, regarding the Holy Scriptures:

“These are the Old and the New Testaments; they were written by holy men, inspired by the Holy Spirit, and are God’s revealed word to man. They are a sufficient and infallible rule and guide to salvation and Christian worship and service.

Since the Bible is the Word of God, it is without error in all matters upon which it speaks, whether history, geography, matters relating to science or any other subject.” (Section I, Chapter 1, The Holy Scriptures, Part II, The Faith of Free Will Baptists) The Treatise.

Submitted by David Joslin

Resolution 3

Be it resolved that since the Executive Board represents the state association when not in session, that they be given the authority to deal with the bookstore issue at their discretion.

Submitted by Fred Warner

Resolution 4

Be it resolved that the Nominating Committee be selected one year in advance.

Submitted by Ron Parker

Resolution 5

WHEREAS the A.C.T.S. 1:8 Plan was initially established as a result of the recommendation of the Foreign Missions Support Task Force: (Report No.2-page10, Minutes of the Ninety-Eighth Annual Session of the Arkansas State Association of Free Will Baptists) which stated, "1. That the A.C.T.S. 1:8 Plan be adopted as an ongoing means of funding the budgets of foreign missionaries for Arkansas as follows...."

WHEREAS the current A.C.T.S. 1:8 Task Force has given consideration to adding home missionaries to the A.C.T.S. 1:8 Plan.

WHEREAS it is anticipated that the A.C.T.S. 1:8 Task Force will present to the State Association at its annual meeting a recommendation to currently add certain home missionaries to the A.C.T.S. 1:8 Plan.

We, the Central Association of Arkansas Free Will Baptists adopt this resolution:

1. We embrace the concept of eventually adding home missionaries to the A.C.T.S. 1:8 Plan;

2. We resolve and request that the A.C.T.S. 1:8 Task Force will take the following action by the annual meeting of Arkansas Free Will Baptist in 2003:

a. Develop a new "Mission Statement" for the A.C.T.S. Plan setting forth the goal of the new plan for both foreign and home missionaries.

b. Determine eligibility criteria for participation in the Plan for both foreign and home missionaries consistent with the above "Mission Statement."

c. Describe a funding formula for the new Plan allowing for adequate provision for each missionary meeting the criteria for eligibility above and providing equitability between both foreign and home missionaries.

3. We further resolve and request that any implementation of the A.C.T.S. 1:8 Plan as it pertains to adding home missionaries be delayed until after the annual meeting of the Arkansas Free Will Baptists in 2003 and take affect in the fiscal year 2004.

Submitted by Central Association on July 6, 2002

RESOLUTIONS COMMITTEE:

David Copeland, Chairman

Gene Cullum

Tommy Tims

Paul Payne

Johnny Miller

STATISTICS REPORT FROM CHURCH LETTERS

The Arkansas State Association of Free Will Baptists reports 15 associations comprised of 215 churches. The statistics for membership, baptism, etc., are based on the 199 churches who reported.

There are 96 churches located in a city/town, 118 churches in rural, 93 with full-time pastors, and 91 part-time pastors.

There are 327 ordained ministers, 51 licensed ministers, and 479 ordained deacons.

The churches reported 758 baptisms with 1,229 members added, 620 members lost, and a total membership of 19,144.

Sunday School enrollment was 11,620 CTS enrollment was 2,237; Women Active for Christ membership was 955; and Master's Men membership was 146.

There were three churches with day care, six churches with kindergartens, five with Christian day schools, and one Bible Institute.

The total income of all churches reporting was \$11,850,037.61 and 50 churches with budgets.

There were 63 churches with parsonages, and a total value of all church property, including parsonages, of \$54,740,477.00.

2002 REGISTRATION COMMITTEE REPORT

The following have registered during the 105th session of the Arkansas State Association of Free Will Baptists, held at the Conway Public School Auditorium, in Conway, Arkansas, on August 6-7, 2002: Ministers 113, Deacons 10, Delegates 44, Home Missionaries 4, Visitors 167, for a grand total of 338 registered.

Respectfully submitted: Michael Morrison and Bob Brown

EXECUTIVE COMMITTEE REPORT

February 19, 2002

The Executive Committee met on February 19, 2002, at Lake DeGray Resort State Park near Bismarck, Arkansas, during the State Minister's Retreat. Those present were: David Bishop, David Winfrey, Randy Ledbetter, Paul Hammons, David Joslin, and Tim Campbell. Plans for the 2002 state association were discussed and the following program was approved:

STATE ASSOCIATION THEME: *"The Door of Opportunity,"* I Corinthians 16:9a
Tuesday evening, August 7: *"The Scope of Opportunity,"* Rev. John Reed IV, pastor of First Free Will Baptist Church, Crossett, Arkansas.

Wednesday morning worship: *"The Urgency of the Opportunity,"* Rev. Mark Elliott, Pastor of the Mt. Pleasant Free Will Baptist Church, Hamburg, Arkansas.

Wednesday evening worship: *"The Potential of the Opportunity,"* Rev. Tim Campbell, Executive Director of Arkansas Free Will Baptists.

Wednesday morning devotion: Rev. Leo Martin, Pastor of the Old Reno Free Will Baptist Church, Reno, Arkansas.

Wednesday afternoon devotion: Rev. Phillip Payne, Pastor of the Oak Grove Free Will Baptist Church, Lake Village, Arkansas.

Music Coordinator: Mike Phillips

Special Music: First Free Will Baptist Choir, North Little Rock, Arkansas, and Cavanaugh Free Will Baptist Church, Fort Smith.

A Bible Conference was planned for August 6, Tuesday afternoon, from 1:30-3:30 PM with Paul McKissick, pastor of Trinity Free Will Baptist Church, Hamburg, Arkansas, and Lonny Burks, pastor of Oak Lane Free Will Baptist Church, Harrison, Arkansas.

July 10, 2002

The Executive Committee met at the state office in Conway, Arkansas, with all members present as well as Executive Director Tim Campbell and former Executive Director David Joslin, and Ricky Taylor, CPA.

Upon reviewing the 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 next year.

David Bishop, Moderator
David Winfrey, Assistant Moderator
Tim Campbell, Executive Director

Randy Ledbetter, Clerk
Paul Hammons, Assistant Clerk
David A. Joslin, Retiring Executive Director

EXECUTIVE BOARD REPORT

July 25, 2001

The Executive Board of the Arkansas State Association of Free Will Baptists met by conference call on Wednesday, July 25, 2001. Members participating included: Hoover Lewis, Doug Little, Andy Percy, Randell Williams, and David Joslin.

Chairman Lewis called the meeting to order and asked David Joslin to present the items that needed consideration. These were considered and action taken as follows:

1. The A.C.T.S. 1:8 Task Force asked that Dorace Bishop serve as representative of the Harmony Association on the Task Force. Motion passed to approve Dorace Bishop to serve on the A.C.T.S. 1:8 Task Force.

2. Motion passed to set the date of June 30, 2002, as the retirement date for Executive Director David Joslin. The new Executive Director will assume the position on July 1, 2002.

3. The Board took action at the noon meal following the October 2000 meeting to correct the minutes to include a motion to reimburse the David Joslin for his wife's medical expenses that were not covered by their insurance. This was not recorded in the minutes but had been passed in October 2000. Therefore, motion passed to amend the minutes of October 25, 2000, to include authorization of reimbursement to David Joslin for \$1,000 from General Fund and \$1,000 from Operational Fund for medical expenses relating to Mary Kay's illness.

4. The 2002 budget for the OASIS Campus Ministry was considered. David Joslin proposed that the budget include a salary increase to \$475 per week and housing to \$525 per month. Other line items would remain the same as 2001, making a total budget of \$48,000 for 2002. Motion passed to approve the budget proposal of \$48,000 to present to the State Association.

David Joslin clarified that Raymond Chronister and Hoover Lewis have both served their allowed terms and cannot be re-elected to the Executive Board. The board will need to meet as soon as possible following the election of new members.

August 8, 2001

The Executive Board of the Arkansas State Association of Free Will Baptists met prior to the evening service during the State Association meeting on August 8, 2001, at Conway High School Public Auditorium in Conway, Arkansas. Members present included: Dale Blackwell, Doug Little, Andy Percy, Randell Williams, Moderator David Bishop, and newly elected members Will Harmon and Tommy Tims. Board Secretary Doug Little called the meeting to order with the purpose of electing new officers for the board.

The following were elected: Randell Williams, Chairman; Dale Blackwell, Vice-Chairman, and Doug Little, Secretary.

The next regular meeting will be Thursday, October 25, 2001, at 10:00 AM at the state office in Conway, Arkansas.

October 25, 2001

The Executive Board of the Arkansas State Association of Free Will Baptists met on October 25, 2001, at the state office. All members were present. Chairman Randell Williams called the meeting to order with opening remarks of welcome to new members Will Harmon and Tommy Tims.

Motion passed to approve the minutes as read by Secretary Doug Little.

Christian Supply Store Manager Keith Johnson presented the report of the bookstore for the third quarter of 2001. He noted that sales were \$18,000 less than for the same

EXECUTIVE BOARD REPORT, *Continued*

October 25, 2001, Continued

period in 2000; year-to-date sales were \$41,000 less than the same period in 2000. General discussion followed regarding the financial stability of the bookstore as a result of the trend of slower sales and the intention to evaluate options after reviewing the reports of the next quarter of this year. Motion passed to accept the report as given.

Campus Ministries Director Kyle Hood presented a report of the progress of the OASIS ministry, noting that the goals for the fall semester of this year have nearly all been reached. Motion passed to receive this report.

Executive Director David Joslin informed the board that 22 churches did not pay representation fees last year; therefore, the State Association paid \$1,100 to cover their fees to the National Association. After this year's yearly reports in August, there were 12 churches that did not pay their fees. Motion passed to authorize the Executive Director to contact district association and local churches which are delinquent in payment of their representation fees to the state and national associations.

Motion passed to add an optional \$50 contribution plan to the Minister's Benevolent Association and to change the guidelines accordingly in order to provide a more substantial benefit to a minister's family upon his death.

Motion passed to approve revised budgets for the 2002 Operational Fund and General Fund in view of the anticipated income change due to the change in renters.

Executive Director David Joslin presented the other quarterly financial reports for the state office. Motion passed to accept the reports as given. Motion also passed to transfer \$2,000 from the Contingency Fund to the General Fund, and an additional \$2,000 from the Contingency Fund to the Sunday School Literature Fund.

Following lunch, the board met in Executive session at 1:00 PM at the state office. General discussion was held of the process of reviewing resumes as they were received for the position of Executive Director and preparations that need to be made in order to interview prospects.

The next meeting of the board will be Thursday, December 13, 2001, at 10:00 AM at the state office in Conway, Arkansas, to review the job profile and compensation package of the new Executive Director and continue preparations to interview candidates next year.

January 24, 2002

The Executive Board of the Arkansas State Association of Free Will Baptists met on January 24, 2002, at the state office with the following members present: Randell Williams, Dale Blackwell, Will Harmon, Andy Percy, David Bishop, Kyle Hood, Keith Johnson, and David Joslin. Andy Percy was selected to record the minutes for the meeting.

The reports from Christian Supply Store were presented by Manager Keith Johnson. Motion passed to receive the report as given. Motion passed to authorize a line of credit up to \$50,000 for the year of 2002.

Executive Director David Joslin gave the reports for the state office. Motion passed to accept the reports. Motion passed to transfer \$300 from the General Fund and \$305.92 from the Operational Fund to erase the deficit in the Minister's Benevolent Fund. Motion passed that the enrollment fee for the Minister's Benevolent Fund be increased from \$5.00 to \$10.00 and the \$25.00 membership fee be increased to \$50.00. Motion passed to rescind the previous motion on October 25, 2001, that referred to an optional membership fee.

Motion passed to approve the Christmas bonus of \$300.00 for OASIS Campus Director Kyle Hood.

EXECUTIVE BOARD REPORT, *Continued*

January 24, 2002, Continued

Motion passed to authorize the State Home Missions Board to purchase 23 1/2 acres of land in Cabot, Arkansas, for \$175,000.00 and that Chairman Dwayne Roper and Secretary John Fowlkes be authorized to sign all legal documents, and that the land be listed in the name of Arkansas State Home Missions Board of the Arkansas State Association of Free Will Baptists.

Motion passed that the 2001 contract be extended for the Executive Director through June 2002.

OASIS Campus Director Kyle Hood gave the report for the OASIS Campus Ministry at Arkansas Tech University in Russellville, Arkansas. Motion passed to receive the report as given.

Motion passed to authorize to transfer the line of credit of \$100,000.00 for Camp Beaverfork to a regular loan to be signed by Executive Board Chairman Randell Williams and Secretary Doug Little. The loan will be in the name of Arkansas Free Will Baptists and was used for building and improvements for Camp Beaverfork.

February 5, 2002

The Executive Board of the Arkansas State Association of Free Will Baptists met on February 5, 2002, at the state office with the following members present: Randell Williams, Dale Blackwell, Will Harmon, Andy Percy, and David Bishop. Andy Percy was selected to record the minutes for the meeting.

Motion passed to replace the A.C.T.S. 1:8 representative from Harmony Association, David Williams (who had moved to another association) with David Riker to the A.C.T.S. 1:8 Task Force Committee.

February 5, 2002, Continued

The board passed the motion that a vote of 4 out of 5 would be necessary to elect the new Executive Director. After the interviews of prospective candidates, motion passed to call Tim Campbell as the new Executive Director. Motion passed that the Executive Director elect shall begin service on June 1, 2002.

April 25, 2002

The Executive Board of the Arkansas State Association of Free Will Baptists met on April 25, 2002, at the state office with the following members present: Randell Williams, Dale Blackwell, Tommy Tims, Will Harmon, Andy Percy, David Bishop, Keith Johnson, and David Joslin. Andy Percy was selected to record the minutes for the meeting. Motion passed to approve the minutes as read by acting secretary Andy Percy.

Motion passed that the Executive Director elect, Tim Campbell, begin service July 1, 2002, at his request.

Christian Supply Store Manager Keith Johnson gave the report of Christian Supply Store. Motion passed to approve the reports as given.

Motion passed that the board authorize Christian Supply Store Manager Keith Johnson and Executive Director David Joslin to negotiate the lease agreement for the bookstore.

Motion passed to authorize Executive Director elect Tim Campbell to purchase a lap top computer to use in PowerPoint presentations for promotional work at a projected cost of \$1,500.00.

Motion passed to pay two nights lodging and meals for Executive Director elect Tim Campbell to attend the Global Focus seminar in Broken Arrow, Oklahoma.

EXECUTIVE BOARD REPORT, *Continued*

April 25, 2002, Continued

Motion passed to accept the 2003 Coop Plan proposed budget.

Motion passed to replace A.C.T.S. 1:8 Antioch representative Jimmy Chronister (at his request) with Kevin Haralson.

Executive Director David Joslin gave the reports for the state office. Motion passed to accept the reports as given.

Keith Johnson and David Joslin were excused from the meeting while the Board met in Executive session. Motion passed to have a retirement dinner for the Joslins on June 28, 2002, and also invite the new director Tim Campbell and family and the board member's wives. Motion passed to pay off the remaining balance owed GMAC (approximately \$3,800) for the 1999 Jimmy vehicle and give it to Executive Director David Joslin along with a gift of \$5,000.00. The payoff for the vehicle and the gift would be taken from the Operational Fund C.D.

May 20, 2002

The Executive Board of the Arkansas State Association of Free Will Baptists met on May 20, 2002, at the state office with the following members present: Randell Williams, Andy Percy, Will Harmon, Doug Little, Dale Blackwell, David Bishop, Keith Johnson, Bryan Johnson, and David Joslin. Chairman Randell Williams called the meeting to order.

Ricky Taylor, C.P.A. presented a financial analysis of Christian Supply Store. He indicated factors affecting the downturn of sales were the national economic recession, increased competition in Conway, and increased use of the internet for purchasing.

Discussion focused on the building lease for Christian Supply Store and the anticipated increase in rent to begin in September.

Motion passed to retain an attorney to negotiate the lease for the bookstore. Motion passed to move Christian Supply Store back to the former location at 2105 Harkrider. Executive Director will report to the board chairman as soon as possible after talking with the attorney. The Chairman will call another meeting to continue discussion.

May 24, 2002

The Executive Board of the Arkansas State Association of Free Will Baptists met by conference call on May 24, 2002, with the following members present: Randell Williams, Andy Percy, Will Harmon, Doug Little, Dale Blackwell, Tommy Tims, David Bishop, and David Joslin.

Chairman Randell Williams called the meeting to order. David Joslin shared information received from the attorney regarding the lease on the building occupied by Christian Supply Store. After some discussion, it was determined that the Board would meet on Tuesday, June 4, 2002, at 10:00 AM at the state office in Conway, Arkansas.

June 4, 2002

The Executive Board of the Arkansas State Association of Free Will Baptists met at the state office on June 4, 2002, with the following members present: Randell Williams, Andy Percy, Will Harmon, Doug Little, Dale Blackwell, Tommy Tims, David Bishop, Keith Johnson, Bryan Johnson, and David Joslin. Chairman Randell Williams called the meeting to order.

Christian Supply Store Manager Keith Johnson presented a report on the condition of the bookstore through the end of May. The Board discussed various concerns and options to consider.

EXECUTIVE BOARD REPORT, *Continued*

June 4, 2002, Continued

Motion passed to hire an accountant to give an appraisal of the current market value of the bookstore.

Motion passed to rescind the previous motion from May 20, 2002, and not move Christian Supply Store back to the former location at 2105 Harkrider at the present time.

June 13, 2002

The Executive Board of the Arkansas State Association of Free Will Baptists met by conference call on June 13, 2002, with the following members present: Randell Williams, Andy Percy, Will Harmon, Dale Blackwell, and David Bishop. Chairman Randell Williams called the meeting to order.

After discussion of the proposed letter concerning Christian Supply Store, motion passed to send the letter as written to all Free Will Baptist pastors and ministers.

June 28, 2002

The Executive Board of the Arkansas State Association of Free Will Baptists met briefly on June 28, 2002, at the state office. Members present were: Randell Williams, Andy Percy, Will Harmon, Doug Little, Dale Blackwell, Tommy Tims, David Bishop, and Tim Campbell. Chairman Randell Williams called the meeting to order, welcoming Brother Campbell for his first meeting with the Board as Executive Director.

An update was given by the Chairman on the on-going process of gathering information related to the condition of the bookstore. Motion passed that the Board would meet Friday, July 5, 2002, at the state office at 10:00 AM.

July 5, 2002

The Executive Board of the Arkansas State Association of Free Will Baptists met on July 5, 2002, with the following members present: Randell Williams, Andy Percy, Will Harmon, Dale Blackwell, Tommy Tims, David Bishop, Keith Johnson, Bryan Johnson, and Tim Campbell. Chairman Randell Williams called the meeting to order.

Christian Supply Store Manager Keith Johnson gave a report on the bookstore. Questions and answers from the report were discussed.

Motion passed to authorize Executive Director Tim Campbell to purchase a vehicle for the state office.

July 11, 2002

The Executive Board of the Arkansas State Association of Free Will Baptists met at the state office on July 11, 2002, with the following members present: Randell Williams, Andy Percy, Will Harmon, Dale Blackwell, Tommy Tims, David Bishop, Keith Johnson, Bryan Johnson, Tim Campbell, and David Joslin. Chairman Randell Williams called the meeting to order. The minutes were read and approved.

The financial reports for the last quarter were given by David Joslin. Motion passed to accept the reports as given. Motion passed to transfer \$3,000.00 from the Operational Fund to the General Fund.

Executive Director Tim Campbell presented the proposed budgets for 2003 for General Fund, Operational Fund, Sunday School Literature, THE VISION, Contingency Fund, and a revised 2003 COOP budget. Motion passed to adopt the proposed budgets as presented.

EXECUTIVE BOARD REPORT, *Continued*

July 11, 2002, Continued

The audited report for 2001 was given by Ricky Taylor, C.P.A., for Arkansas Free Will Baptists. Motion passed to accept the audit as presented. David Joslin excused himself from the meeting.

The Christian Supply Store report was given by Manager Keith Johnson. Motion passed to accept the report as presented. Motion passed to approve an adjusted budget for July-December 2002 as presented by Manager Keith Johnson. Motion passed to approve the 2003 budget for Christian Supply Store.

Motion passed to authorize the Executive Director to lease the property at the state office building.

PROPOSED COOPERATIVE PLAN BUDGET - 2003

AGENCY	<u>PLAN A</u>			<u>PLAN B</u>		
	CURRENT	PROPOSED	AMT.	CURRENT	PROPOSED	AMT.
General Fund	19.0 %	18.5 %	\$101,750.00	19.0%	18.5%	\$101,750.00
State Missions	17.0 %	17.0 %	93,500.00	17.0%	17.0%	93,500.00
Youth Board	17.5 %	17.5 %	96,250.00	17.5%	17.5%	96,250.00
C. E. Board	3.0 %	3.0 %	16,500.00	3.0%	3.0%	16,500.00
THE VISION	2.0 %	2.0 %	11,000.00	2.0%	2.0%	11,000.00
A.C.T.S. 1:8 Task	2.0 %	2.0 %	11,000.00	2.0%	2.0%	11,000.00
OASIS	2.0 %	2.5 %	13,750.00	2.0%	2.5%	13,750.00
TOTAL	62.5 %	62.5 %	\$343,750.00	62.5%	62.5%	\$343,75.00
National Assoc.	37.5 %	37.5 %	\$206,250.00	32.5%	30.5%	\$167,750.00
Hillsdale				5.0%	7.0%	38,500.00
TOTAL	100.0 %	100.0 %	\$550,000.00	100.0%	100.0%	\$550,000.00

Plan "B" Cooperative Plan would designate 7% to Hillsdale College, 62.5% to the State Association, and 30.5% to the National Association.

Randell Williams, Chairman
Dale Blackwell, Vice-Chairman
Doug Little, Secretary

Andy Percy
Will Harmon
Tommy Tims

ARKANSAS FREE WILL BAPTISTS
Comparative Receipts - January-December 2000-2001
STATE ASSOCIATION

	<u>2001</u>	<u>2000</u>	<u>INCREASE</u> <u>(DECREASE)</u>	<u>%</u>
General Fund	90,745.90	95,402.38	(4,656.48)	(4.88)%
Operational Fund	18,373.35	24,480.00	(6,106.65)	(24.95)%
State Miss.-Desig	179,166.14	207,313.42	(28,147.28)	(13.58)%
SM Property Notes	57,130.04	55,513.44	1,616.60	2.91%
Sunday School Lit.	254,701.83	255,672.59	(970.76)	(0.38)%
State Assoc. Fees	6,120.00	6,330.00	(210.00)	(3.32)%
Nat'l Assoc. Fees	10,250.00	15,500.00	(5,250.00)	(33.87)%
THE VISION	17,791.11	18,511.53	(720.42)	(3.89)%
OASIS	39,324.82	-0-	39,324.82	100.00%
C.E. Board	18,321.76	22,114.06	(3,792.30)	(17.15)%
ACTS 1:8 Task Force	9,323.64	9,245.77	77.87	.84%
Misc. Accounts	26,189.87	15,482.43	10,707.44	69.16%
Christian Supply	709,709.06	736,450.97	(26,741.91)	(3.63)%
Camp Beaverfork	233,936.58	203,571.07	30,365.57	14.92%
TOTALS (1)	\$1,671,084.10	\$1,667,587.60	\$3,496.50	.21%
A.C.T.S. 1:8 (2)	488,086.27	355,563.76	132,522.51	37.27%
COOP (3)	511,662.74	504,332.18	7,330.56	1.45%
HILLSDALE	87,891.11	101,898.47	(14,007.36)	(13.75)%

NOTE 1: These totals represent monies receipted through the Arkansas agencies.

NOTE 2: These totals are also included in the Foreign Missions totals below.

NOTE 3: Coop Plan receipts are included in other agencies that receive percentages of Coop.

NATIONAL ASSOCIATION

	<u>2001</u>	<u>2000</u>	<u>INCREASE</u> <u>(DECREASE)</u>	<u>%</u>
Executive Office	90,365.32	83,096.30	7,269.02	8.75%
Foreign Missions	655,585.78	466,617.30	188,968.48	40.50%
Nat'l Home Missions	242,277.64	255,464.34	(13,186.70)	(5.16)%
FWBBC	90,028.75	83,076.76	6,951.99	8.37%
Bd. Retirement & Insur	15,496.22	14,218.69	1,277.53	8.98%
Master's Men	17,566.25	16,418.69	1,147.56	6.99%
WNAC	11,651.34	11,181.36	469.98	4.20%
FWB Foundation	6,635.16	6,093.73	541.43	8.89%
Theo.-Integrity Comm	551.86	509.31	41.55	8.35%
Media Commission	551.86	507.81	44.05	8.67%
Music Commission	551.86	507.81	44.05	8.67%
Historical Commission	551.86	507.81	44.05	8.67%
TOTALS	\$1,131,813.90	\$938,199.91	\$193,613.99	20.64%
GRAND TOTAL	\$2,890,789.11	\$2,705,685.98	\$183,103.13	6.76%
(STATE, NATIONAL, AND HILLSDALE) 22				

JANUARY-DECEMBER 2001 COOP - \$511,662.74

ANTIOCH		NEW HOPE, Cont.		SALINE, Continued	
Mt. Vernon	2200.00	Sharon	3170.59	Pleasant Valley	3748.65
Smith Springs	1168.16	South Heights	4362.91	Rose Hill	4051.91
ANTIOCH	3368.16	NEW HOPE	35177.89	Spring Hill	56.00
CENTRAL		NORTHWEST		Star City, First	7405.21
Bethel	1956.41	Berryville	459.65	Trinity	8046.78
Conway, First	3505.00	Eureka Springs	434.17	Warren, First	6998.52
Jacksonville, First	2613.92	Gospel Lighthouse	253.80	Yorktown	1215.66
Malvern	1258.01	Moore	1204.20	SALINE	45164.29
N. L. Rock, 1st	11491.46	Mt. Olivet, MO	45.00	SOCIAL BAND	
Oak Park	6601.10	Oak Grove	1149.03	Arbor Grove	1980.00
Russellville, First	59553.06	Oak Lane	550.00	Faith	6600.00
CENTRAL	86978.96	Shell Knob	40.17	Jonesboro, First	9537.16
FELLOWSHIP		NORTHWEST	4136.02	Old Reyno	3559.64
Dardanelle, First	3425.19	OLD MT. ZION		Pocahontas	6558.44
Harmony	3610.00	Calvary	4872.33	Poplar Valley	2030.10
Oak Grove	3116.00	Clifty Chapel	1153.89	Sutton	11739.08
Union Grove	10743.00	New Sulphur	300.00	United, W. Ridge	7645.73
Welcome Home	3649.00	Phillips Chapel	15992.00	Walnut Ridge, 1st	7963.85
Woodlawn	3909.00	Victory	4832.57	SOCIAL BAND	57614.00
FELLOWSHIP	28452.19	Westside	1376.76	SOUTHEAST ARK	
HARMONY		West Ridge	1800.00	Southeast District	944.57
Danville	360.00	OLD MT. ZION	30327.55	SOUTHEAST	944.57
Plainview	1029.50	POLK BAYOU		UNITY	
Ranger	683.35	Allen Chapel	15715.00	Bethlehem	6198.29
U. Spring Creek	1643.49	Ballew's Chapel	6730.00	Cavanaugh	63470.70
Wilson	1112.86	Batesville, First	12699.26	Central	6824.17
HARMONY	4829.20	Blackland Chapel	2130.70	Charleston, First	10328.24
LITTLE MORIVER		Cave City	300.00	Greenwood, First	14288.40
Arkadelphia, First	694.80	Mt. Harmony	5547.65	Oliver Springs	2958.40
Daisy	4396.70	Newport, First	5751.17	Ozark	12428.66
Glenwood	2025.19	Tuckerman, First	5814.49	Riverview	544.50
Hatfield	427.79	POLK BAYOU	54688.27	Southside	2871.93
Heritage, LA	342.00	SALINE		Vista	8980.52
Lake Hills	14606.52	Corbin Ferry, LA	420.00	UNITY	128893.81
Lodi	639.30	Crossett, First	2997.76	ZION HOPE	
Pleasant Grove	1333.61	Faith	924.26	Catcher	522.42
LMR	24465.91	Free Hill	21.00	Cottonwood	581.10
NEW HOPE		Harmony	5298.98	88	438.71
Bald Knob	225.00	Landmark, LA	840.00	Enterprise	803.82
Center Point	7854.23	Macedonia	379.40	Fort Smith, First	231.41
Chapel Lane	2453.11	Monticello, First	974.82	Kenner Chapel	938.96
Friendship	2770.19	Mt. Pleasant	52.50	Locke	1689.59
Mt. Bethel	5497.69	Oak Grove	1256.84	Mulberry, First	1415.91
Mt. Calvary	294.17	Pine Hill	420.00	ZION HOPE	6621.92
Rolling Oaks	8550.00	Pleasant Grove	56.00		

January-December 2001 ACTS 118 Receipts - \$488,086.27

ANTIOCH		OLD MT. ZION, Continued		WOMEN ACTIVE FOR CHRIST	
Atkins, First	1400.00	Mt. Zion	975.00	ANTIOCH	
Ben Hur	300.00	New Sulphur	450.00	Mt. Home, Lamar	44.20
Benton	200.00	Pea Ridge	171.64	Mt. Vernon	781.00
Dover	100.00	Rogers	165.00	Ola	567.00
Hector	740.00	Victory	1388.88	Slaty Crossing	165.50
Johnson	897.00	West Ridge	2520.00	Smith Springs	521.57
Mt. Vernon	1680.00	Individuals	433.85	ANTIOCH DISTRICT TOTAL	2079.27
Ola	200.00	OLD MT. ZION TOTAL	22053.07	CENTRAL	
Slaty Crossing	1100.00	POLK BAYOU		Capitol City	35.00
Smith Springs	3409.00	Allen Chapel	9783.03	Conway	300.00
Smith Springs Youth	274.69	Ballew's Chapel	6390.00	Hot Springs	450.70
Individual	200.00	Batesville, First	3004.68	Jacksonville	290.00
ANTIOCH TOTAL	10500.69	Blackland Chapel	2125.30	No. Little Rock, First	320.00
ARKANSAS		Cave City	300.00	Malvern	35.50
Arkansas District	1000.00	Grace	1596.50	Oak Park	840.00
Boles	1406.73	Mt. Harmony	3427.76	Russellville	600.00
Freedom	300.00	New Bethel	801.25	CENTRAL DISTRICT TOTAL	2871.20
Harmony	216.87	Newport, First	2475.00	FELLOWSHIP	
Hosanna	360.00	Oak Grove	1168.62	Fellowship District	505.75
Mulberry, Gravelly	735.00	Oak Grove Children's	27.50	Harmony	130.00
Individual	282.00	Oakland	336.67	Oak Grove	150.00
ARKANSAS TOTAL	4300.60	Tuckerman, First	9028.96	Union Grove Actionettes	600.00
CENTRAL		Weaver's Chapel	2621.25	Union Grove	460.00
Central District	8461.78	POLK BAYOU TOTAL	43086.52	Welcome Home	15.00
Bethel	2251.00	SALINE		Woodlawn	499.00
Conway, First	2545.97	Saline District	15000.00	FELLOWSHIP TOTAL	2359.75
Jacksonville, First	7432.03	Crossett, First	4170.43	HARMONY - Ranger	240.00
Malvern	1601.97	Faith	720.00	NEWHOPE	
N. Little Rock, First	25481.04	Fordyce	260.00	New Hope District	175.00
Oak Park	12679.78	Harmony	2270.98	Center Point	555.00
Russellville, First	47870.57	Macedonia	2156.65	Friendship	86.40
CENTRAL TOTAL	108324.14	Oak Grove	612.00	Mt. Bethel	175.00
FELLOWSHIP		Pine Hill	480.00	South Heights	240.00
Fellowship District	2880.00	Pleasant Valley	1231.02	NEWHOPE TOTAL	1231.40
Dardanelle, First	1500.00	Rose Hill	5711.79	OLD MT. ZION	
Harmony	2009.00	Spring Hill	400.00	Old Mt. Zion District	396.52
Oak Grove	1740.00	Star City, First	17862.77	New Sulphur	200.00
Union Grove	7388.00	Trinity	8247.76	Rogers	476.00
Welcome Home	1471.00	Warren, First	1464.26	Victory	254.75
Woodlawn	1921.00	Yorktown	1736.63	OLD MT. ZION TOTAL	1327.27
Individual	375.00	Individuals	670.00	POLK BAYOU	
FELLOWSHIP TOTAL	19284.00	SALINE TOTAL	62994.29	Polk Bayou District	600.80
HARMONY		SOCIAL BAND		Allen Chapel	2400.00
Harmony District	1705.07	Social Band	3658.00	Ballew's Chapel	275.00
Danville	373.00	Arbor Grove	1512.13	Batesville, First	340.00
Plainview	5161.50	Coffman	1555.80	Blackland Chapel	220.00
Ranger	1423.00	Coming	883.52	Cave City	280.00
Upper Spring Creek	670.00	Faith	6482.00	Grace	900.00
Wilson	2225.72	Grandview	306.00	Mt. Harmony	315.00
Individual	300.00	Harmony	1667.59	Newport, First	220.00
HARMONY TOTAL	11858.29	Jonesboro, First	3630.63	Weaver's Chapel	80.00
LITTLE MISSOURI RIVER		Mountain Home, First	598.02	POLK BAYOU TOTAL	5630.80
LMR District	1857.67	Northside	1188.29	SALINE	
Arkadelphia, First	695.00	O'Kean	240.00	Saline District	15.00
Daisy	4245.78	Old Reyno	4662.46	Crossett	321.00
Daisy Children's Church	100.00	Paragould, First	885.95	Fairview	10.00
Glenwood	957.17	Pocahontas, First	7533.64	Pleasant Valley	65.00
Heritage, Louisiana	100.00	Sharum	1346.45	Trinity	12.50
Lake Hills	4216.54	Sutton	6261.02	Warren, First	867.53
Lodi	87.00	United, Walnut Ridge	1924.39	Yorktown	25.00
Mt. Joy	604.33	Walnut Ridge, First	3085.62	SALINE TOTAL	1316.03
Pleasant Grove	800.00	SOCIAL BAND TOTAL	47421.51	SOCIAL BAND	
LMR TOTAL	13663.49	SOUTHEAST ARKANSAS		Social Band District	47.00
NEWHOPE DISTRICT		Southeast District	472.29	Faith, Jonesboro	87.50
New Hope District	715.00	Grace	1024.92	Jonesboro, First	630.00
Bald Knob	295.41	Oak Grove	665.00	Old Reyno	25.00
Cedar Heights	387.73	SOUTHEAST TOTAL	2162.21	Pocahontas, First	375.00
Center Point	2911.49	UNITY		Sutton	780.00
Chapel Lane	1926.93	Bethlehem	1109.86	Walnut Ridge, First	225.00
18th Street	400.00	Cavanaugh	15491.09	SOCIAL BAND TOTAL	2169.50
Friendship	1086.30	Central	685.00	UNITY	
Gravel Hill	301.00	Charleston, First	46842.89	Unity District	60.00
Mt. Bethel	5764.54	Greenwood, First	4735.85	Central City	230.00
Mt. Calvary	2858.97	Oliver Springs	1635.71	Charleston, First	360.00
Rolling Oaks	1931.00	Ozark	1556.03	Greenwood	21.78
Sharon	2115.00	Southside	1800.00	Oliver Springs	600.00
Soda Valley	10.00	Vista	2912.51	Walnut Street	1392.03
South Heights	2537.97	Individual	155.00	UNITY TOTAL	2663.81
Individual	25.00	UNITY TOTAL	76923.94	ZION HOPE DISTRICT	
NEWHOPE TOTAL	23266.34	ZION HOPE		Zion Hope District	25.00
NORTHWEST		Catcher	746.31	Kenner Chapel	680.00
Northwest District	2600.00	Chester	600.00	Mulberry, First	300.00
Eureka Springs	407.26	Cottonwood, OK	19.39	ZION HOPE TOTAL	1005.00
Moore	4834.00	88	260.00	TOTAL AUXILIARY	22894.03
Mt. Home, First	409.35	Enterprise	212.25	OTHER	
Oak Lane	585.00	Fort Smith, First	890.06	Individuals	1420.00
NORTHWEST TOTAL	8835.61	Independence	1196.00	Cave City MM	400.00
OLD MT. ZION		Kenner Chapel	555.00	Harrison United Baptist	600.00
Bentonville	750.00	Kibler	60.00	Lafferty Community	200.00
Durham	123.95	Locke	1000.00	Mt. Home, Lamar	175.00
Faith	700.00	Mulberry, First	1224.29	GRAND TOTALS	488086.27
Fayetteville, First	561.75	Riverdale	879.24		
Freedom	585.12	Individual	80.00		
Hope	1255.00	ZION HOPE TOTAL	7722.54		
Huntsville	11372.88	ASSOC TOTALS	462397.24		
Land of Goshen	600.00				

ARKANSAS FREE WILL BAPTISTS 2001 Associational Receipts

ASSOC.	COOP	A.C.T.S. 1:8	S.M.	N.H.M.	F.M.	FWBBC	HILLS.	MISC.	TOTALS
ANTIOCH	3368.16	10500.69		375.00				13163.51	27407.36
<i>Antioch Auxiliary</i>		2079.27						50.00	2129.27
ARKANSAS	-0-	4300.60	-0-	-0-	650.00			1275.00	4,164.38
CENTRAL	86978.96	108324.14	8460.97	4756.49	78681.17	23951.47	2263.30	11628.59	325045.09
<i>Central Auxiliary</i>		2871.20						100.00	2971.20
FELLOWSHIP	28452.19	19284.00	805.00	2532.00	475.00	960.18		8017.75	60526.12
<i>Fellowship Auxiliary</i>		2359.75							2359.75
HARMONY	4829.20	11858.29	912.00	120.00	1316.00		3091.00	2290.00	24416.49
<i>Harmony Auxiliary</i>		240.00							240.00
LMORIVER	24465.91	13663.49	37919.06	3671.17	4561.50	3204.87	3912.03	2495.00	93893.03
NEWHOPE	35177.89	23266.34	56524.12	11939.22	2329.52	2350.00	4295.74	7258.75	143141.58
<i>New Hope Auxiliary</i>		1231.40							1231.40
NORTHWEST	4136.02	8835.61	428.95	1110.00	2411.50		60.00	1285.00	18267.08
OLD MT. ZION	30327.55	22053.07	6930.69	5572.43	1761.52			3921.75	70567.01
<i>Old Mt. Zion Auxiliary</i>		1327.27	225.00						1552.27
POLKBAYOU	54688.27	43486.52	5122.08	8137.32	10737.33	10033.50	793.50	3547.26	136545.78
<i>Polk Bayou Auxiliary</i>		5630.80							5630.80
SALINE	45164.29	62994.29	3033.99	4097.43	543.00		1862.55	2830.00	120525.55
<i>Saline Auxiliary</i>		1316.03							1316.03
SOCIAL BAND	57614.00	47421.51	6923.81	7930.22	1185.00	1,043.34	1,263.44	4721.00	128102.32
<i>Social Band Auxiliary</i>			2169.50						2169.50
SOUTHEAST	944.57	2162.21		472.30				775.00	4354.08
UNITY	128893.81	76923.94	6519.00	8958.64	8402.00	220.00	34705.00	5743.08	270365.47
<i>Unity Auxiliary</i>		2563.81							2563.81
ZIONHOPE	6621.92	7722.54		590.00	450.00		137.00	2855.00	18376.46
<i>Zion Hope Auxiliary</i>		1105.00	300.00						1405.00
OTHER		2395.00	2898.34	653.34	633.36		50.00	1450.00	8080.04
<i>State WAC</i>			15659.98					905.28	16565.26
TOTALS	511662.74	465192.24	136478.01	60915.56	69,640.43	42,434.35	60,647.50	31,907.77	1455839.06
<i>Total Woman's Auxiliary</i>		22894.03	16184.98					1055.28	40134.29

RICKY J. TAYLOR

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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, 2001 and 2000, 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, 2001 and 2000 and its results of operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Ricky J. Taylor CPA, CA

Russellville, Arkansas

June 27, 2002

Member of:

**Arkansas Society of Certified Public Accountants
Oklahoma Society of Certified Public Accountants**

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2001 AND 2000

ASSETS

ASSETS:	<u>2001</u>	<u>2000</u>
Cash	\$181,449	\$196,699
Accounts Receivable	1,588	291
Inventory	3,062	4,331
Property, Plant & Equipment		
Less Accumulated Depreciation	<u>382,709</u>	<u>391,112</u>
 Total Assets	 <u>\$568,808</u>	 <u>\$592,433</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts Payable	\$ 5,081	\$6,828
Designated Contributions Payable	99,124	100,216
Sales Tax Payable	63	39
Payroll Taxes Payable	1,336	1,517
Notes Payable	<u>6,115</u>	<u>11,535</u>
 Total Liabilities	 111,719	 120,135
 NET ASSETS:		
Unrestricted	438,273	456,299
Permanently Restricted	<u>18,816</u>	<u>15,999</u>
 Total Net Assets	 <u>457,089</u>	 <u>472,298</u>
 Total Liabilities and Net Assets	 \$568,808	 \$592,433

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

**ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

	2001			2000	
	TEMPORARILY		PERMANENTLY		
	UNRESTRICTED	RESTRICTED	RESTRICTED	TOTAL	TOTAL
REVENUE:					
Designated contributions-					
National Home Missions \$	\$	\$	60,916	\$ 60,916	\$ 75,063
Designated contributions-					
Foreign Missions			114,137	114,137	69,740
Designated contributions-					
Acts 1:8			488,086	488,086	355,564
Designated contributions-					
Free Will Baptist Bible College			41,763	41,763	42,434
Designated contributions-					
Hillsdale			52,434	52,434	60,648
Designated contributions-Other			63,603	63,603	46,185
Cooperatiave Contributions	511,562			511,662	504,332
Sunday school lit. sales	234,310			234,310	233,234
Vision sales and advertising	8,498			8,498	9,048
FWB History book sales	920			920	335
National convention fees	10,250			10,250	15,500
State convention fees	6,120			6,120	6,330
Rental income	18,373			18,373	24,480
Interest income	3,122		747	3,869	3,611
State Cooperative income			165,624	165,624	138,601
Other income	12,080		13,116	25,196	25,113
Net Assets released from restrictions:					
Restrictions satisfied					
by payments	997,609		(997,609)	0	0
Total Revenue	1,802,944	0	2,817	1,805,761	1,610,218
EXPENSES:					
Designated contributions	820,939			820,939	649,634
Cooperative contributions	511,662			511,662	504,332
Cost of sales-S.S. lit.	161,140			161,140	161,366
Cost of sales-FWB History	832			832	330
State convention expense	6,986			6,986	5,807
Interest expense	354			534	561
Sales tax	0			0	24
Property taxes	1,415			1,415	1,323
Payroll taxes	7,256			7,256	4,488
Health insurance & retirement	13,917			13,917	9,923
Property insurance	2,164			2,164	2,071

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

**ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

	2001			2000	
	TEMPORARILY PERMANENTLY				
	UNRESTRICTED	RESTRICTED	RESTRICTED	TOTAL	TOTAL
EXPENSES:(CONTINUED)					
Workman's comp insur.	\$ 501	\$	\$	\$ 501	\$ 503
Utilities	3,214			3,214	3,500
Janitor	1,184			1,184	1,163
Supplies	3,262			3,262	2,174
Miscellaneous	14,950			14,950	9,337
Salary, housing, retirement insurance & social sec.	75,117			75,117	72,703
Board mileage & meals	6,967			6,967	5,645
Auto & travel expenses	4,751			4,751	6,597
Repairs & maintenance	3,432			3,432	4,981
Telephone	3,462			3,462	3,677
Postage & printing	32,747			32,747	26,094
Computer expense	3,480			3,480	3,651
Secretary salaries	56,560			56,560	51,885
Stockroom expense	1,533			1,533	2,035
Professional fees	3,000			3,000	2,900
Retreat & conference exp.	13,649			13,649	19,225
National Assoc. fees	11,925			11,925	15,500
Directors transition exp.	1,800			1,800	8,600
Acts 1:8 field rep. exp.	725			725	767
Ministers benev. exp.	11,051			11,051	4,375
Oasis salaries	31,424			31,424	0
College ministry expense	1,168			1,168	0
Depreciation	8,403			8,403	8,403
Total Expenses	1,820,970	0	0	1,820,970	1,593,574
Increase (Decrease) in Net Assets	(18,026)	0	2,817	(15,209)	16,644
Net Assets- Beginning of Year	456,299	0	15,999	472,298	455,654
Net Assets - End of Year	\$ 438,273	0	\$ 18,816	\$ 457,089	\$ 472,298

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, 2001 AND 2000

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2001</u>	<u>2000</u>
Increase <Decrease> in net assets	\$<15,209>	\$ 16,644
Adjustments to reconcile net revenues over expenditures to net cash provided by operating activities:		
Depreciation	8,403	8,403
<Increase>decrease in:		
Accounts receivable	<1,297>	2,752
Inventory	1,269	81
Increase <decrease> in:		
Accounts payable	<1,747>	<923>
Payroll taxes payable	<181>	74
Sales tax payable	24	<1>
Designated contributions payable	<u><1,092></u>	<u>40,910</u>
Net Cash Provided by Operating Activities	<9,830>	67,940
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property & equipment	<u>0</u>	<u>0</u>
Net Cash Used by Investing Activities	0	0
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	<u><5,420></u>	<u><5,213></u>
Net Cash Provided by Financing Activities	<u><5,420></u>	<u><5,213></u>
Net Increase<Decrease> in Cash	<15,080>	62,727
Cash at Beginning of Year	<u>196,699</u>	<u>133,972</u>
Cash at End of Year	<u>\$181,449</u>	<u>\$196,699</u>
SUPPLEMENTAL DISCLOSURES:		
Cash Paid During the Year for Interest	<u>\$ 354</u>	<u>\$ 561</u>

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

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000

NOTE 1 - ORGANIZATION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES

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

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

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, 2001 AND 2000

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 nine 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>2001</u>	<u>2000</u>
Auto	\$ 26,622	\$ 26,622
Office Furniture & Equipment	38,358	38,358
Building Improvements	<u>22,522</u>	<u>22,522</u>
	87,502	87,502
Less Accumulated Depreciation	<u>59,793</u>	<u>51,390</u>
	27,709	36,112
 Land and Building	 <u>355,000</u>	 <u>355,000</u>
Total Property and Equipment	<u><u>\$382,709</u></u>	<u><u>\$399,112</u></u>

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 2001 AND 2000

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, 2001 and 2000 was as follows:

	<u>2001</u>		<u>2000</u>	
	<u>PLAN A</u>	<u>PLAN B</u>	<u>PLAN A</u>	<u>PLAN B</u>
State General Fund	19.5%	19.5%	21.0%	21.0%
State CTS Board	17.5%	17.5%	17.5%	17.5%
State Missions Board 17.0%	17.0%	17.0%	17.0%	17.0%
Christian Ed. Board	3.0%	3.0%	3.0%	3.0%
THE VISION	2.0%	2.0%	2.0%	2.0%
National Association	37.5%	33.5%	37.5%	33.5%
ACTS 1:8 Task Force	2.0%	2.0%	2.0%	2.0%
OASIS	1.5%	1.5%	0.0%	0.0%
Hillsdale	0.0%	4.0%	0.0%	4.0%
TOTAL	100.0%	100.0%	100.0%	100.0%

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 - 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 2001 and 2000 are \$2,300 and \$ 3,690. This amount is included in Cash and Cash Equivalents on the Statement of Financial Position.

NOTE 6 - RESTRICTIONS ON NET ASSETS

Permanently restricted net assets are available for the following purposes:

	<u>2001</u>	<u>2000</u>
Ministers Benevolent Fund	\$ 2,452	\$ 2,200
Directors Transition Fund	<u>16,364</u>	<u>13,799</u>
	<u>\$18,816</u>	<u>\$15,999</u>

These net assets are restricted due to donor restrictions.

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 2001 AND 2000

NOTE 7 - NOTES PAYABLE

	<u>2001</u>	<u>2000</u>
Note payable - GMAC, requires monthly installments of \$ 481, including principal and interest at an annual percentage rate of 3.9%. Note is secured by vehicle.	<u>\$6,115</u>	<u>\$11,535</u>
Total Debt	<u><u>\$6,115</u></u>	<u><u>\$11,535</u></u>

The aggregate maturities of these notes are as follows:

2002	\$5,635
2003	<u>480</u>
	<u><u>\$6,115</u></u>

NOTE 8 - 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, 2001 is \$ 89,044.

GENERAL FUND BUDGET

January - December 2003

Receipts:

Cooperative Plan (18.5% of \$550,000)	\$101,750.00	\$101,750.00
---------------------------------------	--------------	--------------

Disbursements:

Salary	\$31,700.00
Housing	12,600.00
Retirement	1,200.00
Social Security	8,100.00
Health & Life Insurance	6,000.00
Travel and Auto	7,000.00
Vehicle Payment	6,000.00
Auto Insurance	2,000.00
Board Meals & Mileage	3,000.00
Phone	3,500.00
Postage	300.00
Office Supplies/Printing	2,500.00
Web Development	2,500.00
Video Projector & Digital Camera	3,500.00
Miscellaneous	2,950.00
Audit	2,500.00
Computer and Peripherals	600.00
Secretarial	1,800.00
Contingency	4,000.00

Total Disbursements	\$101,750.00	\$101,750.00
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OPERATIONAL FUND BUDGET

January - December 2003

Receipts:

Rental Income	\$15,000.00
Rental Utilities	3,500.00

Total Receipts	\$18,500.00	\$18,500.00
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Disbursements:

Utilities	\$ 7,400.00
Pest & Dust Control	400.00
Janitor & Yard	1,700.00
Property Insurance	2,200.00
Property Taxes	1,500.00
Supplies	100.00
Repairs & Maintenance	1,000.00
Audit	1,000.00
Miscellaneous	1,000.00
Computer/Office Equipment	1,040.00
Savings/Improvements	1,160.00

Total Disbursements	\$18,500.00	\$18,500.00
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SUNDAY SCHOOL BUDGET

January - December 2003

Receipts:	\$265,000.00	\$265,000.00
Disbursements:		
Literature for Resale	\$161,100.00	
Postage/UPS	8,000.00	
Incoming Freight	1,600.00	
Salaries	45,000.00	
Stockroom Salaries	2,000.00	
Retirement	1,900.00	
Hospitalization Insurance	7,800.00	
Payroll Taxes	16,500.00	
Sales Tax	16,500.00	
Phone	1,200.00	
Supplies	1,400.00	
Audit	500.00	
Miscellaneous	2,000.00	
Total Disbursements	\$265,500.00	\$265,500.00

THE VISION BUDGET

January - December 2003

Receipts:		
Cooperative Plan (2% of \$550,000)	\$11,000.00	
Subscriptions (3,000 @\$3 each)	9,000.00	
Advertisements	300.00	
Total Receipts	\$20,300.00	\$20,300.00
Disbursements:		
Printing	\$10,500.00	
Postage	6,800.00	
Supplies	200.00	
Computer Fund	720.00	
Audit	600.00	
Secretarial	1,200.00	
Miscellaneous	280.00	
Total Disbursements	\$20,300.00	\$20,300.00

CONTINGENCY FUND BUDGET

January - December 2003

Receipts:		
Interest on Checking Account	\$1,500.00	
Total Receipts	\$1,500.00	\$1,500.00

RICKY J. TAYLOR

Certified Public Accountant

P. O. Box 2851

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(479) 967-4439

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Christian Supply Store, Inc.

I have audited the accompanying balance sheets of Christian Supply Store, Inc. (a nonprofit Corporation) as of December 31, 2001 and 2000, 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 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 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, 2001 and 2000 and its results of the operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Ricky J Taylor CPA, CA

Russellville, Arkansas

May 16, 2002

Member of:

Arkansas Society of Certified Public Accountants
Oklahoma Society of Certified Public Accountants

CHRISTIAN SUPPLY STORE, INC.
BALANCE SHEETS
DECEMBER 31, 2001 AND 2000

ASSETS

ASSETS:	<u>2001</u>	<u>2000</u>
Cash on hand	\$ 200	\$ 200
Cash in bank	10,908	11,432
Cash-contingency fund	668	656
Accounts receivable	15,599	14,006
Inventory	<u>229,911</u>	<u>261,078</u>
Total Current Assets	257,286	287,372
 FIXED ASSETS:		
Auto	14,159	14,159
Equipment	55,305	55,305
Leasehold Improvements	5,235	5,235
Less: Accumulated Depreciation	<u><60,075></u>	<u><54,548></u>
Total Fixed Assets	<u>14,624</u>	<u>20,151</u>
TOTAL ASSETS	<u>\$271,910</u>	<u>\$307,523</u>

LIABILITIES AND FUND BALANCES

LIABILITIES:		
Accounts payable	\$100,853	\$83,978
Payroll taxes payable	2,651	3,227
Sales taxes payable	<u>6,653</u>	<u>5,453</u>
Total Current Liabilities	110,157	92,658
Total Liabilities	110,157	92,658
 FUND BALANCES:		
Fund balance, Beginning	214,865	263,733
Current year profit <loss>	<u><53,112></u>	<u><48,868></u>
Fund balance, Ending	<u>161,753</u>	<u>214,865</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$271,910</u>	<u>\$307,523</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, 2001 AND 2000

REVENUE:	<u>2001</u>	<u>2000</u>
Sales	\$711,826	\$741,176
 COST OF SALES:		
Merchandise purchases	454,775	481,322
Freight	3,517	3,732
Sales Tax	47,051	44,206
Supplies	11,601	12,150
Commissions	<u>3,015</u>	<u>1,918</u>
Total Cost of sales	519,959	543,328
 GROSS PROFIT	\$191,867	\$197,848
 OPERATING EXPENSES:		
Advertising	18,558	19,603
Auto expense	632	1,182
Insurance	16,702	12,548
Bank charges & credit card fees	3,363	3,448
Miscellaneous	2,832	2,434
Postage	6,892	6,528
Rent	48,000	48,000
Payroll taxes	8,436	9,404
Telephone	3,293	3,630
Travel	828	1,261
Salaries-other	79,551	84,390
Manager-salary & housing	31,539	31,539
Manager-insurance & retirement	2,715	3,684
Professional fees	3,860	3,860
Board mileage and meals	862	636
Property tax	2,217	2,320
Returned checks	308	<7>
Utilities	7,972	6,877
Depreciation	<u>5,527</u>	<u>5,668</u>
Total operating expenses	<u>244,087</u>	<u>247,005</u>
 NET OPERATING PROFIT <LOSS>	<52,220>	<49,157>

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, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
NET OPERATING PROFIT <LOSS>	\$<52,220>	\$ <49,157 >
OTHER REVENUE AND EXPENSES:		
Interest income	237	425
Interest expense	<u><1,129></u>	<u><136 ></u>
NET PROFIT <LOSS>	<u>\$<53,112></u>	<u>\$ <48,868</u>

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, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
CASH FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$<53,112>	\$<48,868>
Adjustments to reconcile excess to net cash provided by operating activities:		
Depreciation	5,527	5,668
(Increase)decrease in accouants receivable	<1,593>	782
(Increase)decrease in inventory	31,167	25,981
Increase(decrease) in accounts payable	16,875	26,680
Increase(decrease) in payroll taxes payable	<576>	<242 >
Increase(decrease) in sales tax payable	1,200	<1,407 >
Net cash provided by operating activities	<u><512></u>	<u>8,594</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	0	<9,544 >
Net cash used in investing acitivities	<u>0</u>	<u><9,544 ></u>
CASH FLOWS FORM FINANCING ACTIVITIES:		
Proceeds from debt	25,000	0
Repayment of debt	<u><25,000></u>	<u><3,567></u>
Net cash used in financing activities	0	<3,567 >
Net Increase (Decrease) in Cash	<512>	<4,517 >
Cash at Beginning of Year	<u>12,288</u>	<u>16,805</u>
Cash at End of Year	<u>\$ 11,776</u>	<u>\$ 12,288</u>

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

CHRISTIAN SUPPLY STORE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000

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, 2001 and 2000 are \$ 5,527 and \$ 5,668, 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 \$ 11,108 and cash in the contingency fund is \$ 668.

Cash paid for interest is as follows:

2001	\$1,129
2000	\$ 531

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, 2001 AND 2000

NOTE 2 - 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>2001</u>	<u>2000</u>
Beginning Balance	\$ 656	\$ 7,021
Contributions	0	11,000
Disbursements	0	<17,500>
Interest earnings	<u>12</u>	<u>135</u>
Ending Balance	<u>\$ 668</u>	<u>\$ 656</u>

NOTE 3 - 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:

2002	\$48,000
2003	\$48,000
2004	\$48,000
2005	\$48,000
2006	\$48,000

NOTE 4 - 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, 2001 all of the Board's deposits were insured.

CHRISTIAN SUPPLY BUDGET

January - December 2003

Receipts from Sales	\$659,798.00	\$659,798.00
Disbursements:		
Merchandise for Resale	\$387,000.00	
Employee Salaries:		
Manager Salary & Housing	31,176.00	
Other Salaries	62,058.00	
Total Salaries	93,234.00	
Insurance:		
Hospitalization	17,000.00	
Worker's Compensation	600.00	
Inventory and Equipment	2,018.00	
Total Insurance	19,618.00	
Operating Expenses:		
Advertising	20,000.00	
Freight In	3,500.00	
Shipping Out	6,900.00	
Supplies	8,000.00	
Telephone	3,200.00	
Travel and Auto Expense	1,000.00	
Rent	52,800.00	
Utilities	8,000.00	
Accounting	3,900.00	
Interest	1,200.00	
Miscellaneous	2,446.00	
Total Operating Expenses	110,946.00	
Taxes:		
Sales Tax	40,000.00	
Social Security	7,000.00	
Property	2,000.00	
Total Taxes	49,000.00	
Total Disbursements	\$659,798.00	\$659,798.00

OASIS CAMPUS MINISTRIES REPORT

Kyle Hood, Campus Ministries Director

OASIS REPORT

January-December 2001

Beginning Balance, January 1, 2001	\$3,142.36
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Receipts:

Cooperative Plan	\$ 6,965.12	
Designated	32,359.70	
Total Receipts	\$39,324.82	39,324.82

Disbursements:

Director's Salary	\$18,341.69	
Director's Housing	5,500.00	
Payroll Taxes	9,755.79	
Director's Mileage	896.42	
Director's Insurance	1,875.66	
Workman's Compensation Insurance	314.68	
Conferences	150.00	
Campus Promotion	660.34	
Campus Ministry	273.85	
Campus Trips	154.46	
Postage	243.00	
Printing	1503.59	
Office Supplies	299.05	
Phone	5.24	
Internet Service	79.80	
Miscellaneous	481.87	
Total Disbursements	\$40535.44	

Ending Balance, December 31, 2001	\$1,931.74
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2003 Proposed Budget - OASIS

Receipts:

Cooperative Plan (2% of \$550,000)	\$13,750.00	
Churches	16,500.00	
Individuals	17,750.00	
Total Receipts	\$48,000.00	\$48,000. 00

Disbursements:

Salary (\$500 per week)	\$26,000.00	
Health Insurance (\$300 per mo.)	3,600.00	
Social Security & Income Taxes	3,000.00	
Housing (\$550 per mo.)	6,600.00	
Travel	2,000.00	
Office Ministry	5,000.00	
Miscellaneous	1,800.00	
Total Disbursements	\$48,000.00	\$48,000.00

STATE YOUTH BOARD

September 20, 2001

On Thursday, September 20, 2001, at 10:00 AM, the Arkansas State Youth Board met at Camp Beaverfork in Conway, Arkansas. All members were present as well as Camp Director Patrick Baze and Executive Director David Joslin, and guest, Mike Phillips.

Camp Director Patrick Baze presented the board with the current financial statement for overview and discussion and informed the board about the condition and status of camp rentals.

The Board elected the following officers for the next term: Chairman Randall Ray; Vice-Chairman John Reed, and Secretary Mike King.

After new officers were elected, the board continued with discussion about the condition of the physical plant as well as the need for some of the equipment to be evaluated.

After discussion about the State Youth retreats, motion passed to have a Spring Retreat in 2002.

The board's guest, Mike Phillips, then joined the meeting to discuss a memorial for his father, Larry Phillips. Motion passed to purchase three flag poles with a bronze plaque in the approximate price range of \$1200-\$1500. Motion passed that if prices for the memorial were to exceed \$1500, it would be brought to the board for final approval.

January 24, 2002

On Thursday, January 24, 2002, at 10:00 AM, the Arkansas State Youth Board met at the First Free Will Baptist Church of Conway, as part of the All Boards Meeting with all members present and Camp Director Patrick Baze. The Board had two guests in attendance, Todd Tennant and David Anderson.

Camp Director Patrick Baze presented the Board with the current financial statements for overview and discussion. The Board was informed about the condition and status of camp rentals. The loss of the All-Stars had brought the rental income down. Discussion was related to ways to increase rentals to take the place of the All-Stars. Motion passed to accept the financial reports as given.

The board discussed plans to pay down its loan.

Motion passed for Camp Director Patrick Baze to approach the Executive Board about sending a letter to all our churches, explaining the needs and the general condition of the camp.

Motion passed to ask the Executive Board to approve the transfer of the line of credit of \$100,000 for Camp Beaverfork to a regular loan at Simmons First National Bank in Conway, Arkansas; loan will be in the name of Arkansas Free Will Baptists and signed by the Executive Board Chairman and Secretary.

The Board discussed the State Competition and the speakers for camp. Motions passed to invite Jason Nichols to be the evangelist for Teen Camp and Kendall Ross for music; Jr. High Camp - Randall Ray as evangelist and Jeremy Thomas for music; Junior Camp - Jeff Nichols as evangelist and Johnny Miller for music.

March 17, 2002

On Sunday, March 17, 2002, at 10:00 PM, the Arkansas State Youth Board held a conference call. Members present were: Randall Ray, Mike King, Leo Martin, Mark Strippling, Johnny Miller, as well as Camp Director Patrick Baze and Executive Director David Joslin.

Camp Director Patrick Baze informed the board about the camp's lawn mower and the camp truck. Motion passed to authorize Patrick Baze to purchase a Troy Built 22 HP

STATE YOUTH BOARD, Continued

March 17, 2002, Continued

garden tractor mower from Lowe's at a price of \$2,000. Motion passed to have the director to have the camp truck checked out to see if it was worth fixing.

The Board discussed what to do with the current tractor: whether to keep it or if it should be traded or sold to downgrade to a smaller, more efficient tractor, since the current one cannot be used in some areas of the camp because of its size.

June 18, 2002

On Tuesday, June 18, 2002, at Noon, the Arkansas State Youth Board met at Camp Beaverfork in Conway, Arkansas. Members present were: Randall Ray, Mike King, Leo Martin, Mark Stripling, Johnny Miller, as well as Camp Director Patrick Baze.

The camp finances and a review of January-May 2002 Balance Sheets were given by Youth Director Patrick Baze. Motion passed to accept the reports as presented.

Motion passed to designate the "People's Choice Camper Award" offerings to the Don Guthrie and Heritage Scholarship Fund for 2002 and the following years to come.

Motion passed to use the remainder of the loan proceeds to pay for water damage repairs for the youth director's house.

Motion passed to send a letter to the Family Church in response to their request for a refund of their deposit. Due to the fact their request was well past the deadline, thus making it impossible for the camp to be rented during their scheduled time, the church could either apply the \$500 deposit to the week that was previously scheduled or it could be applied to another camp date in the future, but the deposit would not be refunded.

July 18, 2002

On Thursday, July 18, 2002, at 10:00 AM, the Arkansas State Youth Board met at the state office in Conway, Arkansas. Members present were: Randall Ray, Mike King, Leo Martin, Mark Stripling, and Johnny Miller, Patrick Baze, as well as Executive Director Tim Campbell and auditor Ricky Taylor.

Motion passed to have the camp truck fixed; if cost exceeded \$1,000, have board approval for excess.

Motion passed to authorize the repair of the camp swimming pool at an estimated cost of \$6,600 from Conway Garden and Pool.

Motion passed to have a dedication/memorial for the flag poles in memory of Larry Phillips during the 2002 Trail Blazer's Retreat, pending approval from the Christian Education Board. Motion passed for Randall Ray to have a memorial plaque and for Patrick Baze to have landscaping and benches installed for the memorial at a cost of up to \$1,000 without further board approval.

Motion passed to accept the financial reports and audit as presented by Ricky Taylor, CPA.

Motion passed to move all the Free Will Baptist state camp dates forward one week into June to better accommodate our Free Will Baptist churches.

Motion passed to charge \$15 per night per camp/trailer/RV on all new and renegotiated contracts with a limit of 4 RV's.

Motion passed to give the youth director a 7% salary increase in addition to a 3% cost of living raise for a total of 10% raise.

Motion passed to approve the proposed 2003 budget.

Motion passed to have Johnny Miller contact prospective speakers for the 2003 Children's Retreat and Mike King contact prospective speakers for the 2003 Teen Retreat and set tentative dates on approval from the board.

STATE YOUTH BOARD BUDGET

January - December 2003

Receipts:

Cooperative Plan (17.5% of \$550,000)	\$96,250.00
Camp Registration and Concession	55,000.00
Camp Rentals	60,000.00
Interest Income	500.00

Total Receipts	\$211,750.00	\$211,750.00
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Disbursements:

Director Salary	\$33,000.00
Maintenance Caretaker Salary	15,600.00
Maintenance Caretaker Insurance	3,000.00
Clerical Salary	4,000.00
Auto Payment	4,680.00
Director Home Equity	600.00
Car Expense	4,000.00
Utilities-Camp and Director	29,000.00
Camp Insurance	12,000.00
Director Insurance and Retirement	6,000.00
Payroll Taxes	7,500.00
Postage	750.00
Professional Fees	2,200.00
CTS Rally	4,500.00
Conventions	2,500.00
Miscellaneous	1,420.00
Camp Literature	500.00
Pool Maintenance	6,000.00
Food Service	20,000.00
Food Service Labor	5,000.00
Repairs	18,000.00
Supplies	1,500.00
Camp Labor	4,000.00
Guest Speakers	8,000.00
Board Mileage and Meals	1,500.00
Loan Payment	14,500.00
Printing	2,000.00

Total Disbursements:	\$211,750.00	\$211,750.00
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Randall Ray, Chairman
 John Reed, Vice-Chairman
 Mike King, Secretary

Mark Stripling
 Leo Martin

RICKY J. TAYLOR

Certified Public Accountant

P. O. Box 2851

Russellville, AR 72811

(479) 967-4439

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors

Camp Beaverfork, Arkansas Free Will Baptists Youth Camp, 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, 2001 and 2000, 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, 2001 and 2000 and its results of operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Ricky J. Taylor CPA, CA

Russellville, Arkansas

July 8, 2002

Member of:

Arkansas Society of Certified Public Accountants
Oklahoma Society of Certified Public Accountants

CAMP BEAVERFORK, ARKANSAS
FREE WILL BAPTISTS, INC.
BALANCE SHEETS
DECEMBER 31, 2001 AND 2000

ASSETS

ASSETS:	<u>2001</u>	<u>2000</u>
Cash In Bank	\$ 14,128	\$ 3,722
Cash-contingency fund	1,187	1,168
Cash-capital improvements fund	2,145	2,105
Cash-Arkansas Youth scholarship fund	1,920	420
Accounts Receivable	<u>11,813</u>	<u>11,237</u>
Total Current Assets	31,193	18,652
FIXED ASSETS:		
Land and buildings	333,760	333,760
Auto	21,517	23,926
Equipment	53,768	49,364
Camp improvements	194,114	192,230
Less accumulated depreciation	<u><89,175></u>	<u><76,564></u>
Total Fixed Assets	<u>\$513,984</u>	<u>\$22,716</u>
TOTAL ASSETS	<u>\$545,177</u>	<u>\$541,368</u>

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES:		
Current notes payable	\$ 92,500	\$84,000
Current portion of L-T debt	4,159	7,111
Accounts Payable	2,221	1,624
Payroll Taxes Payable	799	780
Designated contributions payable	<u>1,296</u>	<u>1,715</u>
Total Current Liabilities	100,975	95,230
LONG TERM DEBT:		
Notes payable (Less: current portion of L-T debt)	<u>4,652</u>	<u>4,276</u>
TOTAL LIABILITIES	105,627	99,506
FUND BALANCE:		
Fund balance, Beginning of Year	441,862	439,590
<u>Excess revenue over expenses</u>	<u><2,312></u>	<u>2,272</u>
<u>Fund balance, End of Year</u>	<u>439,550</u>	<u>441,862</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$545,177</u>	<u>\$541,368</u>

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

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
STATEMENTS OF REVENUE AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
REVENUE:		
COOP	\$ 80,942	\$ 80,304
Camp rentals	57,745	67,878
Registration & concessions	49,357	52,588
CTS rally	53,434	1,193
Gifts and contributions	1,560	2,845
Special offering	1,580	1,716
Interest income	237	457
Total Revenues	<u>194,855</u>	<u>206,981</u>
EXPENSES:		
Salaries-director	35,093	\$ 33,644
Salaries-clerical	0	1,022
Home equity plan-director	800	1,200
Auto expense	2,760	3,889
Utilities	25,160	24,270
Insurance-camp	6,930	6,472
Insurance and retirement-director	6,300	5,700
Payroll taxes	5,210	3,693
Other taxes	1,501	0
Office supplies	978	937
Professional fees	1,875	1,875
CTS rally	1,571	2,810
Meetings & conventions	1,704	1,090
Interest expense	4,588	5,529
Miscellaneous	5,446	5,875
Camp literature	0	48
Pool upkeep	1,714	1,908
Food service	29,517	41,704
Food service-labor	4,300	5,525
Repairs & maintenance	19,649	15,575
Postage	829	0
Camp labor	13,073	10,608
Guest speakers	5,902	6,837
Designated gifts	1,580	1,716
Board mileage & meals	3,145	817
Printing	1,220	1,483
Depreciation	21,583	20,482
Total Expenses	<u>202,428</u>	<u>204,709</u>
Excess Revenues Over Operating Expenses	<7,573>	2,272
Other Income <Expenses>		
Gain on sale of assets	5,261	0
Excess Revenue Over Expenses	<u>\$ <2,312></u>	<u>\$ 2,272</u>

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

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
CASH FROM OPERATING ACTIVITIES:		
Net revenue <loss> over expenses	\$ <2,312>	\$ 2,272
Adjustments to reconcile net revenue over expenses to net cash provided by operations:		
Gain of sale of assets	<5,261>	0
Depreciation	21,583	20,482
(Increase)decrease in accounts receivable	<576>	<2,416>
Increase(decrease) in accounts payable	597	<179>
Increase(decrease) in payroll tax payable	19	<830>
<u>Increase (decrease) in designated</u> Contributions payable	<u><419></u>	<u>1,715</u>
Net Cash Provided by Operating Activities	13,631	21,044
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of fixed assets	20,215	0
Purchase of fixed assets	<27,805>	<90,411>
Net cash used in investing activities	<7,590>	<90,411>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	<15,093>	<6,840>
Proceeds from debt	<u>21,017</u>	<u>69,000</u>
Net cash used by financing activities	5,924	62,160
Net increase (decrease) in cash	11,965	<7,207>
Cash at beginning of year	<u>7,415</u>	<u>14,622</u>
Cash at end of year	<u>\$ 19,380</u>	<u>\$ 7,415</u>

**CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

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 \$ 21,583 and \$ 20,482 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:

2001	\$ 4,588
2000	\$ 5,529

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, 2001 AND 2000

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, 2001 and 2000, due payable to Camp Beaverfork, Arkansas Free Will Baptist Youth Camp, Inc.

NOTE 2 NOTES PAYABLE

	<u>2001</u>	<u>2000</u>
Note payable-Simmons First Bank, Conway, Arkansas, \$ 100,000, Line of Credit, due on demand, including principal and interest at an annual percentage rate of 4.25%. This note is unsecured.	\$ 92,500	\$ 84,000
Note payable-Honda America, requires monthly installments of \$ 619, including principal and interest at an annual percentage rate of 3.9%. This note is secured by a vehicle.	0	11,387
Note payable-Honda America, requires monthly installments of \$ 368, including principal and interest at an annual percentage rate of 3.68%. This note is secured by a vehicle.	<u>8,811</u>	<u>0</u>
	101,311	95,387
Less: Current notes payable	92,500	84,000
Less: Current portion L-T Debt	<u>4,159</u>	<u>7,111</u>
Long-term Debt	<u>\$ 4,652</u>	<u>\$ 4,276</u>

Scheduled minimum maturities of long-term debt over the years subsequent to December 31, 2001, are as follows:

2002	\$ 4,159
2003	\$ 4,314
2004	338
	\$ 8,811

**CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

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 – DESIGNATED CONTRIBUTIONS PAYABLE

Camp Beaverfork, Arkansas Free Will Baptists Youth Camp, Inc., received income that was designated for specific purposes. Money that was not spent that was included in designated contributions payable is as follows:

	<u>2001</u>	<u>2000</u>
Arkansas Youth Scholarship Fund	\$ 0	\$ 419
Capital Improvement Fund	<u>1,296</u>	<u>1,296</u>
	<u>\$ 1,296</u>	<u>\$ 1,715</u>

NOTE 5 - 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, 2001 all of the corporation's money was insured.

CHRISTIAN EDUCATION BOARD

September 14, 2001

The Christian Education Board met during the annual Tribute to Trail Blazer's Retreat. Members present included: Nelson Henderson, Leroy Scudder, Jackie Brown, and new members Bob Brown and Mike Phillips, and Executive Director David Joslin.

Motion passed to accept the financial report for January-August 2001 as presented.

Motion passed to ask Doug Little to provide the music for the 2002 Minister's Retreat. Honorarium will be \$100 plus his motel room.

Motion passed to support the Tri-State Pastors/Wives Conference in 2003, to be held at Stonecroft in Branson, Missouri, and send an advance of \$3,000. This conference will be in conjunction with Oklahoma and Missouri and will be in lieu of the annual Minister's Retreat, and the primary speaker will be H. B. London.

Motion passed to accept the preliminary report from Terrie Berry in reference to the 2002 Woman's Conference. The Board will take appropriate action after hearing from the subcommittee at the next meeting.

The Board elected the following officers for the coming year: Chairman Nelson Henderson; Vice-Chairman Kendall Ross, and Secretary Jackie Brown.

The next meeting will be in October at DeGray Lake Resort. The Chairman will arrange the date.

August 26, 2001

A conference call was conducted on August 26, 2002, at 10:00 PM to discuss the upcoming Trail Blazer Retreat, September 14-15, 2001, at Camp Beaverfork. All members were present as well as Executive Director David Joslin.

David Joslin informed the Board that the Durbin family had cancelled their appearance for the retreat. A discussion followed concerning possible groups to invite. The Shaws and the Matchett Family were suggested. Both had conflicts being able to attend all the sessions. Motion passed that we invite both groups, the Shaws and the Matchett Family. Each group will perform during two sessions. An honorarium of \$500 plus expenses will be given to each group. Motion passed that David Joslin provide the devotional during the Saturday morning session.

October 30, 2001

The Christian Education Board met Tuesday, October 30, 2001, at DeGray Lake Resort near Hot Springs, Arkansas. All members were present, including Executive Director David Joslin.

Kathy Ritter, representing DeGray Lake Resort, shared information with the Board concerning the steps necessary to have a successful Minister's Retreat. Details concerning financing, registration, and planning were covered in great detail. The purpose of this session was to better acquaint the Board with the process of working with the resort in planning future retreats.

Motion passed to accept a verbal financial report of a bank balance of approximately \$7,900 at the end of September, 2001.

Motion passed to approve honorariums of \$1000 each, plus expenses for Al Taylor and Larry Powell as guest speakers for the 2002 Minister's Retreat, February 18-20, 2002, at DeGray Lake Resort State Park.

Motion passed to have tapes of the Minister's Retreat sessions available for sale at the rate of \$10 per set.

CHRISTIAN EDUCATION BOARD, Continued

October 30, 2001, Continued

Motion passed to present two (2) getaway packages for Branson, Missouri, to be given away during the Minister's Retreat to anyone in the ministry who pays their registration fee.

Motion passed to set the date for the 2002 Trail Blazer Retreat on September 20-21, 2002, and to schedule the Melody Boys Quartet as special guests.

Motion passed to authorize the disbursements of deposits to Carol Kent of Speak Up Speaker Services - \$500 and to the Riverfront Hilton Hotel of \$395 for the 2002 Women's Conference on November 8-9, 2002.

Motion passed to authorize the chairperson of the subcommittee representing the Christian Education Board to be able to sign contracts relating to their committee.

The next meeting will be January 24, 2002, in conjunction with the All Board's Meeting in Conway.

January 24, 2002

The Christian Education Board met Thursday, January 24, 2002, at the First Free Will Baptist Church, Conway, Arkansas, with the following members present: Nelson Henderson, Mike Phillips, Bob Brown, Kendall Ross, and Jackie Brown.

Motion passed to accept the minutes of October 30, 2001.

Motion passed to accept the financial report for January-December 2001.

Motion passed to purchase 125 books *Proving God* by Al Taylor, at \$5 each to be given to each person registering at the 2002 Minister's Retreat.

Motion passed to rent the sound equipment for the 2002 Minister's Retreat from Eric Hartzell. He will be responsible for the sound during the conference as well as duplicate tapes for the sessions. He will be given an honorarium of \$300 plus his motel room.

The Board was informed that the Melody Boys Quartet were unable to schedule for the Trail Blazer's Retreat. Motion passed to invite The Apostles as special guests during the 2002 Trail Blazer's Retreat on September 6-7, 2002. They will be given an honorarium of \$1,000 plus mileage and motel expense.

Motion passed to invite Keith Johnson to give a devotion on Saturday morning of the Trail Blazer Retreat. Honorarium will be \$50.

Motion passed to give Executive Director David Joslin a getaway package to Branson, Missouri, with an appreciation plaque in honor of his retirement.

April 23, 2002

The Christian Education Board met Tuesday, April 23, 2002, at the state office in Conway, Arkansas, with all members present and Executive Director David Joslin.

The Board reviewed the financial report, discussed the upcoming Trail Blazer Retreat, 2002 Woman's Conference, and the 2003 Minister's Retreat.

Motion passed to ask Tim Campbell to be the speaker for the Friday night service of the Trail Blazer Retreat. An honorarium of \$100 will be given.

Motion passed to invite H. B. London as the speaker for the 2003 Minister's Retreat. (The Tri-State Pastors/Wives Conference in Missouri, was cancelled due to prior scheduled events.) The 2003 Minister's Retreat will be March 17-19, 2003, at DeGray Lake Resort State Park. An honorarium of \$2,500, plus expenses will be given.

Motion passed to sell the credit card machine and answering machine left over from the 2000 Woman's Conference to Paul and Sue Patton for \$75.00.

The next meeting will be July 2, 2002, at the state office in Conway, Arkansas, at 10:00 AM.

CHRISTIAN EDUCATION BOARD, Continued

July 2, 2002

The Christian Education Board met Tuesday, April 23, 2002, at the state office in Conway, Arkansas, with all members present and Executive Director Tim Campbell.

After a brief discussion of the upcoming activities for 2002 and 2003, the following business was conducted:

Motion passed to have Eric Hartzell provide the sound equipment and duplicate the tapes for the 2003 Minister's Retreat at DeGray Lake Resort. Compensation will be \$500, plus motel room.

Motion passed to increase the cost for the 2003 Minister's Retreat to \$75 per person due to the increasing rates at DeGray Lake Resort.

Motion passed to have Kendall Ross provide the brochure for the 2003 Minister's Retreat, and the Board will pay the expense.

Motion passed to approve the 2003 budget of \$31,500.

CHRISTIAN EDUCATION BUDGET

January - December 2003

Receipts:

Cooperative Plan (3% of \$550,000.00)	\$16,500.00	
Minister's Retreat	7,500.00	
Woman's Conference	7,500.00	
Total Receipts	\$31,500.00	\$31,500.00

Disbursements:

Minister's Retreat	\$ 12,000.00	
Trailblazer Retreat	2,500.00	
Board Mileage and Meals	3,000.00	
Phone	350.00	
Printing and Postage	2,000.00	
Secretarial Expense	1,200.00	
Computer	480.00	
Audit	500.00	
Workshops/Seminars	1,500.00	
Woman's Conference	7,500.00	
Miscellaneous	470.00	
Total Disbursements	\$31,500.00	\$31,500.00

Nelson Henderson, Chairman
Kendall Ross, Vice-Chairman
Jackie Brown, Secretary

Leroy Scudder
Mike Phillips
Bob Brown

STATE HOME MISSIONS BOARD REPORT

October 9, 2001

The State Home Mission Board met October 9, 2001, at the state office in Conway, Arkansas, with all board members present and Executive Director David Joslin. The following officers were elected: Chairman Dwayne Roper; Vice-Chairman Bobby Shepherd; and Secretary John Fowlkes.

The financial report was given by David Joslin and approved by the Board.

Motion passed that all monies received from the Don Guthrie Memorial offering on the first Sunday of June, 2002, be designated to go to the new mission account.

Motion passed to apply for rezoning of the property at 310 Salem Road in Conway, Arkansas, to change from residential to quiet office which would include a church and would save time if a buyer wanted to use the building for office space. Motion passed to give the Board officers the authority to sell the Salem Road property if an offer is presented and the whole board is not able to meet.

Motion passed to enter into a Joint-Project with the National Home Mission Department for Green Bay, Wisconsin; pending a clear definition from National Home Missions as to what would be involved in this particular joint project and our acceptance of the terms of the Joint-Project.

Missionaries Kerry Gandy and Ramon Zuniga gave reports on their respective churches.

Motion passed that Kerry Gandy be authorized to purchase plaques in appreciation to churches that have supported the work in Maumelle and be reimbursed for travel expenses.

Motion passed that the Board look for land in Cabot, Arkansas, as a prospective site for a new mission work.

November 20, 2001

The State Home Mission Board met November 20, 2001, at the state office in Conway, Arkansas, with all members present.

Motion passed to give missionaries Kerry Gandy and Ramon Zuniga a \$600 Christmas bonus.

Motion passed to adopt the following proposal:

Proposal: To pledge our cooperation for National Home Missionary to Green Bay, Wisconsin.

Our endorsement of his ministry after approval by the national Home Mission Board would be as follows:

1. Our assistance in the arrangement of itinerary services for him in Arkansas to raise cash and faith-promise commitments for his account.
2. A one-time gift of \$5,000 from the State Home Mission Board General Fund.
3. All designated offerings and donations from Arkansas would be channeled through the Arkansas A.C.T.S. 1:8 Plan, and then forwarded to the National Home Missions Department.
4. A request for John Reed to be included in the A.C.T.S. 1:8 Plan as a new missionary for six years at the rate of 50%.
5. A request to the A.C.T.S. 1:8 Task Force to release the current amount in the "New Missionary" account in the Green Bay, Wisconsin account.

John Fowlkes gave a report on the progress of selling the 310 Salem Road property. He also reported that he had found some land in the area of Cabot, Arkansas, that might be a possible site for a new mission work. The Board agreed to meet and view the property available in Cabot on December 11, 2001, at 10:00 AM.

STATE HOME MISSIONS BOARD REPORT, *Continued*

December 11, 2001

The State Mission Board met December 11, 2001, at Cabot, Arkansas, with the following members present: Dwayne Roper, David Taylor, Bobby Shepherd, John Fowlkes, and Executive Director David Joslin. The Board looked at several sites in the Cabot area ranging in size from 9-22 acres.

Motion passed to purchase the property on Highway 89 approximately 6/10 mile south of the junction of Hwy. 89 and Hwy. 321 bypass, containing approximately 22 acres with the following stipulations: (1) negotiations not to exceed a price of \$200,000 (2) property must comply with the city for a church to be placed on the property (3) survey must be satisfactory to the Board and (3) land must meet approval for septic systems where public sewer is not available.

Motion passed to pay the cost of the conference expense and motel for board members to attend the Global Focus seminar in Russellville, Arkansas, in March, 2002.

January 24, 2002

The State Mission Board met January 24, 2002, at Cabot, Arkansas, with the following members present: Dwayne Roper, David Taylor, Bobby Shepherd, and John Fowlkes. The minutes were read and approved. The financial report was given by Sue Patton and approved by the board.

Missionary Kerry Gandy gave a report on the Maumelle church and informed the board that the church should be self-supporting by the end of July, 2002.

Missionary Ramon Zuniga reported on the Hispanic ministry in Springdale.

After discussion in reference to the missionary pastor for Cabot, motion passed to give an invitation to Cliff Donoho for the Cabot work.

February 20, 2002

The State Mission Board met February 20, 2002, at DeGray Lake Resort near Bismarck, Arkansas, during the Minister's Retreat with the following members present: Dwayne Roper, Bobby Shepherd, John Fowlkes, David Taylor, Executive Director David Joslin, and Executive Director elect Tim Campbell.

David Joslin informed the board that Cliff Donoho had declined the invitation to be the missionary at Cabot.

John Fowlkes reported to the Board that the State Home Mission Board had closed on the purchase of the land in the Cabot area. The closing was on January 24, 2002, for the purchase price of \$175,000.

Motion passed to authorize funds to be paid for a road on the Cabot property to be built on the south side extending from Highway 89 to the corner near the gas line.

Motion passed to buy and install a two-sided sign announcing the future plans on the Cabot property.

May 9, 2002

The State Mission Board met May 9, 2002, at the state office in Conway, Arkansas, with all members present and Executive Director David Joslin. The financial reports were presented by David Joslin and approved by the board.

Motion passed to transfer \$5,000 to the Zuniga account from the State Mission General Fund.

After considerable discussion in reference to selecting a missionary to Cabot, motion passed to meet with a prospective candidate during the national convention in Memphis, Tennessee.

STATE HOME MISSIONS BOARD REPORT, *Continued*

May 9, 2002, Continued

Motion passed to approve a refinancing agreement with Lake Hills which would result in a new loan in the name of Lake Hills Free Will Baptist, assuming all debt and closing costs for the building in Hot Springs. The projected loan payment would be approximately \$1,000 less from the amount the church was currently paying on their payback to APPLE. The State Home Mission Board would pay from the General Fund the portion of the new payment over \$1,000 (approximately \$422 monthly) for a total of six months. The projected loan amount would be \$192,000 at 6.5% interest at approximately \$1,422 per month.

Motion passed to enter into a new lease on the 310 Salem Road property in Conway with Four Winds Church at \$1500 monthly for two years.

Motion passed to accept the offer of \$60,000 on the Blytheville church building. Motion passed to list the parsonage in Blytheville for sale with a local realtor after cleaning and painting to give a better appearance.

The board met with missionaries Kerry Gandy and Ramon Zuniga and received their reports.

Motion passed to give missionaries Kerry Gandy and Ramon Zuniga \$1,000 each for expenses to the national association.

Bobby Moore presented to the Board about a work he would like to do in the Little Rock area. Motion passed that Bobby Moore submit an application and the scope of the proposed outreach. The Board further authorized Chairman Dwayne Roper to approve the new work. If approved, Bobby Moore could begin itinerant to raise support for the new work.

June 18, 2002

The State Mission Board met by conference call on June 18, 2002, with all members present as well as Executive Director David Joslin.

John Fowlkes presented two offers to buy for the property on 310 Salem Road, Conway, Arkansas.

Offer #1 Anointed and Appointed Disciples Through Jesus Christ offered \$200,000 for the property, and there would not be any rezoning involved for them to have a church in this location.

Offer #2 L. A. McMaster offered \$200,000 for the property contingent on the property being rezoned for quiet office.

Motion passed to accept Offer #1 on the property.

Information was presented to the Board that the pipeline on the Cabot property was being relocated, and that in consideration of the moving of the pipeline, the Board would receive \$1,025. Motion passed to authorize Executive Director David Joslin and/or Secretary John Fowlkes to sign any legal documents relating to the right of way easement for the relocation of the pipeline for the property purchased in Cabot, Arkansas.

June 25, 2002

The State Mission Board met June 25, 2002, at the state office in Conway, Arkansas, with all members present. The Board approved the minutes of May 9 as presented by John Fowlkes.

Report from John Fowlkes that the Blytheville property is back on the market since the buyer did not close on the accepted offer. The 310 Salem Road property in Conway does not have a lease or an offer and is also back on the market.

After reviewing the financial reports, the Board requested Chairman Dwayne Roper to contact Kerry Gandy about the deficit in the Maumelle account.

STATE HOME MISSIONS BOARD REPORT, *Continued*

June 25, 2002, Continued

Motion passed to approve the disbursement of the 2% Bonus Self-Support to Kerry Gandy since the church will be self-supporting soon.

The board approved the refinancing of the loan for the Lake Hills Free Will Baptist Church, Hot Springs, Arkansas, to lower their expenses and to get a lower interest rate: 2 year fixed rate of 6.12% with a 20 year payout for a total of \$1,364 per month.

The proposed 2003 budget was approved, as well as the financial reports as given.

July 1, 2002

The State Mission Board met by conference call on July 1, 2002, with all members present as well as Executive Director Tim Campbell.

John Fowlkes informed the Board that the group purchasing the 310 Salem Road property in Conway could only borrow \$160,000 of the \$200,000 purchase price. The buyers asked if the Board would finance \$40,000 for ten years at 8% interest with payment of approximately \$485. The Board would have second mortgage on the property that was pledged for the first mortgage.

Motion passed to finance the \$40,000 for the buyers of the 310 Salem Road property as stated.

July 16, 2002

The State Mission Board met at the state office in Conway, Arkansas, on June 18, 2002, with the following members present: Dwayne Roper, Bobby Shepherd, David Taylor, Randy Burris, and John Fowlkes, as well as Executive Director Tim Campbell. Motion passed to accept the minutes as read. The June financial reports were presented and approved by the Board.

The purpose of the meeting was to interview a candidate as a possible missionary to Cabot, Arkansas.

Motion passed to approve the endorsement of Bobby Moore to start a benevolent outreach in downtown Little Rock, Arkansas, to reach the lost for Christ.

STATE HOME MISSIONS Budget

January - December 2003

Receipts:

Cooperative Plan (17% of \$550,000)	\$ 93,500.00	
West Monroe to Landmark FWB	4,500.00	
Hispanic Ministry for Pastor Salary	2,400.00	
Churches, Individuals, Associations	<u>99,600.00</u>	
Total Receipts:	\$200,000.00	\$200,000.00

Disbursements:

Hispanic Ministry, Springdale	42,000.00	
Landmark FWB, Monroe, Louisiana	4,500.00	
Phone	1,400.00	
Secretarial Expense	3,900.00	
Computer	3,000.00	
Board Mileage/Meals	3,000.00	
Audit	2,000.00	
Miscellaneous	4,800.00	
Cabot Work	135,400.00	
Total Disbursements	\$200,000.00	\$200,000.00

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

Bobby Shepherd
Dwayne Roper
Hursel Parker

RICKY J. TAYLOR

Certified Public Accountant

P. O. Box 2851

Russellville, AR 72811

(479) 967-4439

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying statements of financial position of Arkansas State Mission Board of the Arkansas State Association of Free Will Baptists, Inc. (a nonprofit Corporation) as of December 31, 2001 and 2000, 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 Mission Board of the Arkansas State Association of Free Will Baptists, Inc. as of December 31, 2001 and 2000 and its results of operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Russellville, Arkansas
June 6, 2002



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

ARKANSAS STATE MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2001 AND 2000

ASSETS:	<u>2001</u>	<u>2000</u>
Cash	\$ 87,288	\$ 68,683
Cash-Savings Accounts	29,750	93,603
Cash-Certificates of Deposits	253,316	152,162
Property	967,918	754,918
Mortgage/Notes Receivable	<u>12,473</u>	<u>15,571</u>
Total Assets	<u>\$1,350,745</u>	<u>\$1,084,937</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Bonus Payable	\$ 6,537	\$ 4,713
Escrow Payable	237,652	171,652
Mortgage Payable	<u>205,211</u>	<u>239,752</u>
Total Liabilities	<u>449,400</u>	<u>416,117</u>

NET ASSETS:		
Unrestricted	672,746	660,772
Temporarily Restricted	<u>228,599</u>	<u>8,048</u>
Total Net Assets	<u>901,345</u>	<u>668,820</u>
Total Liabilities and Net Assets	<u>\$1,350,745</u>	<u>\$1,084,937</u>

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

**ARKANSAS STATE MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.**

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	2001			2000
	TEMPORARILY PERMANENTLY			
	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTAL</u>
REVENUE:				
General Fund Income	\$ 81,224	\$	\$	\$ 81,224
Missionary Income-Hispanic Mission		45,709		45,709
Missionary Income-Maumelle		44,713	120	44,833
Missionary Income-Hot Springs		0		0
Missionary Income-New Mission Work		2,777		2,777
Guthrie Memorial Income			1,466	1,466
Contributed Property		182,418		182,418
Interest Income	16,179			16,179
Net Assets released from restrictions:				
Restrictions satisfied				
by payments	<u>56,652</u>	<u>(55,066)</u>	<u>(1,586)</u>	<u>0</u>
Total Revenue	154,055	220,551	0	374,606
EXPENSES:				
Board Mileage & Meals	3,169			3,169
Telephone	1,118			1,118
Printing	116			116
Postage	80			80
Office Supplies	23			23
Secretarial Expense	3,600			3,600
Computer Expense	2,400			2,400
Professional Fees	1,800			1,800
Workman's Comp Insurance	(27)			(27)
Hispanic Service Expense	250			250
Miscellaneous	697			697
Travel	506			506
Missionary Exp.-Maumelle	49,627			49,627
Missionary Exp-Hot Sprgs	0			0
Missionary Exp-Hispanic	41,447			41,447
Guthrie Memorial Fund	1,466			1,466
Contributions to Hispanic	10,000			10,000
Expenses-Conway Prop.	2,828			2,828
Louisiana Land Fund Exp.	4,513			4,513
Interest Expense	<u>18,468</u>			<u>18,468</u>
Total Expenses	142,081	0	0	142,081
Increase <Decrease> in Net Assets	11,974	220,551	0	232,525
Net Assets-				
Beginning of Year	<u>660,772</u>	<u>8,048</u>	<u>0</u>	<u>668,820</u>
Net Assets-				
End of Year	<u>\$672,746</u>	<u>\$228,599</u>	<u>\$ 0</u>	<u>\$ 901,345</u>

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

ARKANSAS STATE MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
CASH FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 232,525	\$ 27,744
Increase <Decrease> in:		
Bonus payable	1,824	563
Escrow payable	66,000	73,910
Accrued payroll	0	<3,750 >
Scholarship Fund payable	<u>0</u>	<u><9,681 ></u>
 Net Cash Provided by Operating Activities	 300,349	 88,786
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property	<213,000>	0
Proceeds from collection from Mortgage Rec.	<u>3,098</u>	<u>2,802</u>
 Net Cash Provided <Used> from Investing Activities	 <209,902>	 2,802
 CASH FLOWS FORM FINANCING ACTIVITIES:		
Loan Proceeds	29,582	0
Repayment of Debt	<u><64,123></u>	<u><20,292 ></u>
 Net Cash Provided by Financing Activities	 <u><34,541></u>	 <u><20,292 ></u>
 Net Increase <Decrease> in Cash	 55,906	 71,296
 Cash at Beginning of Year	 <u>314,448</u>	 <u>243,152</u>
 Cash at End of Year	 <u><u>\$370,354</u></u>	 <u><u>\$314,448</u></u>
 SUPPLEMENTAL DISCLOSURES:		
Cash Paid During the Year for Interest	<u>\$ 18,468</u>	<u>\$ 20,059</u>

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

**ARKANSAS STATE MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

**NOTE 1 - ORGANIZATION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES**

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

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

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 MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 2001 AND 2000**

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:

	<u>2001</u>	<u>2000</u>
Land & building - Wynne, Arkansas	\$ 135,000	\$135,000
Land & building - Maumelle, Arkansas	254,230	254,230
Land & building - Hot Springs, Arkansas	365,688	365,688
Land & building - Conway, Arkansas	212,000	0
Land - Cabot, Arkansas	<u>1,000</u>	<u>0</u>
	<u>\$ 967,918</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 MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 2001 AND 2000

NOTE 5 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2001</u>	<u>2000</u>
Missionary - Maumelle	\$ 8,141	\$ 9,928
Missionary - Hispanic Mission	5,309	<2,251>
Missionary - New Mission Work	3,149	371
Land & Building - Conway	<u>212,000</u>	<u>0</u>
	<u>\$228,599</u>	<u>\$ 8,048</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 - U.S. Bank, Conway, Arkansas, requires monthly installments of \$ 754, including principal and interest at an annual percentage rate of 8.5%. Note secured by real estate.

<u>2001</u>	<u>2000</u>
\$ 20,104	\$ 42,363

Note payable - U.S. Bank, Conway, Arkansas, requires monthly installments of \$ 1,893, including principal and interest at an annual percentage rate of 8.0%. Note secured by real estate.

<u>\$185,107</u>	<u>197,389</u>
<u>\$205,211</u>	<u>\$239,752</u>

The aggregate maturities of these notes are as follows:

2002	15,830
2003	17,185
2004	13,794
2005	10,419
2006	11,284
Thereafter	136,699

NOTE 7 - 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, 2001 is \$ 15,919.

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

September 6, 2001

The A.C.T.S. 1:8 Task Force Committee met at 2:00 PM, at the First Free Will Baptist Church, Conway, Arkansas, with 13 members present, Eddie Bowerman, and Executive Director David Joslin.

There was a video presentation given by Eddie Bowerman, missionary to Panama, which showed the giving of the associations from 1998-2001. The meeting was opened for discussion in what could be done to create interest; especially in churches and associations that were not giving as they had before.

Motion passed to have a special offering on October 28 to help with the deficit in the A.C.T.S. 1:8 goal.

The next meeting will be November 29, 2001, at 2:00 PM at the First Will Baptist Church in Conway.

A committee was elected to consider guidelines for recognizing churches that give consistently, no matter the size of the church, and to present those guidelines at the next meeting for consideration. Those elected were: Doug Little, David Bishop, Jimmy Chronister, and Lisa Bowden.

Doug Harris, David Watson, and Eddie Bowerman were appointed to design a new brochure for A.C.T.S. 1:8 ready for distribution by January 1, 2002. Doug Harris will serve as chairman.

Motion passed to retain all present officers for the next year: Chairman Nelson Henderson; Vice Chairman Doug Little; and Secretary David Winfrey.

Motion passed to order 500 more globe banks for distribution.

November 29, 2001

The A.C.T.S. 1:8 Task Force Committee met at 2:00 PM, at the First Free Will Baptist Church in Conway, Arkansas, with 9 members present and Executive Director David Joslin.

The printing of the new brochure was discussed with motion passed to authorize the state office to determine the quantity to be printed based upon the best price available.

A card of appreciation was sent to Jackie and Kay Brown for their contribution to A.C.T.S. 1:8.

Motion passed to authorize the officers of the A.C.T.S. 1:8 Task Force to change the percentages at the end of the year if a missionary's account was deficit.

Motion passed to donate five Gideon Bibles in memory of a loved one who passes away belonging to the immediate family (spouse, children, and parents) of the A.C.T.S. 1:8 missionaries.

Motion passed to form a committee of five (three from the A.C.T.S. 1:8 Task Force and one from the State Home Missions Board, with Dwayne Roper serving as chairman) to consider including national home and state missions in the A.C.T.S. 1:8 Plan. Doug Little, Jim Walker, and Sidney Sawrie were appointed to serve from the A.C.T.S. 1:8 Task Force. The State Home Mission Board appointed Bobby Shepherd to serve on this committee.

Motion passed to authorize Jim Walker to have an appreciation luncheon for the pastors and their wives of his association.

Motion passed to recommend David Riker to the Executive Board to serve as a representative from the Arkansas District on the A.C.T.S. 1:8 Task Force since David Williams had moved to pastor another church in a different association.

Motion passed to give Paul Hammons, pastor of the First Free Will Baptist Church of Conway a \$50 gift certificate in appreciation for the use of the church facilities.

March 26, 2002

The A.C.T.S. 1:8 Task Force Committee met at 2:00 PM, at the First Free Will Baptist Church in Conway, Arkansas, with 11 members present, Jaimie Lancaster, and Executive Director David Joslin.

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

March 26, 2002, Continued

Jaimie Lancaster, missionary to Uruguay shared about his work. The financial reports were given and discussed. The report from the subcommittee, regarding the recognition of church giving, was discussed. Motion passed to adopt the following:

1. 20% or More Award: This award would be given to any church, association or individual who gained 20% or more during a given year over their previous year's giving. This will not begin until the state meeting of 2003.

2. Certificate of Recognition. This award would be given for one time at the state meeting in 2002. This award would recognize every church, association, or individual who has participated in the A.C.T.S. 1:8 Plan during 2001 to the present.

Ideas for reaching the goal for 2002 were discussed. Motion passed to print bulletin inserts to be distributed to each church in the state, to be done twice annually.

The report from the subcommittee regarding the addition of national home and state missions to the A.C.T.S. 1:8 Plan was given and discussed. Motion passed to adopt the following and to recommend to the state association for consideration.

1. That the criteria of support for State and National Home Missionaries be a minimum of five-year residency in the State of Arkansas and/or approval by the State Home Mission Board.

2. That the national home missionary begin receiving support from the A.C.T.S 1:8 Plan in 2003. The state home missionary would begin receiving support from the A.C.T.S. 1:8 Plan in 2004.

3. That we re-evaluate state and national home missionaries at the end of three years and support not to extend five years without State Home Mission Board approval.

4. That upon approval of the State Home Mission Board, we recommend John Reed to be the first national home missionary that we support. An amount (to be decided at the next meeting) would be given to his account from the A.C.T.S. 1:8 New Missionary account.

The next meeting will be May 30, 2002, at 2:00 PM at the First Free Will Baptist Church in Conway, Arkansas.

May 30, 2002

The A.C.T.S. 1:8 Task Force Committee met at 2:00 PM, at the First Free Will Baptist Church in Conway, Arkansas, with 11 members present and Executive Director David Joslin.

Motion passed to accept the minutes as read by Secretary David Winfrey.

Motion passed to rescind the motion from the March 26, 2002, meeting, in reference to adding national home and state missionaries to the A.C.T.S. 1:8 Plan. Motion passed to adopt the following to recommend to the state association for consideration:

1. That the criteria of support for national home and state home missionaries be a minimum of five-year residency in the State of Arkansas and/or approval by the State Home Mission Board.

2. That National Home Missionary John Reed, and State Home Mission Project at Cabot begin receiving support from the A.C.T.S. 1:8 Plan in 2003.

3. That we review the continued support of the National Home and State Home missionaries at the end of their contract.

4. That we give \$10,000 to Home Missionary John Reed's account, and \$10,000 to the State Home Mission Project at Cabot, to be taken from the A.C.T.S. 1:8 New Missionary account. *(The present balance as of April 30, 2002, in the new missionary account was \$30,956.97.)*

The financial reports were given and discussed.

Changes in the 2002 A.C.T.S. 1:8 goal were made since Shane Davison, missionary to

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

May 30, 2002, Continued

Cote d'Ivoire, will compete his two-year assignment in July 2002, and since Stan and Brenda Bunch, missionaries to Panama, will take a one-year leave of absence to begin September 1, 2002. The new goal will be \$492,222.24.

Motion passed that we recommend to the state association to reimburse Stan Bunch for his insurance during his one-year leave of absence.

Motion passed that we adopt the 2003 missionary budget and include the State Home Mission work at Cabot and National Home Missionary John Reed. The A.C.T.S. 1:8 Task Force officers will adjust the percentages.

Motion passed to adopt the A.C.T.S. 1:8 Task Force Budget for 2003.

Motion passed to give \$300 to the cross-cultural ministry started by Norman and Bessie Richards in Nashville, Tennessee, to be taken from the A.C.T.S. 1:8 Task Force cash account.

A.C.T.S. 1:8 Mission Task Force Budget January - December 2003

Receipts:

Cooperative Plan (2% of \$550,000)	\$11,000.00	\$11,000.00
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Disbursements:

Board Mileage & Meals	\$3,000.00
Promotion	4,000.00
Printing	2,650.00
Postage	300.00
Supplies	100.00
Secretarial	600.00
Miscellaneous	350.00

Total Disbursements:	\$11,000.00	\$11,000.00
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A.C.T.S. 1:8 Missionary Budget January - December 2003

MISSIONARY	FM BUDGET	RATE	A.C.T.S. 1:8 BUDGET	
FM-Bobby Aycock	\$79,305.73	25%	\$19,826.43	3.9%
FM-David Aycock	97,267.93	25%	24,316.98	4.8%
FM-Dale Bishop	110,987.71	50%	55,493.86	11.0%
FM-Eddie Bowerman	81,788.43	100%	81,788.43	16.1%
FM-Stan Bunch	100,365.14	50%	21,541.92	4.3%
FM-Anthony Edgmon	92,958.25	25%	23,239.56	4.6%
FM-Jaimie Lancaster	111,850.67	50%	55,925.34	11.0%
FM-Don McDonald	132,763.35	25%	33,190.84	6.5%
FM-Patsy Vanhook	74,023.67	100%	74,023.67	14.6%
NHM-John Reed	43,620.12	50%	21,810.06	4.3%
SM-Cabot Mission	45,000.00	100%	45,000.00	8.9%
New Missionary	25,342.00	100%	25,342.00	5.0%
Support Services	25,342.00	100%	25,342.00	5.0%
TOTALS	\$969,615.00		\$506,841.09	100.0%

Nelson Henderson, Chairman-Social Band	Old Mt. Zion-David Watson	
Antioch-Kevin Haralson	Harmony-Dorace Bishop	Polk Bayou-David Winfrey
Arkansas-David Williams	Little MO River-Kevin Jewell	Saline-Dwayne Roper
Central-Doug Little	New Hope-Sidney Sawrie	Southeast-Phillip Payne
Fellowship-David Bishop	Northwest-Doug Harris	Unity-Jim Walker
		Zion Hope-Chet Smith
Women Active for Christ-Lisa Bowden		Master's Men - Darren Walker

ELECTION SCHEDULE FOR 2002-2003

EXECUTIVE BOARD

TERM ENDS 2003

Dale Blackwell

Randell Williams

TERM ENDS 2004

Will Harmon

Tommy Tims

TERM ENDS 2005

Ed Cook
(Replacing Andy Pearcy)*2

David Watson
(Replacing Doug Little) *2

STATE YOUTH BOARD

TERM ENDS 2003

Randall Ray

Johnny Miller

TERM ENDS 2004

Leo Martin

Mark Stripling

TERM ENDS 2005

Dick Terry
(Replacing John Reed) *4

Mike King
(Replacing Mike King) *3

STATE HOME MISSIONS BOARD

TERM ENDS 2003

Bobby Shepherd

John Fowlkes

TERM ENDS 2004

Randy Burris

David Taylor

TERM ENDS 2005

Kerry Gandy
(Replacing Hursel Parker) *1

Dwayne Roper
(Replacing Dwayne Roper) *3

CHRISTIAN EDUCATION BOARD

TERM ENDS 2003

Leroy Scudder

Jackie Brown

TERM ENDS 2004

Bob Brown

Mike Phillips

TERM ENDS 2005

Vincent Daniels
(Replacing Nelson Henderson) *2

Kendall Ross
(Replacing Kendall Ross) *3

**1 - Served one full term...May be re-elected.*

**2-Served two full terms.....May not be re-elected*

**3-Served one full term and one partial term...May be re-elected*

**4-Moved from state....May not be re-elected*

HILLSDALE TRUSTEE (2-Year Term) Nelson Henderson
(Nelson Henderson)

OFFICERS

Moderator -David Bishop
(David Bishop)

Assistant Moderator - David Winfrey
(David Winfrey)

Clerk -Randy Ledbetter
(Randy Ledbetter)

Assistant Clerk -Paul Hammons
(Paul Hammons)

2002 OBITUARY REPORT

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

ANTIOCH

Stephen Brown
Wilma Burcham
Mamie Clark
Eugene Coffman
Freddie Collier
Arlie Crawford
Lela Dehart
Johnny Dodsun
Donna Duvall
Louise Flewellen
Ruby Lewallen
Kayla Moore
Lilliam Pearce
Rev. Bob Rackley
Velma Roper
Bennie Ross
Anna Mae Rudder
Vernon Stewart

ARKANSAS

Cora Randolph
Blanche Williams
Harold Key
Irman Henry
Nellie Griffith
Wanda Brooks
Jackie Rose
Geneva Hammond

CENTRAL

Vern Henderson
Kenneth Ernst
J. L. Needham
Billy Nichols (Deacon)
Janica Stokes
Sue Shaw

FELLOWSHIP

Floye Warren
Ray Lee Venable
Joe Canady
Betty Mason
R. G. Hays
Dewey Hubbard
Ruby Eakes

FELLOWSHIP, Cont.

Edmond "Red"
Kimberlin
Ava Joe Simmons
Charlsie Bradley
Richard Bradley

HARMONY

Andrew Lowery
Wahneta Robbins
Darlene Hancock
Lela Heard
Glynn Strickland

LITTLE MISSOURI RIVER

Almeta Moore
Hubert Meyers
Irene McCoy
Emory Smith
Esther Simmons
Willie Shaw

NEW HOPE

Rev. Raymond Patrick
Estella Brown
Carl Rolland
Carl Dee Burroughs
(Deacon)
Rev. Nath Baker
Inez Bomar

OLD MT. ZION

George Washington
Anderson
Josephine Hohneke
William M. McGarrah
Beulah Sherry
Zella Evans Vanhook
Eugene Albert McCoy
Aline "Pete" Thompson
Lawrence Herman
Lawson
Samuel Dave Casteel
Nola Mae Jones
Fred Lee McCullough
Ader Reynolds

OLD MT. ZION, Cont.

Dorothy Robinson
Jessie Weathers
Marshall Davis
Rosie Pharris
Truman Bowman
Eugene Sparks
LoAnna Adams
Rex Bolinger
Merle Armes
Hulen Jones
Kate Norris
Albert Schanda
Emmer Cousins
Gerald Vanhook
Dollie Vaughn
Floyd Phillips
Mary Phillips
Georgie Remington
Pauline Cates
Guy Dixon
Elmer Long
Mattie Bearden
Patrick Walker
Harold McCullah
Elmer Martin
Rev. Louis Vondean
McFerrin
Velma L. Billings
Margaret Freeman
Paulette Graham
Eden Hope Baker
Ruby Hansen
Dolly Dean Sargent Kidd
Peggy Jean Wilson
Clint Standley
Elsie Standley
Willard Johnson
Mildred Ridenoure
Whiteley
Mary Ann Milan Turner
Josie Malone
Marcia Alarcon
Floyd Jackson
Wanda Jackson
Wilma Ruckman

OBITUARY REPORT, Continued

POLK BAYOU

Mae Bice
Helen Kinard
J. L. Woodruff
Ansel Reaves
Billy Bolin
Windell Browning
Charles Young
Ivernon Harris
Jim Eakes
J. D. Pearce
Billy Willhite
Maxine Atchinson
Chester Doyle
Anna Hampton
Alvie Stroud
Arvil A. Satterfield
(Deacon)
Estelle Bradley
Vernon Anderson
Bobby Bradley
Neoma Pippinger

SALINE

Annette Boseman
Marrion Hollis
Jack Dodson
Myrtle Gates
Marie Osburn
Nellie Harton
Kay Cox
Doyle Barker
Louella Parker
Ray Ferguson
J. T. Rickman
Bill O'Neal
Leslie Wynn
Edith Parnell
Janice Kimbrell
Rev. Charlie Collins
Luther Price
Dee White
Wanda Stanley

SOCIAL BAND

Ruby Gale Crider
Belle Horn

SOCIAL BAND

Eula Garrett
Tot Pratt
Lila Reed
Rosco Doyle
James Pitcher
Hazel Rickey
Anetta Smith
Trula King
Henry Price
Rev. Glynn Campbell
Elmo Edington
James Loren Robinson
Novella Crays
Susan Warner
J. A. Ponder
Ethel Holt
Janetta Jackson
Ralph Morrow (Deacon)
Gladys Winebaugh
Elmer Huffman
Jean Kirk
Leslie Story
Julian Hart
Naomi Moore
Randall "Pat" Lawson
Floy Pratt
Dortha Denton
Sloan Martin
Jean Reed

SOUTHEAST

ARKANSAS

Peggy Edwards

ZION HOPE

Wesley Collins (Deacon)
Emiline Chronister
John Hixon
Myrtle Bowen
Gladys Pixley
David John McClure
Clarence McClure
Ruby Row

ZION HOPE, Cont.

Rev. Burl Osborne
Brenda Dyer
Linda Rowland
Rev. Harold Garner

Respectfully Submitted

OBITUARY COMMITTEE

A. E. "Bo" Coffman
Earl Stapleton
Bob Isbell
Bobby Ralph McDaniel
O. D. Winfrey

ARKANSAS STATE ASSOCIATION CONSTITUTION

Preamble

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

Article I.

Name:

This organization shall be known as the Arkansas State Association of Free Will 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 Tuesday following the first Sunday in the month of August unless another time is recommended by the Executive Committee.

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 districts 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 executive director. Each of these, with exception of the executive 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 Executive 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 6. The moderator, assistant moderator, executive 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 executive director. A contractual agreement shall be signed annually by the executive director and the Executive Board. The executive 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.