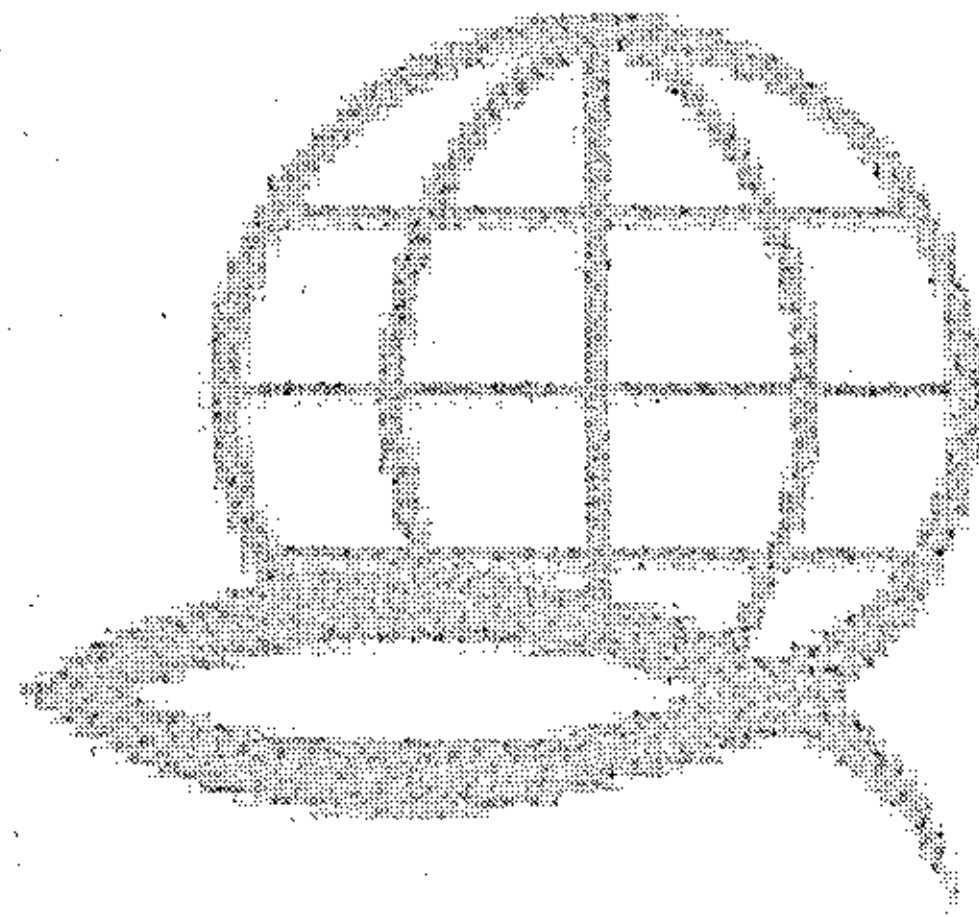


Minutes
of the
One-Hundred Sixth Annual Session
of the
Arkansas State Association
of
Free Will Baptists

Held at the
Conway Public School Auditorium
Conway, Arkansas
August 5-6, 2003



Moderator of the 106th Session

David Bishop
403 Avenue 2 N.E.
Atkins, Arkansas 72823

Clerk for the 106th Session

Randy Ledbetter
1103 East L Street
Russellville, AR 72801

MINUTES
Of the
106th Annual Session
of the
ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS

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OFFICERS AND STANDING BOARDS

2003-2004

EXECUTIVE BOARD

Will Harmon	2004
Jim Walker	2004
David Watson	2005
David Copeland	2005
Dale Blackwell	2006
Joe Buttgen	2006

MISSIONS BOARD

Randy Burris	2004
David Taylor	2004
Dwayne Roper	2005
Kerry Gandy	2005
Steve Trail	2006
Gerald Thomas	2006

YOUTH BOARD

Leo Martin	2004
Mark Stripling	2004
Dick Terry	2005
Mike King	2005
Chris Moody	2006
Johnny Miller	2006

CHRISTIAN EDUCATION BOARD

Randy Scott	2004
Bob Brown	2004
Kendall Ross	2005
Vince Daniels	2005
Leroy Scudder	2006
Doug Jones	2006

MODERATOR	David Bishop
ASSISTANT MODERATOR	David Winfrey
CLERK	Randy Ledbetter
ASSISTANT CLERK	Wendell Leckbee

OFFICERS OF DISTRICT ASSOCIATIONS

ANTIOCH

Moderator-Bobby Wells
Rt 1 Box 892
Dardanelle, AR 72834
(479) 576-4081

Clerk-Robert Williams
3894 Hwy 9
Springfield, AR 72157
(501) 354-4857

ARKANSAS

Moderator-Delbert Hodges
P. O. Box 378
Lavaca, AR 72941
(479) 674-5471

Clerk- Kathy Minnie
HC 69 Box 124
Gravelly, AR 72838
(479) 299-4607

CENTRAL

Moderator-Wendell Leckbee
3731 Lakeshore Drive
North Little Rock, AR 72116
(501) 753-1719

Clerk-Edna Baker
11311 Woody Green Road
Bauxite, AR 72011
(501) 602-2393

FELLOWSHIP

Moderator-David Bishop
403 Ave 2 N.E.
Atkins, AR 72823
(479) 641-7520

Clerk-Keth Bowden
245 Bowen Estates Circle
Russellville, AR 72802
(479) 968-8321

HARMONY

Moderator-David Williams
P. O. Box 63
Harvey, AR 72841
(479) 299-4967

Clerk-Rhonda Mitchell
P. O. Box 233
Belleville, AR 72824
(479) 493-2257

LITTLE MISSOURI RIVER

Moderator-Ron Parker
868 Melba Drive
Shreveport, LA 71118
(318) 688-8751

Clerk-Deshe Ledbetter
P. O. Box 1374
Glenwood, AR 71943
(870) 356-5517

NEW HOPE

Moderator-Robert Brown
5286 Hwy 36 West
Rose Bud, AR 72137
Ph. (501) 556-5671

Clerk- Linda Whitten
#9 Whitten Lane
Vilonia, AR 72173
Ph. (501) 796-3972

NORTHWEST

Moderator-Bill Wyatt
25 CR 804
Green Forest, AR 72638
(870) 438-5690

Clerk- Bradley Clark
210 Cardinal Street
Harrison, AR 72601
(870) 743-9478

OLD MOUNT ZION

Moderator-Paul Payne
3017 East Emma
Springdale, AR 72764
(479) 751-3047

Clerk- Carla Henson
P.O. Box 2165
Rogers, AR 72732
(479) 451-8408

POLK BAYOU

Moderator-David Winfrey
200 Choate
Tuckerman, AR 72473
(870) 349-5394

Clerk-Jennifer Daniel
HC 80 Box 18
Sage, AR 72573
(870) 346-5575

SALINE

Moderator- Frank Matchett
Rt 1 Box 73
Star City, AR 71667
(870) 628-3278

Clerk-Tracy Nichols
115 Smith Road
Warren, AR 71671
(870) 226-5927

SOCIAL BAND

Moderator-Leo Martin
Po Box 152
Reyno, AR 72462
(870) 769-2269

Clerk-Dale Blackwell
710 Utnage Drive
Jonesboro, AR 72404
(870) 932-6195

SOUTHEAST ARKANSAS

Moderator-Phillip Payne
644 B 144 West
Lake Village, AR 71653
(870) 256-3755

Clerk-Phyllis Welch
130 Pickle Shed Road
Chicot, AR 71640
870) 355-2326

UNITY

Moderator-Will Harmon
905 Karry Lane
Fort Smith, AR 72901
(479) 649-0082.

Clerk- John Hayes
2602 Phillips Drive
Van Buren, AR 72956
(479) 471-0854

ZION HOPE #2

Moderator-Chet Smith
6136 Arkhola Road
Van Buren, AR 72156
(479) 474-9243

Clerk- Gary O'Kelley
P. O. Box 1424
Van Buren, AR 72957
(479) 632-3612

PROCEEDINGS

Tuesday Evening, August 5, 2003

The 106th annual session of the Arkansas State Association of Free Will Baptists met at the Conway Public School Auditorium in Conway, Arkansas on August 5-6, 2003. The convention theme was *"The Importance of Preaching."* The theme verse was 1 Corinthians 1:18-21.

The Tuesday evening service opened with song director Frank Matchett leading the congregation in singing *"He Keeps Me Singing"* and *"Victory in Jesus."*

Randy Ledbetter, Clerk, led in prayer, called the session to order, and introduced the Moderator, David Bishop. Brother Bishop read from Psalm 8.

The Committee on Committees was elected as follows: Hoover Lewis, Leroy Scudder, Mark Stripling, Tim Harris, and Tim Landers. Special music was brought by the choir of First Free Will Baptist Church, Crossett, Arkansas. They sang *"Thy Loving Kindness," "Paid in Full,"* and *"I'll Sail Away Home."*

Offertory prayer was led by Nelson Henderson. Offertory music was brought by Sue Patton. The offerings were divided as follows: one-third to National Home Missionaries present: one-third to Foreign Missionaries present: and one-third to State Missionaries present:

Moderator David Bishop introduced the evening speaker, Brother Randell Williams, of the Welcome Home Free Will Baptist Church, Hector, Arkansas. Special music was brought by Connie and Stacy Brown, and Stacy Higginbotham who sang *"Holy is He."* Randell Williams preached from 1 Corinthians 1:18-21 on the subject *"The Importance of Preaching for the Individual Christian."*

Report of the Committee on Committees was given (pages 7-8). Brother David Winfrey dismissed in prayer.

Wednesday Morning August 6, 2003

The service opened with the congregation singing "*Joy Unspeakable.*" Jason Scott brought the morning devotion from Mark, Chapter 2, and led in prayer. Moderator David Bishop brought a brief message from Nehemiah, Chapter 6 about the great work we are involved in.

The Credentials Committee Report was read by the Clerk, Randy Ledbetter (page 8). Motion passed to accept the report and seat the delegates. Motion passed to dismiss Credentials Committee. Visitors were recognized and welcomed.

Report of the Arkansas Women Active for Christ was given by President Lisa Bowden (pages 8-9). Motion passed to receive the report.

Report of the State Executive Board was given by Randell Williams (pages 15-17). Motion was passed to accept the report.

Dale Blackwell was re-elected and Joe Buttgen (replacing Randell Williams) was elected to the Executive Board.

Report of the Executive Director was given by Executive Director Tim Campbell, (pages 18-32) and Auditor Ricky Taylor gave the Auditor's Report. Brother Tim outlined some changes in the way the budget was structured and reported, and commented on the state of our Executive Office and State ministries. Motion passed to accept the report and adopt the budget.

Report of the Nominating Committee was given by Brother Fred Warner (page 70). Motion passed to receive and accept the report.

Report of the Christian Supply Store was given by Keith Johnson (page 33-39). Motion passed to accept the report and adopt the budget.

All missionaries were recognized, and special prayer was given by Phillip Payne for our missionaries and their work.

Wednesday Morning Worship Service August 6, 2003

The service opened with the congregation singing "*The Longer I Serve Him,*" led by Frank Matchett. Randy Scott led in prayer. Special music was brought by Don Matchett, who sang "*The Old Rugged Cross*" accompanied by Jim Reed at the piano, and Pat Baze on bass guitar. Assistant Moderator David Winfrey introduced the morning speaker, David Harper, pastor of First Free Will Baptist, Jacksonville, Arkansas, who spoke on the subject "*The Importance of Preaching for the Church*" from 1 Corinthians 14:1-4. He urged us to faithfully preach the Word so the

Holy Spirit can use it to edify, exhort, and comfort the people. Tim Landers dismissed in prayer.

Wednesday Afternoon Business Session August 6, 2003

Jared Higgenbotham brought the afternoon devotion from Genesis 37:5, on "*Daring to Dream.*" Johnny Miller brought the **State Youth Board Report** (pages 40-42). Patrick Baze gave the **Youth Director's Report** on Camp Beaverfork (pages 43-49).

Ricky Taylor reported on the finances of the camp. Motion passed to receive these reports and adopt the budget. Chris Moody was elected to the State Youth Board, replacing Randall Ray. Johnny Miller was re-elected to the board.

Report of the State Christian Education Board was given by Kendall Ross (pages 50-52). Motion passed to receive the report and adopt the budget. Leroy Scudder (succeeding himself), Randy Scott (replacing Mike Phillips), and Doug Jones (replacing Jackie Brown) were elected to the State Christian Education Board.

Will Harmon was re-elected to the position of Hillsdale Trustee.

The Report of the State Home Mission Board was given by Dwayne Roper (pages 53-64). Plaques of appreciation were presented to Johnny Fowlkes and Bobby Shepherd for their years of service to the board. The Board recommended that a Missions Director be hired for the State of Arkansas, and be funded through the Cooperative Plan. That position was included in the proposed budget for 2004. A motion was made to table the motion until next year's State Meeting, when more detailed information will be brought to the body. This motion failed. A motion was passed to receive the report and adopt the budget. Steve Trail (replacing Bobby Shepherd) and Gerald Thomas (replacing John Fowlkes) were elected to the State Home Missions Board.

Kyle Hood expressed his thanks to the State and various churches for their support of the OASIS program (page 65).

The A.C.T.S. 1:8 Task Force Report was given by Nelson Henderson (pages 66-69). Doug Little was honored for his work for the A.C.T.S 1:8 plan. Recommendation was made to accept the Missionary Qualifications stated on pages 53 & 54 of the Digest of Reports. Motion passed to accept the report and adopt the budget.

Report of the Resolution Committee was read and accepted (page 10).

Report of the Obituary Committee was read by Assistant Clerk Paul Hammons (pages 11-12). Congregation stood for a moment of silence and Ben Scott led a prayer of thanks for these lives. Motion was passed to accept the report and dismiss the committee.

The Statistics Report was read (page 13). Motion was passed to receive the report and dismiss the committee.

The Registration Report was read (page 13). Motion was passed to receive the report and dismiss the committee.

Delegates to the 2004 National Association in Kansas City, Missouri, were elected as follows: Brenda Housley, Mike Birmingham, Willia Jean Lewis, Ozella Smith, and Alene Coffman.

State Officers elected for the next year were as follows: Wendell Leckbee: Assistant Clerk, Randy Ledbetter: Clerk, David Winfrey; Assistant Moderator, and David Bishop: Moderator.

Motion made to change the name of the State Home Missions Board to State Mission Board. This motion was tabled.

Motion made and passed to re-designate 2 ½% from Oasis, and 2% from A.C.T.S. 1:8 to the Mission budget in the cooperative plan.

Announcement was made about Master's Men program. Levan Hubbard dismissed in prayer

Wednesday Evening Worship Service August 6, 2003

The service opened with the congregation singing "*Tis So Sweet to Trust in Jesus*" and "*Family of God*." Special music was brought by the Allen Chapel Free Will Baptist Church choir, who sang "*In Christ Alone*" and "*Calvary's Love*." Ronnie Whitten led in the offertory prayer. Offertory music was brought by Melissa Haralson. Moderator David Bishop introduced the evening speaker, Jim Fairchild, home missionary to Cabot, Arkansas, and the North Little Rock Girls Quartet who sang "*Here I Am to Worship*" as special music. Brother Jim Fairchild spoke on the theme "*The Importance of Preaching for the Unsaved*" from Numbers 16:44-48. Brother B. J. Duvall dismissed in prayer.

REPORTS

REPORT OF THE COMMITTEE ON COMMITTEES

Nominating: Gene Cullum, Steve Trail, Raymond Chronister, Lonny Burks, Kendall Ross

Credentials: Dale Blackwell, O.D. Winfrey, Jim Walker, Bobby Shepherd, Terrell Holland

Resolutions: David Copeland, Nelson Henderson, Levan Hubbard, Bill Wyatt, Will Harmon

Obituary: Jason Scott, Jennifer Daniel, Linda Whitten, David Taylor, Kerry Gandy

Committee on Committees:

Tim Harris

Leroy Scudder

Tim Landers

Mark Stripling

Hoover Lewis

REPORT OF THE CREDENTIALS COMMITTEE

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

The following district associations have represented by letter, delegates, and partial fees:

New Hope: one church did not pay: Greenbrier. Northwest: one church did not pay: Mt. Olivet. Zion Hope; ten churches did not pay: Barling, Booneville, Chester, Cornerstone, Cottonwood, Eighty-eight, First, Fort Smith, Kibler, Van Buren, and Hwy 71.

The twelve churches represent a total of \$1,560.00 unpaid for the state and national fees. We encourage those district associations to ask these churches to pay their fees. If the churches will not pay, each district is asked to consider paying their fees. If the fees are not paid by the church or the district, the state association will be forced to pay the shortage in fees in order to fully represent at the national association.

Respectfully submitted: Credentials Committee

Dale Blackwell

Terrell Holland

Jim Walker

O. D. Winfrey

Bobby Shepherd

REPORT OF THE ARKANSAS WOMEN ACTIVE FOR CHRIST

The 49th Annual session of the Arkansas Women Active for Christ met August 5, 2003, at Conway Public School Auditorium. The theme for the day was "*In His Presence*" taken from Psalms 16:11. The singing was directed by Sue Patton with Deniece Hammons as the pianist.

Several home and foreign missionaries gave greetings and updates during the missionary share time.

Special music was given by Becky Miller. The 11:00 speaker was Stan Bunch, foreign missionary to Panama.

All 11 districts reported with 68 locals and membership of 801. A total of 174 registered, including 7 foreign missionaries and 9 home missionaries. Total receipts were \$79,683.63. Cash and non-cash gifts sent directly were \$9,320.00, making a total giving of \$89,003.63. Giving to Foreign

Missions was \$28,412.15 (A.C.T.S. 1 :8 receiving \$ 22,909.62 of this amount); National Home Missions \$19,362.80; Children’s Home \$2,899.07; and the 2002 State Project The Ken Doggett Building Fund and the Rue Dell Smith Land Fund \$13,301.57.

The following resolutions were adopted. (see below)

The 36th Annual banquet was in the McCastlain Hall on the UCA Campus, August 5, 2003, at 5:00 PM with 160 in attendance. Brenda Bunch, Foreign Missionary to Panama, spoke from the theme “*Our Dwelling Place.*” Special music was by Angela Duncan of the Polk Bayou Association.

The Annual Retreat was conducted May 2-3, 2003 at Camp Beaverfork with 151 registering. The theme was “*A Walk In The Park*” taken from Micah 6:8. The speakers were Lisa Miller, Dorcas Duvall, Janie Campbell, Barbara Taylor, Belinda Adaire, and Shelia Harris.

Respectfully Submitted, Lisa Bowden, Arkansas WAC President

We, the Resolution Committee, submit the following recommendations:

1. We recommend that the Arkansas Women Active for Christ, as a body, reaffirm the recommendation from WNAC to stand against same sex marriages, and that we make every effort as individuals of the body, to contact our senators, congressmen, and others in political positions informing them of this stand.
2. We recommend that the Records Committee be extended to serve until after our 50th Anniversary and that the 11 district presidents serve as a sub-committee to the Records Committee.
3. We recommend that the home missionaries: Jim Fairchild/Cabot, Arkansas, and John Reed/Green Bay, Wisconsin, be the state project for 2004.

Respectfully submitted: RESOLUTION COMMITTEE:

Belinda Adaire	Jayne Hannah
Brenda Housely	Mary Burris
Mary Ann Chronister	Judy Trail

ARKANSAS MASTER'S MEN

Arkansas State Master's Men meeting was held at Ryan's Family Steakhouse in Conway, Arkansas, on Wednesday August 6, 2003. The meeting was called to order by President Darren Walker. Brother Tim Ebarb brought the message. He spoke on: Fellowship, Edification, Soul Winning, Stewardship, and Discipleship. The State Project adopted was to continue the funds to pay on the Camp Beaverfork bathroom loan. The treasurer's report was read and approved. Officers were elected as follows:

President: Darren Walker

Program: Ken Nabors

Treasurer: Jerry Lewis

Chorister: Brad Smith

Membership: Carmon Rushing

The meeting was closed in prayer by Brother Tim Campbell.

RESOLUTIONS COMMITTEE REPORT

Whereas, we accept the Bible as the infallible Word of God, written by holy men, inspired by the Holy Spirit: and

Whereas, marriage was instituted by God between a man and a woman; and

Whereas, we have no authority to alter the Word of God; now therefore, be it

Resolved, that we cannot recognize or otherwise sanction any union between two individuals as marriage other than that between a man and a woman.

Sincerely,

Antioch Association Clerk, Robert Williams

Respectfully Submitted: RESOLUTIONS COMMITTEE

David Copeland, Chairman

Levan Hubbard

Nelson Henderson

Bill Wyatt

Will Harmon

2003 OBITUARY REPORT

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

ANTIOCH

Rev. Vernon Rosamond

Louisa Yancy
Stanley Smith
Ada Cadwallader
Rev. T. A. Miller
Ralph Duvall
Y. Z. Burris
Donald Via
Pauline Mashburn
Claudie Miller
Ollie Dixon
Floy Johnston
Alvie Geurian
Maggie McMillan
Bob Harrison
Leon Huett
Virgie Chapman
Troy Ennis
Henry Daniels

ARKANSAS

Stephanie Morrison
Jack Remer (Deacon)
Lloyd Emery
Inez Metcalf
June Smith
Freda Rose
Rena Smith
Melba Boyd
Carlton Defoor
Geneva Hammond

CENTRAL

Charlotte Jones
Ruth Conner
Rufus Hayes
Ann Campbell
Pernecie Weir
Dorothy Pearson
Richard Stockton
Roy Cowan
J. P. Pipkin
Betty Ruth Taylor
Don McCrowddan
Verna Pendergraft
Myra Hill

FELLOWSHIP

Sam Hamick (Deacon)
Owen Dickey
Argie Sparkes
Cula Richardson (Non-member)
Eric Bewley (Non-member)
Nona Kinder
J. A. Davis (Deacon)
Doyle Travis
Leona Laycook
Peggy Haralson
Chloie Williams
Don Cook
Truman Coffman (Deacon)

HARMONY

Osbern Harkey
Jimmy Luttrell
Wesley Stroud
Hubert Hall
Lee Bland
Reva Sue Thompson

LITTLE MISSOURI RIVER

Carol Dixon
Barbara Allen
Edna Mantooth
Eunice Shaw
Verdean Whisenhunt

NEW HOPE

Rev. Herbert Crouch
Margie Barger
Artie Lawson
Cloy Lee Stacy
Winston Covington
Tony Mergenschroer
Iva Turner
Billie Martin
Richard Martin
Dorothy Haney
Lucille Duffel
Edith Scott
Zelda Burlison
Dorothy Hannah
Patsy Mercer

OLD MT. ZION

Tommy Jack Johnson
Luie Robinson
Minnie Foster
Cleo Grimes
Elsie Phillips
Rev. Jimmy McCully

OLD MT. ZION, Cont.

Opal May Pittillo
Lorene Jean Taylor
Etta Maw Yohn
Chloe Evertt
Steve Reeves
Francis Haffelder
Kenneth Dotson
Loretta Walden
Kim Burris
Euna McKnight
Elmer Quinton Barnes
Earl Taylor
Ray Dean Bradley
Clyde Scott
Velma Pearl
William McGarrah
George Anderson
Mary Edgmon
Oscar Smith
Esther Maze
Lilliam Barnes
Avie Irene Hawley
Erma Hester
Jack Barnes, Sr.
Flora Long
Homer Boren
Rev. George Raymond Hunton
Ova Goff
Frances Illene Neal
William Ira Shackelford
Harold L. McCaslin

POLK BAYOU

Steve Harris
Alma Killian
Bernard Whiteaker
Hazel Lewis
Ellie Cantwell
Gertie Earline Freeman
Nancy Godwin
Albert Sharp
Viva Smith
Johnny Smith
Audrey Williams
Jerry Smith
Paul Razor
Lois Roach
Belva Campbell
Lillian Williams
Ruth Coleman
Mildred Carter
Edith Brock
Nina Roach

2003 OBITUARY REPORT, *Continued*

SALINE ASSOCIATION

Daniel "Mitt" Forrest
Rastus Pace
Elsie Bartlow
J. B. Boseman
Red Nuckolls
Vera Akins
Lobelia Foy
Donald W. Lewis
Austin Rodgers
James (Jim) Brown
Grachel Harvill
Onie King
Rev. Roy L. Thompson
Jessie Mae Lovett
Edith Meeks
Sally Ross
Dorothy Estelle
Thomas Guthrie (Deacon)
Jannice Castleberry
Frank Pewgtone
Houston Wynn
Milton Shillings
Erma Curry

SOCIAL BAND

Irene Sides
Henrietta King
Charles Perrin
Robert Reed
Thomas Lee Brooks
Spencer Hardin
Tom Hackworth
Mittie Grissom
Trudie Eva O'Conner Reeves
Ruby Williams
Gloria Faye Yates
Don Smith
Billy Clayton
Oberene Turner
Ralph Rosselot
Jessie Robinson
Roy Bonds
W. W. Leonard
Mary Jane Kellett
Viella Winebaugh
Virginia Tiner
Candice Seagraves
Doris Johnson
Samuel Barnes

SOUTHEAST ARKANSAS

Rev. Ralph Gray
Janet White

UNITY ASSOCIATION

Rev. Lloyd Summerhill

ZION HOPE #2

Alfred Allen
Betty Lou Peoples
Dona Mae McGuire
Herbert Hyde
Frank Elmore
Georgia Cagle
Eulis Huggins
Velma Walters
Hubert Nelson
Bette Dunn
Geneva Hopkins
Goldie Carney
Bob McClurg
Nell Underwood
Ocie Eubanks
Warren Martin

We, the Obituary Committee, submit these names as saints who have entered eternal rest and peace in the presence of God Almighty.

We have lost 204 in the past year. These include eight ministers and five deacons.

Our loss is Heaven's gain.

We move you accept this report and stand for a moment of silence followed by prayer.

Respectfully submitted:

OBITUARY COMMITTEE:

Jason Scott	Jennifer Daniel
Linda Whitten	David Taylor
Kerry Gandy	

STATISTICS REPORT

The Arkansas State Association of Free Will Baptists reports 15 associations comprised of 213 churches. The statistics for membership, baptism, etc., are based on the 196 churches who reported.

There are 93 churches located in a city/town, 115 churches in rural, 88 with full-time pastors, and 85 part-time pastors.

There are 312 ordained ministers, 61 licensed ministers, and 465 ordained deacons.

The churches reported 620 baptisms with 1,065 members added, 604 members lost, and a total membership of 18,695.

Sunday School enrollment was 10,483 CTS enrollment was 1,941; Women Active for Christ membership was 1,019 and Master's Men membership was 231.

There were four churches with day care, six churches with kindergartens, and five with Christian day schools.

The total income of all churches reporting was \$10,980.167.26 and 45 churches with budgets.

There were 63 churches with parsonages, and a total value of all church property, including parsonages, of \$47,827.197.00.

2002 REGISTRATION COMMITTEE REPORT

The following have registered during the 106th session of the Arkansas State Association of Free Will Baptists, held at the Conway Public School Auditorium, in Conway, Arkansas, on August 5-6, 2003: Ministers 103, Deacons 14, Delegates 47, Home Missionaries 13, Visitors 134, for a grand total of 311 registered.

Respectfully submitted: Bob Brown

EXECUTIVE COMMITTEE REPORT

March 18, 2003

The Executive Committee met on March 18, 2003, at Lake DeGray Resort State Park near Bismarck, Arkansas, during the State Minister's Retreat. Those present were: David Bishop, David Winfrey, Paul Hammons, and Tim Campbell. Plans for the 2003 state association were discussed and the following program was approved:

STATE ASSOCIATION THEME: *"The Importance of Preaching," I Corinthians 1:18-21*

Tuesday evening, August 5: *"The Importance of Preaching for the Individual Christian,"* Rev. Randel Williams, Pastor of the Welcome Home Free Will Baptist Church, Hector, Arkansas.

Wednesday morning worship: *"The Importance of Preaching for the Church,"* Rev. David Harper, Pastor of the First Free Will Baptist Church, Jacksonville, Arkansas.

Wednesday evening worship: *"The Importance of Preaching for the Unsaved,"* Rev. Jim Fairchild, Pastor of Arkansas State Home Mission Church – The Worship Center Free Will Baptist Church, Cabot, Arkansas.

Wednesday morning devotion: Rev. Jason Scott, Pastor of the Phillip's Chapel Free Will Baptist Church, Springdale, Arkansas.

Wednesday afternoon devotion: Rev. Jared Higgenbotham, Pastor of the First Free Will Baptist Church, Dardanelle, Arkansas.

Music Coordinator: Frank Matchett; Pianist: Sue Patton

Special Music: First Free Will Baptist Choir, Crossett, Arkansas, and Allen Chapel Free Will Baptist Church, Batesville, Arkansas.

A Bible Conference was planned for August 5, Tuesday afternoon, from 1:30-3:30 PM with Rev. Terry Forrest, Pastoral Training Coordinator at Free Will Baptist Bible College, Nashville, Tennessee.

July 7, 2003

The Executive Committee met at the state office in Conway, Arkansas, with all members present as well as Executive Director Tim Campbell 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

Randy Ledbetter, Clerk

David Winfrey, Assistant Moderator

Paul Hammons, Assistant Clerk

Tim Campbell, Executive Director

EXECUTIVE BOARD REPORT

July 28, 2002

The Executive Board of the Arkansas State Association of Free Will Baptists met by conference call on Wednesday, July 28, 2002. Members participating included: Randell Williams, Andy Percy, Will Harmon, Doug Little, Dale Blackwell, Tommy Tims, Moderator David Bishop, Executive Director Tim Campbell, and Christian Supply Store Manager Keith Johnson.

Chairman Randell Williams presented to the Board the need to amend the proposed 2003 budget for Christian Supply Store to adjust the amount of salary for the manager. He and Brother Johnson explained the proposal and answered questions.

Motion passed to revise the proposed 2003 budget for Christian Supply Store to increase the manager's salary from \$9,078 to \$18,876 and adjust the receipts and total expenses as necessary to reflect that increase.

General information was discussed about the lease for the bookstore and plans for a reception for the new Executive Director and an open house for the bookstore on Tuesday of the State Association meeting.

August 7, 2002

The Executive Board met during the State Association meeting on August 7, 2002, at Conway High School Public Auditorium in Conway, Arkansas. Members present included: Randell Williams, Dale Blackwell, Will Harmon, Tommy Tims, and Moderator David Bishop.

New officers were elected for the coming year: Randell Williams, Chairman; Dale Blackwell, Vice-Chairman, and David Watson, Secretary.

October 1, 2002

The Executive Board met on October 1, 2002, at the state office with the following members present: Randell Williams, Dale Blackwell, Will Harmon, David Watson, Moderator David Bishop, and Executive Director Tim Campbell. The lease on the bookstore was discussed as well as the potential lessee for the property at the state office building.

October 24, 2002

The Executive Board met at the state office on October 24, 2002. Chairman Randell Williams called the meeting to order with the following members present: Dale Blackwell, Will Harmon, Tommy Tims, David Watson, Moderator David Bishop, Executive Director Tim Campbell and Christian Supply Store Manager Keith Johnson.

Motion passed to elect Lynn Crawford to finish the unexpired term of Mike King on the Youth Camp Board and Tim Landers to finish the unexpired term of Dick Terry on the Youth Camp Board.

Motion passed to amend Section II, Part C of the Executive Director's contract to include life insurance. The contract was signed by the Executive Director and the board.

Motion passed to pay one week's salary for the year 2002 as a Christmas bonus to the Executive Director.

Reports were given by the Executive Director Tim Campbell. A two-year lease was signed beginning December 1, 2002, with Merry-Go-Round Children's Resale, LLC for \$1650 per month. They will make repairs to the property at their expense in lieu of rent for November 2002.

Motion passed to increase the subscription rate for *THE VISION* from \$3 to \$4 effective January 1, 2003.

Reports from the Christian Supply Store were presented by Keith Johnson. Questions about the report were discussed. Effective January 1, 2003, there will be no full-time employees with the exception of Keith Johnson, and there will be no employee benefits except for Keith and Barbara Johnson.

November 24, 2002

The Executive Board met via conference call at 10:00 PM on November 24, 2002. Chairman Randell Williams called the meeting to order with members Dale Blackwell, Will Harmon, Tommy Tims, David Watson, Moderator David Bishop, and Executive Director Tim Campbell.

Motion passed to elect David Copeland to fulfill the term of Ed Cook who had resigned from the Executive Board and moved out of state.

EXECUTIVE BOARD REPORT, *Continued*

December 16, 2002

The Executive Board met via conference call on December 16, 2002, with the following members participating: Randell Williams, David Watson, Dale Blackwell, Will Harmon, as well as Moderator David Bishop, and Executive Director Tim Campbell.

Motion passed to pay \$400 Christmas bonus to Kyle Hood, director of OASIS campus ministry.

Motion passed to not implement the change of \$50 for the Minister's Benevolent Fund until after the All Board's meeting in January 2003.

Motion passed to be the guarantor on a loan for the Lake Hills Free Will Baptist Church in Hot Springs.

January 27-28, 2003

The Executive Board met on January 27-28, 2003, at the All Board's meeting at the Ozark Conference Center in Solgohachia, Arkansas. The following members were present: Randell Williams, Dale Blackwell, David Watson, Will Harmon, David Copeland, Moderator David Bishop, Oasis Campus Director Kyle Hood, Christian Supply Store Manager Keith Johnson, and Executive Director Tim Campbell.

Motion passed to approve the report as given by Kyle Hood on the OASIS ministry.

Motion passed to elect Jim Walker to fill the unexpired term of Tommy Tims who resigned for health reasons. (Bro. Walker joined the meeting on Tuesday.)

Keith Johnson gave a report on the bookstore and a summary of the audit for 2002. The board revised and approved the payroll and benefit reductions presented by Keith Johnson to reduce expense. Motion passed to draft and send a letter to be published in *THE VISION* concerning the status of the bookstore. Motion passed to approve the line of credit for 2003. Motion passed to approve the bookstore report. The contract for Christian Supply Store Manager Keith Johnson was reviewed and signed for 2003.

Motion passed to approve and sign the 2003 contract for Kyle Hood for OASIS Campus Ministry.

Motion passed to approve and sign the 2003 contract for Executive Director Tim Campbell.

Motion passed to transfer \$3500 from the Contingency Fund to Operational Fund, effective December 31, 2002.

Motion passed to authorize Tim Campbell to appoint a committee to do a feasibility study for a missions director.

Motion passed to amend previous motion concerning the benevolent fund contributions and the one-time enrollment fee. Amount was lowered from \$50 to \$35 for each participant when a death occurs and the one-time enrollment fee was increased from \$5 to \$10.

Motion passed to accept the reports as given by Executive Director Tim Campbell.

March 17, 2003

The Executive Board met on March 17, 2003, at the state office with the following members present: Randell Williams, Dale Blackwell, David Watson, Will Harmon, David Copeland, Christian Supply Store Manager Keith Johnson, and Executive Director Tim Campbell.

Keith Johnson presented the financial reports from Christian Supply Store. Reports for the month of February were discussed. They revealed that the cost cutting measures placed in effect at the first of the year have been successful for the period.

May 20, 2003

The Executive Board met on May 20, 2003, at the state office with the following members present: Randell Williams, Dale Blackwell, Jim Walker, Will Harmon, and Executive Director Tim Campbell.

The purpose of the meeting was for reviewing the personnel policy manual, rental of portion of the office building, and the possibility of recommending to the state the creation of a missions director and reviewing operating expenses prior to the budget meeting in July.

July 8, 2003

The Executive Board met on July 8, 2003, at the state office with the following members present: Randell Williams, Will Harmon, Dale Blackwell, Moderator David Bishop, Christian Supply Store Manager Keith Johnson, Executive Director Tim Campbell, Oasis Campus Director Kyle Hood, and Ricky Taylor, CPA.

EXECUTIVE BOARD REPORT, *Continued*

July 8, 2002, Continued

Motion passed to accept the 2002 audit of Arkansas Free Will Baptists as presented by Ricky Taylor, CPA.

Motion passed to accept the Christian Supply Store report and adopt the 2004 budget.

Motion passed to accept the reports as given by Executive Director Tim Campbell and to adopt the 2004 budgets for COOP, General Fund, Operational Fund, Sunday School, VISION, and Contingency Fund which includes a freeze and adjustments in salaries.

Under mutual agreement between the Executive Board and OASIS Campus Director Kyle Hood, the OASIS ministry will be phased out and not included in 2004.

Motion passed to approve the lease agreement with American Check Cashers, contingent upon approval of changes in the termination wording in the lease.

PROPOSED COOPERATIVE PLAN BUDGET - 2004

<u>AGENCY</u>	<u>PLAN A</u>		<u>PLAN B</u>	
	<u>PROPOSED AMOUNT</u>		<u>PROPOSED AMOUNT</u>	
General Fund	18.5 %	\$100,825.00	18.5%	\$100,825.00
State Missions <i>(See Note Below)</i>	17.0 %	92,650.00	17.0%	92,650.00
Youth Board	17.5 %	95,375.00	17.5%	95,375.00
C. E. Board	3.0 %	16,350.00	3.0%	16,350.00
THE VISION	2.0 %	10,900.00	2.0%	10,900.00
A.C.T.S. 1:8 Task Force <i>(See Note)</i>	2.0 %	10,900.00	2.0%	10,900.00
Student Ministry-OASIS <i>(See Note)</i>	2.5%	13,625.00	2.5%	13,625.00
TOTAL	62.5 %	\$340,625.00	62.5%	\$340,625.00
 National Association	 37.5 %	 \$204,375.00	 30.5%	 \$166,225.00
 Hillsdale			 7.0%	 38,150.00
 TOTAL	 100.0 %	 \$545,000.00	 100.0%	 \$545,000.00

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

NOTE: At the state meeting on August 6, 2003, the body voted to re-designate the Coop percentages from A.C.T.S. 1:8 Task Force - 2% and Student Ministry-OASIS - 2.5% to State Missions for a total of 21.5%.

Randell Williams, Chairman
Dale Blackwell, Vice-Chairman
David Watson, Secretary

Will Harmon
Jim Walker
David Copeland

ARKANSAS FREE WILL BAPTIST
Comparative Receipts - January -December 2001-2002

STATE ASSOCIATION

	<u>2002</u>	<u>2001</u>	<u>Increase (Decrease)</u>	<u>% Gain (% Loss)</u>
General Fund	89,320.92	90,745.90	-1,424.98	-1.57%
Operational Fund	7,700.02	18,373.35	-10,673.33	-58.09%
State Missions-Designated	145,303.73	179,166.14	-33,862.41	-18.90%
SM Property Notes	10,579.58	57,130.04	-46,550.46	-81.48%
Sunday School Literature	259,294.92	254,701.83	4,593.09	1.80%
State Association Fees	6,315.00	6,120.00	195.00	3.19%
National Association Fees	10,600.00	10,250.00	350.00	3.41%
THE VISION	18,102.39	17,791.11	311.28	1.75%
OASIS	41,665.99	39,324.82	2,341.17	5.95%
Christian Education Board	27,873.62	18,321.76	9,551.86	52.13%
A.C.T.S. 1:8 Task Force	9,529.14	9,323.64	205.50	2.20%
Miscellaneous Accounts	4,830.51	26,189.87	-21,359.36	-81.56%
Christian Supply Store	659,110.30	709,709.06	-50,598.76	-7.13%
Camp Beaverfork	183,220.59	194,962.00	-11,741.41	-6.02%
TOTALS (1)	1,475,448.71	1,632,109.52	-156,660.81	-9.60%
A.C.T.S. 1:8 (2)	456,067.41	488,086.27	-32,018.86	-6.56%
COOP (3)	524,056.71	511,662.74	12,393.97	2.42%
HILLSDALE	84,875.02	87,891.11	-3,016.09	-3.43%

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.

STATE ASSOCIATION

	<u>2002</u>	<u>2001</u>	<u>Increase (Decrease)</u>	<u>% Gain (% Loss)</u>
Executive Office	89,056.62	90,365.32	-1,308.70	-1.45%
Foreign Missions	555,447.05	655,585.78	-100,138.73	-15.27%
National Home Missions	269,671.50	242,277.64	27,393.86	11.31%
FWBBC	74,782.22	90,028.75	-15,246.53	-16.94%
Bd. Of Retirement & Insurance	15,296.91	15,496.22	-199.31	-1.29%
Master's Men	17,081.07	17,566.25	-485.18	-2.76%
WNAC	12,587.05	11,651.34	935.71	8.03%
FWB Foundation	6,549.56	6,635.16	-85.60	-1.29%
Theological-Integrity Commission	544.24	551.86	-7.62	-1.38%
Media Commission	544.24	551.86	-7.62	-1.38%
Music Commission	544.24	551.86	-7.62	-1.38%
Historical Commission	544.24	551.86	-7.62	-1.38%
TOTALS	1,042,648.94	1,131,813.90	-89,164.96	-7.88%
GRAND TOTAL	2,518,097.65	2,763,923.42	-245,825.77	-8.89%
(STATE,NATIONAL,AND HILLSDALE)				

JANUARY-DECEMBER 2002 COOP - \$524,056.71

ANTIOCH		NEW HOPE, Continued		SALINE, Continued	
Mt. Vernon	2,600.00	Friendship	3,507.41	Mt. Pleasant	70.00
Smith Springs	111.95	Mt. Bethel	5,790.48	Oak Grove	905.76
ANTIOCH	2,711.95	Rolling Oaks	5,100.00	Pine Hill	420.00
CENTRAL		Sharon	3,621.80	Pleasant Grove	63.00
Bethel	2,046.53	South Heights	4,518.93	Pleasant Valley	4,093.46
Capitol City	135.00	NEW HOPE	30,515.54	Rose Hill	5,492.11
Conway, First	3,982.75	NORTHWEST		Spring Hill	63.00
Hot Springs, First	1,500.00	Berryville	333.22	Star City, First	6,815.09
Jacksonville, First	2,945.02	Eureka Springs	575.28	Trinity	9,096.36
Malvern	1,443.86	Gospel Lighthouse, MO	248.60	Warren, First	5,354.30
N. Little Rock, First	9,310.70	Moore	1,120.20	Yorktown	1,695.37
Oak Park	6,732.31	Mt. Olivet, MO	135.00	SALINE	47,159.82
Russellville, First	60,948.18	Oak Grove	1,072.24	SOCIAL BAND	
CENTRAL	89,044.35	Oak Lane	580.00	Arbor Grove	2,311.00
FELLOWSHIP		Trinity	337.00	Faith	7,200.00
Dardanelle, First	4,514.63	NORTHWEST	4,401.54	Jonesboro, First	9,834.80
Harmony	3,083.00	OLD MT. ZION		Old Reyno	2,922.81
Oak Grove	3,419.00	Calvary	6,724.12	Pocahontas	8,195.41
Union Grove	10,944.00	Clifty Chapel	1,038.21	Poplar Valley	2,138.60
Welcome Home	3,820.00	New Sulphur	275.00	Sutton	13,348.92
Woodlawn	4,666.00	Phillips Chapel	14,935.15	United, Walnut Ridge	7,690.08
FELLOWSHIP	30,446.63	Victory	4,300.45	Walnut Ridge, First	5,110.51
HARMONY		Westside	2,000.00	SOCIAL BAND	58,752.13
Danville	550.00	West Ridge	1,800.00	SOUTHEAST ARKANSAS	
Plainview	1,201.50	OLD MT. ZION	31,072.93	Southeast District	1,268.19
Ranger	866.31	POLK BAYOU		SOUTHEAST	1,268.19
Upper Spring Creek	818.41	Allen Chapel	16,536.00	UNITY	
Wilson	865.07	Ballew's Chapel	6,804.02	Bethlehem	9,610.98
HARMONY	4,301.29	Batesville, First	14,747.78	Cavanaugh	64,507.50
LITTLE MISSOURI RIVER		Blackland Chapel	2,918.40	Central	5,948.87
Arkadelphia, First	819.60	Cave City	300.00	Charleston, First	13,162.56
Daisy	4,373.59	Mt. Harmony	5,260.45	Greenwood, First	15,995.70
Glenwood	2,412.80	New Bethel	4,897.39	Oliver Springs	2,648.10
Hatfield	431.20	Newport, First	5,289.12	Ozark	11,508.61
Heritage, Louisiana	1,011.78	Tuckerman, First	6,184.73	Southside	2,786.19
Lake Hills	7,739.56	POLK BAYOU	62,937.89	Vista	9,985.90
Lodi	555.76	SALINE		UNITY	136,154.41
Pleasant Grove	1,475.13	Corbin Ferry, LA	420.00	ZION HOPE	
LMR TOTAL	18,819.42	Crossett, First	2,837.42	Catcher	486.93
NEW HOPE DISTRICT		Faith	2,065.48	Cottonwood	192.25
Bald Knob	75.00	Fordyce, First	322.00	Fort Smith, First	179.08
Center Point	5,652.01	Free Hill	28.00	Heritage Oaks	2,742.38
Chapel Lane	2,249.91	Harmony	5,182.21	Kenner Chapel	502.48
		Hillview, LA	269.50	Locke	1,661.20
		Landmark, LA	840.00	Mulberry, First	706.30
		Macedonia	282.09	ZION HOPE TOTAL	6,470.62
		Monticello, First	844.67		

A.C.T.S. 1:8 • January - December 2002 - \$456,067.41

ANTIOCH		OLD MT. ZION, CONTINUED		WOMEN ACTIVE FOR CHRIST	
ATKINS, FIRST	1,200.00	FREEDOM	775.94	ANTIOCH	
BEN HUR	300.00	HUNTSVILLE	6,892.28	MT. HOME, LAMAR	37.40
BENTON, FIRST	720.00	MT. ZION	550.00	MT. VERNON	358.00
CLARKSVILLE, FIRST	50.00	NEW SULPHUR	550.00	NEW LIFE	132.00
DOVER, FIRST	107.25	PEA RIDGE	291.00	OLA	406.09
FAITH	32.74	VICTORY	691.11	OLA KIDS	68.98
HECTOR	840.00	WEST RIDGE	2,520.00	SLATY CROSSING	251.00
JOHNSON	900.00	INDIVIDUAL	200.00	SMITH SPRINGS	402.00
MT. VERNON	2,330.00	OLD MT. ZION TOTAL	16,668.33	ANTIOCH DISTRICT TOTAL	1,655.47
MT. VERNON YOUTH	21.00	POLK BAYOU		CENTRAL	
NEW LIFE	432.04	POLK BAYOU ASSOCIATION	729.00	CONWAY	240.00
NEW LIFE YOUTH	110.40	ALLEN CHAPEL	10,366.77	HOT SPRINGS	200.00
OLA	1,300.00	BALLEW'S CHAPEL	4,152.17	JACKSONVILLE	250.00
SLATY CROSSING	1,200.00	BATESVILLE, FIRST	3,522.42	NO. LITTLE ROCK, FIRST	669.15
SMITH SPRINGS	3,180.00	BLACKLAND CHAPEL	2,271.65	MALVERN	15.44
SMITH SPRINGS YOUTH	15.56	CAVE CITY	300.00	OAK PARK	600.00
ANTIOCH TOTAL	12,738.99	GRACE	300.00	RUSSELLVILLE	520.00
ARKANSAS		MT. HARMONY	2,440.50	CENTRAL DISTRICT TOTAL	2,494.59
ARKANSAS DISTRICT	1,000.00	NEW BETHEL	1,755.62	FELLOWSHIP	
BOLES	1,350.00	NEWPORT	2,172.00	FELLOWSHIP DISTRICT	1,305.17
FREEDOM	450.00	OAK GROVE	1,192.60	HARMONY	325.00
HARMONY	310.75	OAKLAND	308.32	OAK GROVE	145.00
HOSANNA	360.00	POOL'S CHAPEL	250.00	UNION GROVE ACTIONETTES	600.00
MULBERRY	3,178.35	TUCKERMAN, FIRST	9,175.48	UNION GROVE	600.00
ARKANSAS TOTAL	6,649.10	WEAVER'S CHAPEL	1,821.48	WOODLAWN	553.00
CENTRAL		WYNNE, FIRST	30.00	FELLOWSHIP TOTAL	3,528.17
CENTRAL DISTRICT	8,685.96	MASTER'S MEN	150.00	LITTLE MISSOURI RIVER DIST.	120.00
BETHEL	3,046.87	POLK BAYOU TOTAL	40,938.01	GLENWOOD	180.00
CAPITOL CITY	225.00	SALINE		PLEASANT GROVE	400.00
CONWAY, FIRST	3,645.58	SALINE ASSOCIATION	15,838.44	LITTLE MISSOURI RIVER DIST.	700.00
HOT SPRINGS, FIRST	1,500.00	CROSSETT, FIRST	2,643.07	NEW HOPE	
JACKSONVILLE, FIRST	6,089.16	FAITH	960.00	NEW HOPE DISTRICT	75.00
MALVERN	1,320.30	HARMONY	2,630.58	CENTER POINT	278.49
N. LITTLE ROCK, FIRST	23,097.20	MACEDONIA	1,907.16	FRIENDSHIP	175.00
OAK PARK	12,576.70	OAK GROVE	344.00	SOUTH HEIGHTS	260.00
RUSSELLVILLE, FIRST	49,225.89	PINE HILL	480.00	NEW HOPE TOTAL	788.49
CENTRAL TOTAL	109,412.66	PLEASANT VALLEY	975.00	OLD MT. ZION	
FELLOWSHIP		ROSE HILL	5,294.64	OLD MT. ZION DISTRICT	69.60
FELLOWSHIP DISTRICT	2,880.00	SPRING HILL	400.00	NEW SULPHUR	300.00
DARDANELLE, FIRST	1,500.00	STAR CITY	13,539.93	ROGERS	468.00
HARMONY	2,079.00	TRINITY, HAMBURG	8,440.32	VICTORY	350.15
HARMONY YOUTH	205.00	WARREN, FIRST	1,249.50	OLD MT. ZION TOTAL	1,187.75
OAK GROVE	1,320.00	YORKTOWN	1,698.79	POLK BAYOU	
UNION GROVE	8,883.75	INDIVIDUALS	540.00	POLK BAYOU DISTRICT	500.00
WELCOME HOME	1,991.00	SALINE TOTAL	56,941.43	ALLEN CHAPEL	1,800.00
WOODLAWN	2,744.34	SOCIAL BAND		BALLEW'S CHAPEL	242.81
INDIVIDUAL	402.00	SOCIAL BAND ASSOCIATION	3,600.00	BATESVILLE, FIRST	240.00
FELLOWSHIP TOTAL	22,005.09	ARBOR GROVE	1,148.00	BLACKLAND CHAPEL	240.00
HARMONY		COFFMAN	1,450.05	CAVE CITY	300.00
HARMONY ASSOCIATION	684.82	CORNING	496.80	GRACE, NEWPORT	1,000.00
DANVILLE	220.57	FAITH	7,795.00	MT. HARMONY	379.66
PLAINVIEW	7,170.88	GRANDVIEW	306.00	NEWPORT, FIRST	220.00
RANGER	1,629.78	HARMONY	1,414.37	TUCKERMAN	350.00
UPPER SPRING CREEK	550.00	JONESBORO, FIRST	3,493.42	WEAVER'S CHAPEL	390.10
WILSON	1,269.15	NORTHSIDE	1,755.21	POLK BAYOU TOTAL	5,662.57
INDIVIDUAL	580.00	O'KEAN	328.00	SALINE	
HARMONY TOTAL	12,105.20	OLD REYNO	5,272.97	SALINE DISTRICT	104.10
LITTLE MISSOURI RIVER		PARAGOULD, FIRST	900.00	CROSSETT	1,200.00
LMR DISTRICT	2,015.97	POCAHONTAS, FIRST	6,530.43	FAIRVIEW	120.00
ARKADELPHIA, FIRST	1,030.00	SHARUM	1,108.70	PLEASANT VALLEY	480.00
DAISY	4,667.50	SUTTON	10,124.73	WARREN, FIRST	1,291.65
DAISY CHILDREN'S CHURCH	100.00	UNITED, WALNUT RIDGE	1,974.17	SALINE TOTAL	3,195.75
GLENWOOD	2,658.82	WALNUT RIDGE, FIRST	2,558.50	SOCIAL BAND	
HATFIELD	500.00	SOCIAL BAND TOTAL	50,256.35	FAITH, JONESBORO	300.00
HERITAGE, LOUISIANA	500.00	SOUTHEAST ARKANSAS		JONESBORO, FIRST	240.00
LAKE HILLS	3,772.21	SOUTHEAST ARK. DISTRICT	634.08	POCAHONTAS, FIRST	350.00
LODI, GLENWOOD	1,289.00	GRACE	824.00	SUTTON	720.00
Mt JOY	1,762.39	SOUTHEAST TOTAL	1,458.08	WALNUT RIDGE, FIRST	120.00
PLEASANT GROVE	850.00	UNITY		SOCIAL BAND TOTAL	1,730.00
LMR TOTAL	19,145.89	BETHLEHEM	1,649.43	UNITY	
NEW HOPE DISTRICT		CAVANAUGH	14,560.33	BETHLEHEM	280.42
NEW HOPE DISTRICT	1,165.00	CENTRAL	400.00	CHARLESTON, FIRST	180.00
BALD KNOB	510.53	CHARLESTON, FIRST	15,200.50	GREENWOOD	24.85
CEDAR HEIGHTS	511.35	GREENWOOD, FIRST	4,110.34	OLIVER SPRINGS	600.00
CENTER POINT	3,210.50	OLIVER SPRINGS	1,571.32	RIVERVIEW	684.11
CHAPEL LANE	2,871.29	OZARK	1,513.06	UNITY TOTAL	1,769.38
18TH STREET	390.00	SOUTHSIDE	1,650.00	ZION HOPE DISTRICT	
FRIENDSHIP	1,584.99	VISTA	3,304.31	ZION HOPE DISTRICT	
MT. BETHEL	5,015.00	INDIVIDUALS	240.00	CENTER POINT	150.00
ROLLING OAKS	662.50	UNITY TOTAL	44,199.29	CORNERSTONE	198.39
SHARON	3,440.00	ZION HOPE		KENNER CHAPEL	432.00
SODA VALLEY	227.00	BARLING	75.00	MULBERRY, FIRST	320.00
SOUTH HEIGHTS	3,133.47	CATCHER	785.61	INDIVIDUAL	50.00
NEW HOPE TOTAL	22,721.63	CHESTER	600.00	ZION HOPE TOTAL	1,150.39
NORTHWEST		CORNERSTONE	185.30	TOTAL AUXILIARY	23,862.56
NORTHWEST DISTRICT	2,400.00	COTTONWOOD	76.00	OTHER	
EUREKA SPRINGS	533.46	88 F W B	150.00	INDIVIDUALS	1,057.00
MOORE	5,247.00	FORT SMITH, FIRST	182.00	ARKANSAS MASTER'S MEN	300.00
MT. HOME, FIRST	701.29	INDEPENDENCE	675.00	GREEN FOEST UNITED	200.00
OAK LANE	600.00	KENNER CHAPEL	276.00	HARRISON UNITED BAPTIST	600.00
TRINITY	137.92	LOCKE	900.00	LAFFERTY COMMUNITY CHURCH	200.00
NORTHWEST TOTAL	9,619.67	MULBERRY, FIRST	600.00	TOTALS	2,357.00
OLD MT. ZION		RIVERDALE	483.22		
BENTONVILLE	1,650.00	ZION HOPE TOTAL	4,988.13		
CLIFTY CHAPEL	623.61				
DURHAM	224.39				
FAITH	700.00				

2002 ARKANSAS FREE WILL BAPTISTS ASSOCIATION RECEIPTS									
ASSOCIATION	COOP	A.C.T.S. I:8	S.M.	N.H.M.	F.M.	FWBBC	HILLS.	MISC.	TOTALS
ANTIOCH	2,711.95	12,738.99		500.00				7,823.00	23,773.94
<i>Antioch Auxiliary</i>		1,655.47							1,655.47
ARKANSAS		6,649.10			550.00			875.00	8,074.10
<i>Arkansas Auxiliary</i>		0.00							0.00
CENTRAL	89,044.35	109,412.66	6,875.02	3,541.00	20,950.59	16,497.88	2,377.91	12,902.54	261,601.95
<i>Central Auxiliary</i>		2,494.59							2,494.59
FELLOWSHIP	30,446.63	22,005.09	576.00	2,404.00	1,081.00	526.19		5,715.00	62,753.91
<i>Fellowship Auxiliary</i>		3,528.17							3,528.17
HARMONY	4,301.29	12,105.20	1,669.00	235.00	1,190.70		2,098.00	1,303.00	22,902.19
<i>Harmony Auxiliary</i>									0.00
L MO RIVER	18,819.42	19,145.89	16,855.57	1,966.00	671.60	3,478.48	3,384.50	1,045.00	65,366.46
<i>L MO River Auxiliary</i>		700.00							700.00
NEW HOPE	30,515.54	22,721.63	8,892.32	4,162.17	958.45	570.00	3,405.47	3,339.00	74,564.58
<i>New Hope Auxiliary</i>		788.49							788.49
NORTHWEST	4,401.54	9,619.67		1,510.00	827.50		70.00	825.00	17,253.71
OLD MT. ZION	31,072.93	16,668.33	14,643.66	3,977.09	505.00			2,175.00	69,042.01
<i>Old Mt. Zion Auxiliary</i>		1,187.75							1,187.75
POLK BAYOU	62,937.89	40,938.01	3,576.97	7,144.38	6,201.91	4,060.00	150.00	4,164.00	129,173.16
<i>Polk Bayou Auxiliary</i>		5,662.57							5,662.57
SALINE	47,159.82	56,941.43	2,060.17	13,695.50	509.00		1,595.94	3,158.16	125,120.02
<i>Saline Auxiliary</i>		3,195.75							3,195.75
SOCIAL BAND	58,752.13	50,256.35	4,350.07	6,744.80	1,706.05	1,030.59	1,035.59	3,054.51	126,930.09
<i>Social Band Auxiliary</i>		1,730.00							1,730.00
SOUTHEAST	1,268.19	1,458.08		634.12				525.00	3,885.39
<i>Southeast Auxiliary</i>									0.00
UNITY	136,154.41	44,199.29	775.00	9,988.89	9,861.12	355.00	14,105.00	3,976.00	219,414.71
<i>Unity Auxiliary</i>		1,769.38							1,769.38
ZION HOPE	6,470.62	4,988.13		313.00				1,490.00	13,261.75
<i>Zion Hope Auxiliary</i>		1,150.39	300.00						1,450.39
OTHER		2,357.00		333.33	333.34			1,520.00	4,543.67
<i>State WAC</i>			3,732.46					1,885.40	5,617.86
TOTALS	524,056.71	432,204.85	60,273.78	57,149.28	45,346.26	26,518.14	28,222.41	53,890.21	1,227,661.64
<i>Total Woman's Auxiliary</i>		23,862.56	4,032.46					1,885.40	29,780.42

RICKY J. TAYLOR

Certified Public Accountant

P.O. Box 2851

Russellville, AR 72811

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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, 2002 and 2001, 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, 2002 and 2001 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

Russellville, Arkansas

June 20, 2003

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, 2002 AND 2001

ASSETS

ASSETS:	<u>2002</u>	<u>2001</u>
Cash	\$ 125,676	\$ 181,449
Accounts Receivable	364	1,588
Inventory	1,413	3,062
Property, Plant & Equipment		
Less Accumulated Depreciation	<u>392,544</u>	<u>382,709</u>
 Total Assets	 <u>\$ 519,997</u>	 <u>\$ 568,808</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts Payable	\$ 2,981	\$ 5,081
Designated Contributions Payable	99,050	99,124
Sales Tax Payable	71	63
Payroll Taxes Payable	1,401	1,336
Notes Payable	<u>21,674</u>	<u>6,115</u>
 Total Liabilities	 125,177	 111,719
 NET ASSETS:		
Unrestricted	393,445	438,273
Permanently Restricted	<u>1,375</u>	<u>18,816</u>
 Total Net Assets	 <u>394,820</u>	 <u>457,089</u>
 Total Liabilities and Net Assets	 <u>\$ 519,997</u>	 <u>\$ 568,808</u>

The Accompanying Notes Are an Integral Part of These Financial Statements

**ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001**

	2002			2001	
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	TOTAL
REVENUE:					
Designated contributions-					
National Home Missions	\$	\$	\$ 57,149	\$ 57,149	\$ 60,916
Designated contributions-					
Foreign Missions			45,346	45,346	114,137
Designated contributions-					
Acts 1:8			456,067	456,067	488,086
Designated contributions-					
Free Will Baptist Bible College			26,519	26,519	41,763
Designated contributions-					
Hillsdale			28,222	28,222	52,434
Designated contributions-Other			28,661	28,661	63,603
Cooperative Contributions	524,057			524,057	511,662
Sunday school literature sales	231,528			231,528	234,310
Vision sales and advertising	8,504			8,504	8,498
FWB History books sales	1,574			1,574	920
National Association fees	10,550			10,550	10,250
State convention fees	6,240			6,240	6,120
Rental income	7,700			7,700	18,373
Interest income	1,572		201	1,773	3,869
State Cooperative income			168,604	168,604	165,624
Other income	27,045		4,724	31,769	25,196
Net Assets released from restrictions:					
Restrictions satisfied by payments	832,934		(832,934)	0	0
Total Revenue	1,651,704	0	(17,441)	1,634,263	1,805,761
EXPENSES:					
Designated contributions	641,964			641,964	820,939
Cooperative contributions	524,057			524,057	511,662
Cost of sales - S. S. literature	160,793			160,793	161,140
Cost of sales - FWB history books	1,670			1,670	832
State convention expense	6,108			6,108	6,986
Interest expense	707			707	354
Property taxes	1,704			1,704	1,415
Payroll taxes	7,514			7,514	7,256
Health insurance & retirement	15,792			15,792	13,917
Property insurance	2,044			2,044	2,164
Gifts to Retiring Executive Director	10,769			10,769	0

**ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
STATEMENTS OF ACTIVITIES - (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001**

	2002			2001	
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	TOTAL
EXPENSES: (CONTINUED)					
Workman's comp insurance	\$ 460	\$	\$	\$ 460	\$ 501
Utilities	3,660			3,660	3,214
Janitor	1,342			1,342	1,184
Supplies	4,599			4,599	3,262
Miscellaneous	23,022			23,022	14,950
Salary, housing, retirement insurance & social security	68,622			68,622	75,117
Board mileage & meals	11,955			11,955	6,967
Auto & travel expenses	6,651			6,651	4,751
Repairs & maintenance	2,853			2,853	3,432
Telephone	3,192			3,192	3,462
Postage & printing	31,288			31,288	32,747
Computer expense	2,430			2,430	3,480
Secretary salaries	58,854			58,854	56,560
Stockroom expense	1,620			1,620	1,533
Professional fees	3,150			3,150	3,000
Retreat & conference expense	19,774			19,774	13,649
National Association fees	10,750			10,750	11,925
Directors transition expense	21,872			21,872	1,800
Acts 1:8 field rep. Expenses	885			885	725
Ministers benevolence expenses	3,075			3,075	11,051
Oasis salaries	29,273			29,273	31,424
Oasis ministry expenses	2,914			2,914	1,168
Depreciation	11,169			11,169	8,403
Total Expenses	1,696,532	0	0	1,696,532	1,820,970
Increase (Decrease) In Net Assets	(44,828)	0	(17,441)	(62,269)	(15,209)
Net Assets - Beginning of Year	438,273	0	18,816	457,089	472,298
Net Assets - End of Year	\$ 393,445	\$ 0	\$ 1,375	\$ 394,820	\$ 457,089

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2002</u>	<u>2001</u>
Increase <Decrease> in net assets	\$ <62,269>	\$ <15,209>
Adjustments to reconcile net revenues over expenditures to net cash provided by operating activities:		
Non-cash gift to Executive Director	5,769	0
Depreciation	11,169	8,403
<Increase> decrease in:		
Accounts receivable	1,224	<1,297>
Inventory	1,649	1,269
Increase <decrease> in:		
Accounts payable	<2,100>	<1,747>
Payroll taxes payable	65	<181>
Sales tax payable	8	24
Designated contributions payable	<u><74></u>	<u><1,092></u>
Net Cash Provided by Operating Activities	<44,559>	<9,830>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property & equipment	<u><26,774></u>	<u>0</u>
Net Cash Used by Investing Activities	<26,774>	0
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt	23,350	0
Repayment of debt	<u><7,790></u>	<u><5,420></u>
Net Cash Provided by Financing Activities	<u>15,560</u>	<u><5,420></u>
Net Increase <Decrease> in Cash	<55,773>	<15,080>
Cash at Beginning of Year	<u>181,449</u>	<u>196,699</u>
Cash at End of Year	<u>\$ 125,676</u>	<u>\$ 181,449</u>

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

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, 2002 AND 2001

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	5 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>2002</u>	<u>2001</u>
Auto	\$ 23,314	\$ 26,622
Office Furniture & Equipment	40,017	38,358
Building Improvements	<u>24,322</u>	<u>22,522</u>
	87,653	87,502
Less Accumulated Depreciation	<u>50,109</u>	<u>59,793</u>
	37,544	27,709
Land and Building	<u>355,000</u>	<u>355,000</u>
Total Property and Equipment	<u>\$ 392,544</u>	<u>\$ 382,709</u>

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 2002 AND 2001

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, 2002 and 2001 was as follows:

	<u>2002</u>		<u>2001</u>	
	<u>PLAN A</u>	<u>PLAN B</u>	<u>PLAN A</u>	<u>PLAN B</u>
State General Fund	19.0%	19.0%	19.0%	19.0%
State CTS Board	17.5%	17.5%	17.5%	17.5%
State Missions Board	17.0%	17.0%	17.0%	17.0%
Christian Education Board	3.0%	3.0%	3.0%	3.0%
THE VISION	2.0%	2.0%	2.0%	2.0%
National Association	37.5%	37.5%	37.5%	37.5%
ACTS 1:8 Task Force	2.0%	2.0%	2.0%	2.0%
OASIS	2.0%	2.0%	1.5%	1.5%
Hillsdale	0.0%	5.0%	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 2002 and 2001 are \$ 1,314 and \$ 2,300. Distributions from the fund were \$ 3,500 in 2002. 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>2002</u>	<u>2001</u>
Ministers Benevolent Fund	\$ 1,375	\$ 2,452
Directors Transition Fund	<u>0</u>	<u>16,364</u>
	<u>\$ 1,375</u>	<u>\$ 18,816</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, 2002 AND 2001

NOTE 7 - NOTES PAYABLE

	<u>2002</u>	<u>2001</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.	\$ 0	\$ 6,115
Note payable – Simmons First Bank, Conway, Arkansas, requires monthly installments of \$ 457, Including principal and interest at an annual Percentage rate of 6.5%. Note is secured by vehicle.	<u>21,674</u>	<u>0</u>
Total Debt	<u>\$ 21,674</u>	<u>\$ 6,115</u>

The aggregate maturities of these notes are as follows:

2003	\$ 4,200
2004	4,482
2005	4,782
2006	5,102
2007	3,108

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, 2002 is \$ 69,523.

GENERAL FUND BUDGET

January - December 2004

Receipts:

Cooperative Plan (18.5% of \$545,000)	\$100,825.00	\$100,825.00
Fund Transfers	69,200.00	
Secretarial Transfers	6,600.00	

Total Receipts

\$176,625.00 **\$176,625.00**

Disbursements:

Director's Salary	\$31,700.00
Director's Housing	12,600.00
Director's Insurance	4,450.00
Director's Retirement	1,200.00
Director's Social Security	6,900.00
Travel and Auto	6,000.00
Vehicle Payment	5,500.00
Auto Insurance	1,000.00
National	1,200.00
Board Meals & Mileage	3,000.00
Phone	3,700.00
Postage	300.00
Dinners	1,000.00
Office Supplies/Printing	1,500.00
Web Site & Internet	1,000.00
Audit	1,500.00
Computer and Peripherals	2,000.00
Contingency	6,415.00
Staff Salaries	61,800.00
Staff Insurance	9,030.00
Staff Retirement	1,930.00
Stockroom Salaries	2,000.00
Payroll Taxes	7,900.00
Miscellaneous	2,000.00

Total Disbursements

\$176,625.00 **\$176,625.00**

SUNDAY SCHOOL LITERATURE BUDGET

January - December 2004

Receipts:

Sales of Literature	\$260,000.00	\$260,000.00
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Disbursements:

Literature for Resale	\$162,000.00
Postage/UPS	8,000.00
Incoming Freight	1,600.00
Sales Tax	16,000.00
Supplies	1,200.00
Phone	1,400.00
Audit	500.00
Miscellaneous	500.00

Total Disbursements

\$191,200.00 **\$191,200.00**

Transfer to General Fund

68,800.00

THE VISION BUDGET
January - December 2004

Receipts:

Cooperative Plan (2% of \$545,000)	\$10,900.00	
Subscriptions	10,800.00	
Advertisements	300.00	
Total Receipts	\$22,000.00	\$22,000.00

Disbursements:

Printing	\$10,500.00	
Postage	6,800.00	
Supplies	200.00	
Computer Fund	700.00	
Audit	600.00	
Secretarial	1,200.00	
Miscellaneous	200.00	
Total Disbursements	\$20,200.00	\$20,200.00
Transfer to General Fund		\$1,800.00

CONTINGENCY FUND BUDGET
January - December 2004

Receipts:

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

OPERATIONAL FUND BUDGET
January - December 2004

Receipts:

Rental Income	\$13,000.00	
Rental Utilities	4,000.00	
Total Receipts	\$17,000.00	\$17,000.00

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	200.00	
Repairs & Maintenance	2,000.00	
Audit	1,000.00	
Miscellaneous	500.00	
Computer/Office Equipment	1,000.00	
Savings/Improvements	500.00	
Total Disbursements	\$18,400.00	\$18,400.00
Transfer to General Fund		<\$1,400.00 >

RICKY J. TAYLOR

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying balance sheets of Christian Supply Store, Inc. (a nonprofit corporation) as of December 31, 2002 and 2001, and the related statements of revenue and expenses, and statement of cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Christian Supply Store, Inc. as of December 31, 2002 and 2001 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

Russellville, Arkansas

January 18, 2003

Member of:

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

CHRISTIAN SUPPLY STORE, INC.
BALANCE SHEETS
DECEMBER 31, 2002 AND 2001

ASSETS		<u>2002</u>	<u>2001</u>
CURRENT ASSETS:			
Cash on hand	\$	200	\$ 200
Cash in bank		9,772	10,908
Cashcontingency fund		676	668
Accounts receivable		11,104	15,599
Inventory		<u>206,893</u>	<u>229,911</u>
Total Current Assets		228,645	257,286
FIXED ASSETS:			
Auto		14,159	14,159
Equipment		55,305	55,305
Leasehold Improvements		5,235	5,235
Less: Accumulated Depreciation		<64,484>	<60,075>
Total Fixed Assets		10,215	14,624
TOTAL ASSETS	\$	238,860	\$ 271,910

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES:			
Accounts payable	\$	80,320	\$ 100,853
Notes payable		26,124	0
Payroll taxes payable		1,990	2,651
Sales tax payable		5,833	6,653
Total Current Liabilities		114,267	110,157
Total Liabilities		114,267	110,157
FUND BALANCES:			
Fund balance, Beginning		161,753	214,865
Current year profit <loss>		<37,160>	<53,112>
Fund balance, Ending		124,593	161,753
TOTAL LIABILITIES AND FUND BALANCES	\$	238,860	\$ 271,910

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, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
REVENUE:		
Sales	\$ 654,640	\$ 711,826
COST OF SALES:		
Merchandise purchases	402,231	454,775
Freight	5,494	3,517
Sales tax	44,273	47,051
Supplies	9,393	11,601
Commissions	<u>1,484</u>	<u>3,015</u>
Total cost of sales	462,875	519,959
GROSS PROFIT	191,765	191,867
OPERATING EXPENSES:		
Advertising	13,904	18,558
Auto expense	380	632
Insurance	21,185	16,702
Bank charges & credit card fees	3,465	3,363
Miscellaneous	2,173	2,832
Postage	5,570	6,892
Rent	49,200	48,000
Payroll taxes	7,564	8,436
Telephone	3,133	3,293
Travel	471	828
Salaries-other	70,901	79,551
Manager-salary & housing	28,998	31,539
Manager-insurance & retirement	2,577	2,715
Professional fees	3,900	3,860
Board mileage and meals	0	862
Property tax	2,205	2,217
Returned checks	<218>	308
Utilities	7,250	7,972
Depreciation	<u>4,408</u>	<u>5,527</u>
Total operating expenses	<u>227,066</u>	<u>244,087</u>
NET OPERATING PROFIT <LOSS>	<35,301>	<52,220>
OTHER REVENUE AND EXPENSES		
Interest income	139	237
Interest expense	<1,998>	<1,129>
NET PROFIT <LOSS>	\$ <37,160>	\$ <53,112>

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, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
CASH FROM OPERATING ACTIVITIES:		
Excess of revenues over expenses	\$ <37,160>	\$ <53,112>
Adjustments to reconcile excess to net cash provided by operating activities:		
Depreciation	4,408	5,527
(Increase)decrease in accounts receivable	4,495	<1,593>
(Increase)decrease in inventory	23,018	31,167
Increase(decrease) in accounts payable	<20,533>	16,875
Increase(decrease) in payroll taxes payable	<660>	<576>
Increase(decrease) in sales tax payable	<u><820></u>	<u>1,200</u>
Net cash provided by operating activities	<27,252>	<512>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	<u>0</u>	<u>0</u>
Net cash used in investing activities	0	0
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt	40,000	
Repayment of debt	<u><13,876></u>	<u><25,000></u>
Net cash used in financing activities	26,124	0
Net Increase (Decrease) in Cash	<1,128>	<512>
Cash at Beginning of Year	<u>11,776</u>	<u>12,288</u>
Cash at End of Year	<u>\$10,648</u>	<u>\$11,776</u>

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

CHRISTIAN SUPPLY STORE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

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 Corporation 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 Corporation 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 straightline 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, 2002 and 2001 are \$ 4,408 and \$ 5,527, respectively.

INVENTORY

Inventory is recorded at lower of cost or market using firstin, firstout method for cost of sales.

STATEMENT OF CASH FLOWS

For purposes of the statement of cash flows, the Corporation considers all investment instruments purchased with a maturity of three months or less to be cash equivalents. Cash available per operating accounts are \$ 9,972 and cash in the contingency fund is \$ 676.

Cash paid for interest is as follows:

2002	\$ 1,998
2001	\$ 1,129

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.

CHRISTIAN SUPPLY STORE, INC.
NOTES TO FINANCIAL STATEMENTS-(CONTINUED)
 DECEMBER 31, 2002 AND 2001

NOTE 2 CONTINGENCY FUND

The Corporation 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>2002</u>	<u>2001</u>
Beginning Balance	\$ 668	\$ 656
Contributions	0	0
Disbursements	0	0
Interest earnings	8	12
Ending Balance	\$ 676	\$ 668

NOTE 3 – NOTES PAYABLE

Notes payable – Simmons First Bank, Conway, Arkansas.	<u>2002</u>	<u>2001</u>
A one year note due January 25, 2003, including interest at an annual percentage rate of 7%. The note is secured by all furniture, fixtures, equipment, inventory and accounts receivable.	\$ <u>26,124</u>	\$ <u>0</u>
Total Notes Payable	\$ <u>26,124</u>	\$ <u>0</u>

NOTE 4 – LONG-TERM LEASE

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

2003	\$52,800
2004	\$52,800
2005	\$52,800
2006	\$52,800
2007	\$35,200

NOTE 5 - CONCENTRATION OF CREDIT RISK

The Corporation maintains cash deposits at a financial institution located in the United States. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2002 all of the Corporation's deposits were insured.

CHRISTIAN SUPPLY BUDGET
January - December 2004

Receipts	\$630,000.00	\$630,000.00
Disbursements:		
Merchandise for Resale	\$378,000.00	
Payment on Line of Credit	20,000.00	
Employee Salaries:		
Manager Salary & Housing	25,368.00	
Other Salaries	42,354.00	
Total Salaries	67,722.00	
Insurance:		
Hospitalization	15,800.00	
Worker's Compensation	600.00	
Inventory and Equipment	2,100.00	
Total Insurance	18,500.00	
Operating Expenses:		
Advertising	10,900.00	
Freight In	3,000.00	
Shipping Out	5,000.00	
Supplies	5,000.00	
Telephone	3,200.00	
Travel and Auto Expense	500.00	
Rent	52,800.00	
Utilities	7,500.00	
Accounting	3,900.00	
Interest	1,200.00	
Miscellaneous	2,178.00	
Total Operating Expenses	95,178.00	
Taxes:		
Sales Tax	43,000.00	
Social Security	5,500.00	
Property	2,100.00	
Total Taxes	50,600.00	
Total Disbursements	\$630,000.00	\$630,000.00

STATE YOUTH BOARD

November 12, 2002

The State Youth Board met at the state office on November 12, 2002, with the following members present: Randall Ray, Tim Landers, Mark Stripling, Johnny Miller, Lynn Crawford, Camp Director Pat Baze and Executive Director Tim Campbell.

Motion passed to elect the following officers: Chairman Randall Ray; Vice-Chairman Johnny Miller; and Secretary Lynn Crawford.

Camp Director Pat Baze informed the board (after a discussion with auditor Ricky Taylor) there was a designated gift in the general fund that needed to be taken care of, but the designation was uncertain. Pat agreed to contact Bob Thompson to see if he knew the intent of this gift, and with Ricky Taylor to see if the scholarship fund had already had its contribution made out of the general fund. Several items were suggested if no information was forthcoming: (1) debt reduction (2) doors for cabins (3) Don Guthrie scholarship fund. Pat agreed to get back with the board with the information necessary to make a decision on the use of this gift.

Motion passed to accept the financial report presented by Camp Director Pat Baze. He also reported several issues that would require attention:

(1) Cabin doors are in bad shape: Randall suggested seconds to replace existing doors. Pat will check out cost for replacement.

(2) Heating and air units are starting to go out. Pat said they will make it through the spring but will need replaced by then. Lynn agreed to check with Whirlpool on any program that might be available to assist with these units.

(3) There are some trees that need to be taken care of.

(4) Broken glass in the cabins.. Randall suggested safety glass as a replacement.

(5) Pool leak. The water bill is \$1200-\$1500; the chemical cost is high, and there is a need for constant attention just to make the pool swimmable.

(6) Large freezer has gone out. Mark agreed to check on restaurant equipment that is being sold from an out of business restaurant.

(7) Electrical wiring is in need of repair.

(8) Leak in basement of the director's house. Brotherhood Mutual has denied any obligation to pay due to nature of damage. Pat will obtain quotes from other insurance companies.

Motion passed to select a day in March 2003 to ask churches in the state to receive a special offering to assist in retiring the debt of the camp.

Camp rentals: Girl Scouts: - 1st week in August

Motion passed to select the following dates for camp and speakers and worship leaders for camp:

June 8-12 High Teen Speaker Kendall Ross Worship Leader Jeremy Thomas

June 15-19 Junior High Speaker Darren Walker Worship Leader Kendall Ross

June 22-28 Junior Speaker and Worship Leader Johnny Miller

Motion passed to select the following dates and speakers for the spring retreats:

March 4-15 Kid's Retreat Ned and Joan Way

April 25-26 Teen Retreat Don Meyers; Alternate Michael Waddell

Motion passed to have the State CTS competition on May 10, 2003, and the deadline for registration on April 12, 2003. Pat will check with Doug Little concerning holding competition at First FWB Russellville.

Pat Baze, Tim Campbell and Mark Stripling will meet again concerning guidelines for scholarship eligibility and make suggestions to full board for approval.

January 27-28, 2003

The Youth Board met during the All Board's Meeting at the Ozark Conference Center near Solgohachia, Arkansas, on January 27-28, 2003. Those present were: Tim Landers, Mark Stripling, Johnny Miller, Lynn Crawford, and Director Pat Baze.

Motion passed to accept the financial reports as given by the director.

Motion passed to hire a full-time maintenance employee for the camp.

Motion passed to use designated funds of \$1296 to purchase new doors for the cabins.

STATE YOUTH BOARD, Continued

January 27-28, 2003

Motion passed to purchase four new window HVAC units for cabins.

Motion passed to select the theme of "*Catch the Vision*" from Acts 26:18 for the 2003 youth camp. Daily themes will be: **Personal Vision** - Will Harmon; **Leadership Vision** - Tim Campbell; **Total Vision** - Doug Little.

The missions emphasis will be presented by Matthew Turnbough for Teen week and Jim Fairchild for Junior week.

Motion passed to change the registration deadline for CTS competition to April 14, 2003.

The Don Guthrie Scholarship will be awarded in the Fall of 2003 to one boy and one girl attending a Free Will Baptist college at an amount of \$500. Criteria for awarding of the scholarship will be available at the Spring Retreat.

July 10, 2003

The Youth Board met at the state office in Conway, on July 10, 2003, with the following members: Johnny Miller, Leo Martin, Mark Stripling, Tim Landers, Lynn Crawford, Director Pat Baze, Auditor Ricky Taylor, and Executive Director Tim Campbell.

Motion passed to accept the auditor's report as given by Ricky Taylor, CPA.

Motion passed to refinance the improvement loan and roll in the cost of a new camp truck (up to \$6500) into the new loan.

Motion passed to present the 2004 budget to the state association as written.

Randall Ray, Chairman
Johnny Miller, Vice-Chairman
Lynn Crawford, Secretary

Mark Stripling
Leo Martin
Tim Landers

STATE YOUTH BOARD BUDGET
January - December 2004

Receipts:

Cooperative Plan (17.5% of \$545,000)	\$95,375.00
Camp Registration and Concession	50,000.00
Camp Rentals	52,000.00
Interest Income	400.00
CTS Rally	5,000.00
Gifts and Contributions	3,000.00

Total Receipts	\$205,775.00	\$205,775.00
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Disbursements:

Director Salary	\$34,650.00
Maintenance Caretaker Salary	12,100.00
Clerical Salary	4,000.00
Auto Payment	4,680.00
Director Home Equity	600.00
Car Expense	3,000.00
Utilities-Camp and Director	27,000.00
Camp Insurance	12,000.00
Director Insurance and Retirement	7,500.00
Payroll Taxes	6,000.00
Postage	500.00
Professional Fees	2,200.00
CTS Rally	4,500.00
Conventions	2,000.00
Miscellaneous	1,945.00
Camp Literature	100.00
Pool Maintenance	3,000.00
Food Service	28,000.00
Food Service Labor	2,500.00
Camp Equipment Operations	2,500.00
Repairs	18,000.00
Supplies	4,000.00
Camp Labor	4,000.00
Guest Speakers	7,000.00
Board Mileage and Meals	2,500.00
Loan Payment	10,000.00
Printing	1,500.00

Total Disbursements:	\$205,775.00	\$205,775.00
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RICKY J. TAYLOR

Certified Public Accountant

P.O. Box 2851

Russellville, AR 72811

(479) 967-4439

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying balance sheets of Camp Beaverfork, Arkansas Free Will Baptists Youth Camp, Inc. (a nonprofit corporation) as of December 31, 2002 and 2001, and the related statements of revenues and expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

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

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the actual cash and donation records referred to in the preceding paragraph been susceptible to satisfactory audit test, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Camp Beaverfork, Arkansas Free Will Baptists Youth Camp, Inc. as of December 31, 2002 and 2001, and its results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Ricky J. Taylor CPA PP

Russellville, Arkansas

July 2, 2003

Member of:

Arkansas Society of Certified Public Accountants

Oklahoma Society of Certified Public Accountants

**CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
BALANCE SHEETS
DECEMBER 31, 2002 AND 2001**

	ASSETS	<u>2002</u>	<u>2001</u>
CURRENT ASSETS:			
Cash in bank		\$ 32,444	\$ 14,128
Cash-contingency fund		1,199	1,187
Cash-capital improvements fund		2,171	2,145
Cash-Arkansas Youth Scholarship fund		1,920	1,920
Accounts receivable		<u>11,820</u>	<u>11,813</u>
Total Current Assets		49,554	31,193
FIXED ASSETS:			
Land and buildings		333,760	333,760
Auto		21,517	21,517
Equipment		57,038	53,768
Camp improvements		194,114	194,114
Less: accumulated depreciation		<u><111,624></u>	<u><89,175></u>
Total Fixed Assets		<u>494,805</u>	<u>513,984</u>
TOTAL ASSETS		<u><u>\$ 544,359</u></u>	<u><u>\$ 545,177</u></u>
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES:			
Current notes payable		\$ 0	\$ 92,500
Current portion of L-T debt		8,186	4,159
Accounts payable		2,219	2,221
Payroll taxes payable		825	799
Designated contributions payable		<u>1,296</u>	<u>1,296</u>
Total Current Liabilities		12,526	100,975
LONG-TERM DEBT:			
Notes payable (Less: current portion of L-T debt)		<u>94,953</u>	<u>4,652</u>
TOTAL LIABILITIES		107,479	105,627
FUND BALANCE:			
Fund balance, Beginning of Year		439,550	441,862
Excess revenue over expenses		<u><2,670></u>	<u><2,312></u>
Fund balance, End of Year		<u>436,880</u>	<u>439,550</u>
TOTAL LIABILITIES AND FUND BALANCES		<u><u>\$ 544,359</u></u>	<u><u>\$545,177</u></u>

The Accompanying Notes Are an Integral Part of These Financial State-

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
STATEMENT OF REVENUE AND EXPENSES
DECEMBER 31, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
REVENUE:		
COOP	\$ 83,161	\$ 80,942
Camp rentals	44,331	57,745
Registration & concessions	48,470	49,357
CTS rally	5,916	3,434
Gifts and contributions	1,022	1,560
Special offerings	0	1,580
Interest income	<u>328</u>	<u>237</u>
Total Revenues	183,228	194,855
EXPENSES:		
Salaries-director	31,327	35,093
Home equity plan-director	0	800
Auto expense	1,752	2,760
Utilities	21,171	25,160
Insurance-camp	8,648	6,930
Insurance and retirement-director	6,000	6,300
Payroll taxes	3,945	5,210
Other taxes	0	1,501
Office supplies	212	978
Professional fees	2,000	1,875
CTS rally	3,936	1,571
Meetings & conventions	1,126	1,704
Interest expense	7,204	4,588
Miscellaneous	4,814	2,835
Camp literature	16	0
Pool upkeep	1,435	1,714
Food service	28,107	29,517
Food service-labor	1,675	4,300
Supplies	4,297	2,611
Repairs & maintenance	14,344	19,649
Postage	267	829
Camp labor	14,497	13,073
Guest speakers	2,775	5,902
Designated gifts	0	1,580
Board mileage & meals	2,522	3,145
Printing	1,380	1,220
Depreciation	<u>22,448</u>	<u>21,583</u>
Total Expenses	<u>185,898</u>	<u>202,428</u>
Excess Revenues Over Operating Expenses	<2,670>	<7,573>
Other Income <Expenses>		
Gain on sale of assets	<u>0</u>	<u>5,261</u>
Excess Revenue Over Expenses	\$ <2,670>	\$ <2,312>

The Accompanying Notes Are an Integral Part of These Financial Statements

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
STATEMENT OF CASH FLOWS
DECEMBER 31, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
CASH FROM OPERATING ACTIVITIES:		
Net revenue <loss> over expenses	\$ <2,670>	\$ <2,312>
Adjustments to reconcile net revenue over expenses to net cash provided by operations:		
Gain of sale of assets	0	<5,261>
Depreciation	22,448	21,583
(Increase)decrease in accounts receivable	<7>	<576>
Increase(decrease) in accounts payable	<2>	597
Increase(decrease) in payroll tax payable	26	19
Increase (decrease) in designated Contributions payable	<u>0</u>	<u><419></u>
Net Cash Provided by Operating Activities	19,795	13,631
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of fixed assets	0	20,215
Purchase of fixed assets	<u><3,270></u>	<u><27,805></u>
Net cash used in investing activities	<u><3,270></u>	<u><7,590></u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	<5,688>	<15,093>
Proceeds from debt	<u>7,517</u>	<u>21,017</u>
Net cash used by financing activities	<u>1,829</u>	<u>5,924</u>
Net increase (decrease) in cash	18,354	11,965
Cash at beginning of year	<u>19,380</u>	<u>7,415</u>
Cash at end of year	<u><u>\$37,734</u></u>	<u><u>\$ 19,380</u></u>

The Accompanying Notes Are an Integral Part of These Financial Statements

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

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 \$ 22,448 and \$ 21,593 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:

2002	\$ 7,204
2001	\$ 4,588

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-(CONTINUED)
DECEMBER 31, 2002 AND 2001

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, 2002 and 2001, due payable to Camp Beaverfork, Arkansas Free Will Baptist Youth Camp, Inc.

NOTE 2 NOTES PAYABLE

	<u>2002</u>	<u>2001</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.	\$ 0	\$ 92,500
Note payable-Simmons First Bank, Conway, Arkansas, requires monthly installments of \$ 927, including principal and interest at an annual percentage rate of 7.5%. This note is secured by a vehicle, property and equipment.	98,487	0
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>4,652</u>	<u>8,811</u>
	103,139	101,311
Less: Current notes payable	0	92,500
Less: Current portion L-T Debt	<u>8,186</u>	<u>4,159</u>
Long-term Debt	<u>\$ 94,953</u>	<u>\$ 4,652</u>

Scheduled minimum maturities of long-term debt over the years subsequent to December 31, 2002, are as follows:

2003	\$ 8,186
2004	4,511
2005	4,497
2006	4,846
2007	5,222
2008 and Thereafter	75,877

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
NOTES TO FINANCIAL STATEMENTS-(CONTINUED)
DECEMBER 31, 2002 AND 2001

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>2002</u>	<u>2001</u>
Arkansas Youth Scholarship Fund	\$ 0	\$ 0
Capital Improvement Fund	<u>1,296</u>	<u>1,296</u>
	<u>\$ 1,296</u>	<u>\$ 1,296</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, 2002 all of the corporation's money was insured.

CHRISTIAN EDUCATION BOARD REPORT

September 6, 2002

The Christian Education Board met at the state office with all board members present as well as Executive Director Tim Campbell.

Newest member to the board, Vincent Daniel, was welcomed and encouraged to become an active voice to the Christian Education Board.

The following officers were elected for 2002-2003: Chairman Kendall Ross; Vice-Chairman Mike Phillips; and Secretary Jackie Brown.

Motion passed to receive the January-September 2002 report as presented.

Motion passed to approve the following dates:

2003 Minister's Retreat	March 17-19, 2003
2003 Trail Blazer's Retreat	September 19-20, 2003
2004 Minister's Retreat	February 23-25, 2004

January 27-28, 2003

The Christian Education Board met at the Ozark Conference Center near Solgohachia, Arkansas, with all members present.

Motion passed to accept the January-December 2002 financial report as printed. The report records an ending balance of \$7767.52.

After a final report of the 2002 Women's Conference, the following motions were passed:

(1) To ask the sub-committee to reimburse the Christian Education Board the initial investment of \$1847.41 from the proceeds of the 2002 Women's Conference Budget.

(2) To replace Jackie Brown with Bob Brown on the Women's Conference Sub-committee.

After a brief report on the upcoming Minister's Retreat at Lake DeGray, the following motions were passed:

(1) To approve purchase for cassettes and cases for the 2003 retreat for which Mike Phillips will be reimbursed.

(2) To have Jackie Brown make arrangements for two Branson Get-A-Way Appreciation Packages that will be given away during the 2003 Minister's Retreat. The packages are not to exceed \$300 each, and a minister must be a paying attendee to be eligible to win.

The upcoming 2003 Trail Blazer Retreat on September 19-20, 2003, at Camp Beaverfork was discussed with the following motions:

(1) To have Bob Thomas as the guest musician, and he will also speak on Friday night. He will be given an honorarium of \$1200 plus expenses.

(2) To have Jim Fairchild, state home missionary to Cabot, minister during the Saturday devotional time with song and word. He will be given an honorarium of \$250 plus expenses.

In final business, two motions were presented and approved:

(1) To have Rob Morgan from Nashville, Tennessee, and Carl Cheshier from Hillsdale College be the speakers for the 2004 Minister's Retreat on February 23-25.

(2) To approve the following as the Mission Statement for the Christian Education Board: *"Educating and Edifying Arkansas Free Will Baptists for the furtherance of the gospel."*

The next meeting of the board will be Tuesday, February 11, 2003, at Camp Beaverfork at 10:30 AM. This will be a training session for small group discussion at the 2003 Minister's Retreat.

June 30, 2003

The Christian Education Board met on June 30, 2003, at the state office, with the following members present: Kendall Ross, Jackie Brown, Bob Brown, Vincent Daniels, and Leroy Scudder, as well as Executive Director Tim Campbell.

Motion passed to accept the February-May 2003 financial report as printed.

Motion passed to present the 2004 proposed budget to the state association for approval.

CHRISTIAN EDUCATION BOARD REPORT, Continued

June 30, 2003, Continued

The program for the 2003 Trail Blazers Retreat was set as follows:

Friday, September 19, 2003

3:00 PM	Registration
3:30 PM	Guest Speaker/Musician, Rev. Bob Thomas
5:00 PM	Evening Meal
6:30 PM	Rev. Bob Thomas

Saturday, September 20, 2003

8:30 AM	Music/Devotional, Home Missionary, Rev. Jim Fairchild
9:30 AM	Brunch
10:15 AM	Rev. Bob Thomas

The 2003 Women's Conference was discussed and suggested that advertising would appear in *THE VISION* in September and October

The 2004 Minister's Retreat will be at Lake DeGray State Park, near Bismarck, Arkansas on February 23-25 and confirmed the speakers to be Rev. Rob Morgan and Rev. Carl Cheshier. The deadline for pre-registration will be February 1, 2004. Motion passed to ask Rev. Levan Hubbard to lead the worship segments and compensating him with \$75 honorarium plus room.

Motion passed to ask New Creation Quartet of Melbourne to provide the sound equipment and make tapes of the services. New Creation would be asked to perform during the Wednesday morning worship and possibly some in the other worship times. Two rooms for two nights will be provided for the quartet. Vincent Daniels agreed to inquire of their availability and report the confirmation. The program for the 2004 Minister's Retreat is as follows:

Monday, February 23, 2004

3:00 PM	Registration
6:30 PM	Welcome
	Worship, Rev. Levan Hubbard
	Message, Rev. Carl Cheshier
7:45 PM	Break
8:00 PM	Worship
	Message, Rev. Rob Morgan

Tuesday, February 24, 2004

8:30 AM	Worship
	Message, Rev. Rob Morgan
9:45 AM	Break
10:00 AM	Worship
	Message, Rev. Carl Cheshier
LUNCH	
7:00 PM	Worship
	Message, Rev. Rob Morgan
8:15 PM	Worship
	Message, Rev. Carl Cheshier

Wednesday, February 25, 2004

8:30 AM	New Creation Quartet
9:00 AM	Rev. Rob Morgan

Motion passed to honorariums for guest speakers be at \$350 per speaking session: Rev. Carl Cheshier - 3 times@\$350=\$1050; Rev. Rob Morgan, 4 times@\$350=\$1400. Both speakers will be provided with free room and travel expenses.

CHRISTIAN EDUCATION BOARD REPORT, Continued

June 30, 2003, Continued

Motion passed to provide two \$250 Gift Certificates to Christian Supply Store as appreciation giveaways at the 2004 Minister's Retreat.

Motion passed to elect the 2004 officers for the Board: Chairman Kendall Ross; Vice-Chairman Bob Brown, and Secretary Leroy Scudder. The next meeting will be September 19, 2003, during the Trail Blazer's Retreat.

CHRISTIAN EDUCATION BUDGET January - December 2004

Receipts:

Cooperative Plan (3% of \$545,000.00)	\$16,350.00	
Minister's Retreat	7,500.00	
Woman's Conference	9,000.00	
Total Receipts	\$32,850.00	\$32,850.00

Disbursements:

Minister's Retreat	\$ 12,500.00	
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	500.00	
Woman's Conference	9,000.00	
Miscellaneous	820.00	
Total Disbursements	\$32,850.00	\$32,850.00

Kendall Ross, Chairman
Mike Phillips, Vice-Chairman
Jackie Brown, Secretary

Leroy Scudder
Vincent Daniels
Bob Brown

STATE HOME MISSIONS BOARD REPORT

August 2, 2002

The State Home Mission Board met at the state office in Conway with the following members present: Johnny Fowlkes, David Taylor, Dwayne Roper, Randy Burris, Hursel Parker, Retiring Executive Director David Joslin and Executive Director Tim Campbell.

A verbal offer was presented ;by John Fowlkes on the church property in Blytheville. The offer was \$50,000 for the church building, and the buyer was interested in owner financing.

Motion passed to negotiate the best offer possible on the property, with \$60,000 being our bottom sales price.

Motion passed to extend the proposal that the board accepted (March 6, 2001) in reference to the First Free Will Baptist Church in Conway to two years from the closing of the 310 Salem Road property in Conway.

Motion passed to offer Jim Fairchild the opportunity to be the missionary to Cabot, Arkansas.

Motion passed to change the location of the proposed road on the Cabot property to the North side of the property because the gas line is requiring three feet of new cover over existing cover on gas lines.

August 6, 2002

The State Home Mission board met at 8:30 PM after the state meeting in Conway, Arkansas, on August 6, 2002. Motion passed to elect the following officers: Chairman Dwayne Roper, Vie-Chairman Bobby Shepherd, and Secretary John Fowlkes.

It was reported that Jim Fairchild was willing to be the missionary to Cabot if we were willing to be a joint project with National Home Missions.

August 7, 2002

The State Home Mission Board met with National Home Missions General Director Larry Powell and received definition what a joint project with the National Home Missions included.

Motion passed to enter into a contract with Jim Fairchild as Missionary to Cabot as a joint project with the National Home Missions.

August 9, 2002

The State Home Mission Board met via conference call at 10:00 PM with the following members: David Taylor, Kerry Gandy, John Fowlkes, Bobby Shepherd, Randy Burris, Dwayne Roper and Executive Director Tim Campbell.

Chairman Roper informed the board that all the details had been worked out with Jim Fairchild to be the missionary to Cabot. Motion passed to enter into a contract with Fairchild.

October 15, 2002

The State Home Mission Board met at the state office on October 15, 2002, with the following members: Bobby Shepherd, Randy Burris, John Fowlkes, Dwayne Roper, Kerry Gandy, and Executive Director Tim Campbell.

Motion passed to transfer the property of Rolling Oaks Free Will Baptist Church and the Lake Hills Free Will Baptist Church at the closing of their loan with the deed stipulation that if the property ceases to be a Free Will Baptist Church in affiliation with the state association that the property revert back to the Arkansas State Home Mission Board or the Arkansas State Association of Free Will Baptists.

Motion passed to disburse the remaining 2% bonus to Kerry Gandy.

Motion passed to transfer the \$3,000 that came in from leases on the 310 Salem Road, Conway property to the APPLE Fund and to place all future principle and interest payments from the property finance agreement to the APPLE Fund.

Motion passed to discuss Fairchild's mileage at a later date.

Motion passed to approve a three-year contract with Jim Fairchild.

STATE HOME MISSIONS BOARD REPORT, *Continued*

October 15, 2002, Continued

The Barnabas proposal from a pastor was considered by the board and was not financially feasible at this time.

Motion passed to authorize Executive Director Tim Campbell to borrow \$500,000 to use on the Cabot mission work.

Motion passed to transfer \$25,000 from the general fund to the Cabot account for leveling, road construction, and gravel. This is a loan to be repaid from the construction loan being acquired on the property.

December 10, 2002

The State Home Mission Board met at the state office on December 10, 2002, with the following members: Dwayne Roper, Bobby Shepherd, John Fowlkes, Randy Burris, Kerry Gandy, and Executive Director Tim Campbell.

Motion passed to approve the financial reports as given.

Motion passed to pay 36 cents per mile for Jim Fairchild's itinerant mileage and motel costs when over 150 miles from home.

Motion passed to pay up to six months rent for missionary Fairchild in the Cabot area, not to exceed \$6000.

Motion passed to pay rental truck cost and expense to move the Fairchild family.

Motion passed to invest the APPLE Funds with the Free Will Baptist Foundation to receive a better interest rate.

Motion passed to extend the contract with Ramon Zuniga to October 2004.

Motion passed to pay \$600 Christmas bonus to Jim Fairchild and Ramon Zuniga.

January 27-28, 2003

The State Home Mission Board met at the Ozark Conference Center near Solgohachia, Arkansas on January 27-28, 2003, at the All Board's meeting. We discussed and worked to implement a document that set some guidelines for the employment of missionaries and the respective duties of each group.

Motion passed to approve the financial reports as given by Sue Patton.

Motion passed to request that Bobby Moore submit a monthly income, itinerant and expense report to the board.

Motion passed to transfer \$1,500 to the Zuniga account from the general fund, effective December 31, 2002.

Motion passed to transfer funds from the general fund to erase the existing debt on the Gandy account at the end of January.

Motion passed to apply the \$1,175 settlement from the gas line easement on the Cabot property to the APPLE Fund to be applied to the Cabot debt.

Motion passed to pay \$505.80 for six months to the Lake Hills Free Will Baptist Church in Hot Springs to asset them with their building debt.

Motion passed to hold the restricted portion of the APPLE Fund in a local interest bearing account.

February 13, 2003

The State Home Missions Board met at the state office on February 13, 2003, with the following members present: Bobby Shepherd, David Taylor, John Fowlkes, Randy Burris, and Kerry Gandy.

Motion passed to approve the financial reports as presented.

Motion passed to give authority to Executive Director Tim Campbell to list the Blytheville property with a realtor in the area. The price on the church would be \$65,000 and the parsonage to be \$45,000. The board would also consider owner financing with 10% down, and the balance at 8% interest.

Motion passed to approve that Jim Fairchild rent a building to begin services in Cabot.

Motion passed to authorize Jim Fairchild to purchase an outdoor LED display sign for the church at Cabot at an approximate cost of \$20,000. Funds will be disbursed from the General Fund and reimbursed later from the building loan for Cabot.

STATE HOME MISSIONS BOARD REPORT, *Continued*

March 11, 2003

The State Home Mission Board met via conference call on March 11, 2003, with all members present and Executive Director Tim Campbell. The board was informed of an offer of \$50,000 for the Blytheville church property with the Board contributing up to \$13,000 in repairs to the building. Motion passed to present a counter offer of \$55,000 with no repairs.

March 21, 2003

The State Home Mission Board met via conference call on March 21, 2003, with all members present and Executive Director Tim Campbell. The board was informed of another counter offer for \$50,000 and the board put on a new roof or pay \$5,000 to replace the roof.

Motion passed to counter that offer with the price to be \$45,000 in "as-is" condition with us furnishing title work and a termite contract on the building.

April 1, 2003

The State Home Mission Board met at the state office on April 1, 2003, with all members present as well as Executive Director Tim Campbell. The committee of Bobby Shepherd, David Copeland, and Nelson Henderson met with the state mission board to discuss the feasibility of hiring a full-time mission director of the state of Arkansas.

Motion passed to recommend to the Executive Board that the State Home Mission Board hire a full-time mission director for the state of Arkansas.

Motion passed to approved the financial reports presented by Executive Director Tim Campbell.

Motion passed to transfer \$5,000 to the Zuniga account from the general fund.

Motion passed to accept Ramon Zuniga's resignation to come out from under the State Home Mission Board, effective June 30, 2003, and to send all designated funds to Zuniga as he continues his ministry working in the church.

Motion passed to authorize the chairman and secretary to sign on the Blytheville church building closing.

Motion passed to transfer \$5,000 to The Worship Center Free Will Baptist Church of Cabot, Arkansas, for expenses.

April 22, 2003

The State Home Mission Board met at the Cabot property on April 22, 2003, and discussed some options for the property. Members present were: Dwayne Roper, Bobby Shepherd, John Fowlkes, Kerry Gandy, David Taylor and Executive Director Tim Campbell.

The following report was given by missionary Jim Fairchild: 33 for Sunday school; sign would be erected on the property on July 28, 2003; advertising the new work with 56 ads per week, 224 ads per month at \$3 each, for approximately \$672 per month with more advertising to come in the future. He also stated that he was looking for a plan for a building approximately 80 x 120.

Motion passed to reduce the price on the parsonage in Blytheville to \$29,000 with permission for Executive Director Tim Campbell to negotiate to \$26,000 without a phone call.

April 27, 2003

The State Home Mission Board met via conference call on April 27, 2003, with all members present as well as Executive Director Tim Campbell.

Motion passed to accept the bid of \$95,520 from Crown Metal Buildings on an 80 x 120 (Shell only, 22 foot side walls, 3/12 pitch roof, and 2 colors) and to get a price on a turn-key finish on the inside.

Motion passed for building to face the highway for better appeal from the road.

Motion passed to pay for a water main extension up to \$40,000 if necessary to get the permit to build the church.

Motion passed to pay the architect bill and other permit costs of approximately \$8,500 to Crown Metal Buildings from the General Fund to be reimbursed from the building loan for Cabot.

STATE HOME MISSIONS BOARD REPORT, *Continued*

May 23, 2003

The State Home Mission Board met on May 23, 2003, at the state office with all members present as well as Executive Director Tim Campbell.

Motion passed to install a tank as required by the city of Cabot to provide 24,000 gallons of water for fire fighting purposes. The cost of the tank by Arcadian Fiberglass was a delivered price of \$8,765. The total cost to purchase install should not exceed \$12,000.

Motion passed to approve the site plan of the Cabot mission with the 80 x 120 building facing Highway 89. Motion passed to pay a down-payment of approximately \$25,000 to Crown Metal Buildings from the General Fund to be reimbursed from the building loan for Cabot.

Fairchild/Cabot report: 28 average attendance; \$385 average offering; sign up and running; TV ads started May 17...two months cost approximately \$1,400.

Motion passed to place proceeds from the Blytheville sale into the APPLE Fund.

Motion passed to allow up to \$3,000 for repairs for the Wynne church building.

Motion passed to give Jim Fairchild \$2,000 for expenses to the national association meeting in Tampa.

July 10, 2003

The State Home Mission Board met on July 10, 2003, at the state office with all members present as well as Executive Director Tim Campbell, auditor Ricky Taylor, and Cabot missionary Jim Fairchild.

Motion passed to erase all deficits in the Zuniga account with funds from the general fund, effective June 30, 2003.

Motion passed to approve the financial report as presented by Tim Campbell.

Motion passed to accept the 2002 audit report as given by Ricky Taylor.

Motion passed to purchase copier for the state office with state mission funds to be repaid by the state office.

July 15, 2003

The State Home Mission Board met via conference call with all members present as well as Executive Director Tim Campbell. The purpose of the call was to clarify items that were inadvertently left off the minutes.

Dwayne Roper, Chairman
Bobby Shepherd, Vice-Chairman
John Fowlkes, Secretary

Kerry Gandy
David Taylor
Randy Burris

STATE HOME MISSIONS Budget
January - December 2004

Receipts:

Cooperative Plan (21.5% of \$545,000)	\$ 117,175.00	
(Reflects change in Coop Budget from State Meeting)		
ACTS 1:8 Receipts for Cabot Missionary	50,000.00	
APPLE Payments from Cabot	5,000.00	
Conway Property Receipts	5,828.00	
Interest Income	3,350.00	
Total Receipts:	\$181,353.00	\$181,353.00

Disbursements:

Phone	1,000.00	
Secretarial Expense	3,900.00	
Computer	800.00	
Board Mileage/Meals (including ACTS 1:8)	4,000.00	
Audit	1,900.00	
Miscellaneous	500.00	
Cabot Work (Payments on Building)	40,000.00	
Cabot Payments to APPLE	5,000.00	
Cabot Missionary Salary	35,000.00	
Cabot Missionary Housing	15,000.00	
Conway Property payments to APPLE	5,828.00	
Mission's Director Salary	30,000.00	
Housing	12,000.00	
Retirement	1,200.00	
Insurance	5,000.00	
Social Security	6,450.00	
Auto Payment & Insurance	4,275.00	
Travel	4,000.00	
Office Expense	500.00	
Computer & Projector	2,500.00	
Postage	500.00	
Printing	2,000.00	
Total Disbursements	\$181,353.00	\$181,353.00

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, 2002 and 2001, 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, 2002 and 2001 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

Russellville, Arkansas

June 24, 2003

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, 2002 AND 2001**

ASSETS:	<u>2002</u>	<u>2001</u>
Cash	\$ 193,720	\$ 87,288
Cash - Savings Accounts	121,958	29,750
Cash - Certificate of Deposits	0	253,316
Property	1,020,529	967,918
Mortgage/Notes Receivable	<u>48,172</u>	<u>12,473</u>
 Total Assets	 <u>\$ 1,384,379</u>	 <u>\$ 1,350,745</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
LIABILITIES:		
Bonus Payable	\$ 3,594	\$ 6,537
Escrow Payable	263,827	237,652
Mortgage Payable	<u>172,939</u>	<u>205,211</u>
 Total Liabilities	 <u>440,360</u>	 <u>449,400</u>
 NET ASSETS:		
Unrestricted	874,130	672,746
Temporarily Restricted	<u>69,889</u>	<u>228,599</u>
 Total Net Assets	 <u>944,019</u>	 <u>901,345</u>
 Total Liabilities and Net Assets	 <u>\$ 1,384,379</u>	 <u>\$ 1,350,745</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, 2002 AND 2001**

	2002			2001	
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	TOTAL
REVENUE:					
General Fund Income	\$ 82,469	\$	\$	\$ 82,469	\$ 81,224
Missionary Income-Hispanic Mission		35,244		35,244	45,709
Missionary Income-Maumelle		16,830	60	16,890	44,833
Missionary Income-Cabot		16,632		16,632	2,777
Missionary Income-LR Inner City		729		729	0
Guthrie Memorial Income			475	475	1,466
Contributed Property	65,387			65,387	182,418
Rental Income		3,000		3,000	0
Interest Income	5,493			5,493	16,179
Gain (Loss) on Disposition of Assets		(33,550)		(33,550)	0
Net Assets released from restrictions:					
Restrictions satisfied by payments	198,130	(197,595)	(535)	0	0
Total Revenue	351,479	(158,710)	0	192,769	374,606
EXPENSES:					
Board Mileage & Meals	4,405			4,405	3,169
Telephone	1,064			1,064	1,118
Printing	247			247	116
Postage	129			129	80
Office Supplies	60			60	23
Secretarial Expense	3,600			3,600	3,600
Computer Expense	2,400			2,400	2,400
Professional Fees	1,900			1,900	1,800
Workman's Comp Insurance	0			0	(27)
Hispanic Service Expense	0			0	250
Miscellaneous	1,315			1,315	697
Travel	532			532	506
Missionary Expenses-Maumelle	34,152			34,152	49,627
Missionary Expenses-Cabot	19,289			19,289	0
Missionary Expenses-Hispanic Mission	43,351			43,351	41,447
Guthrie Memorial Fund	475			475	1,466
Contributions to Hispanic Missionary	6,500			6,500	10,000
Contributions to John Reed-Missionary	5,000			5,000	0
Expenses for Contributed Property	7,408			7,408	2,828
Louisiana Land Fund Expense	4,513			4,513	4,513
Interest Expense	13,755			13,755	18,468
Total Expenses	150,095	0	0	150,095	142,081
Increase (Decrease) In Net Assets	201,384	(158,710)	0	42,674	232,525
Net Assets - Beginning of Year	672,746	228,599	0	901,345	668,820
Net Assets - End of Year	\$ 874,130	\$ 69,889	\$ 0	\$ 944,019	\$ 901,345

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
DECEMBER 31, 2002 AND 2001

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2002</u>	<u>2001</u>
Increase in net assets	\$ 42,674	\$ 232,525
Add: Loss on Disposition of Property	33,550	0
Increase <Decrease> in:		
Bonus payable	<2,943>	1,824
Escrow payable	<u>26,175</u>	<u>66,000</u>
Net Cash Provided by Operating Activities	99,456	300,349
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property	<264,612>	<213,000>
Proceeds from collection from Mortgage Receivable	4,301	3,098
Sales proceeds from property	178,450	0
Mortgage Advance	<u><40,000></u>	<u>0</u>
Net Cash Provided <Used> from Investing Activities	<121,861>	<209,902>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loan Proceeds	0	29,582
Repayment of Debt	<u><32,271></u>	<u><64,123></u>
Net Cash Provided by Financing Activities	<u><32,271></u>	<u><34,541></u>
Net Increase <Decrease> in Cash	<54,676>	55,906
Cash at Beginning of Year	<u>370,354</u>	<u>314,448</u>
Cash at End of Year	\$ <u>315,678</u>	\$ <u>370,354</u>
SUPPLEMENTAL DISCLOSURES:		
Cash Paid During the Year for Interest	\$ <u>13,755</u>	\$ <u>18,468</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, 2002 AND 2001

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, 2002 AND 2001

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 nine months or less when purchased to be cash equivalents.

NOTE 2 - PROPERTY

A summary of property is as follows:

	<u>2002</u>	<u>2001</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	0	212,000
Land & building - Blytheville, Arkansas	65,387	0
Land - Cabot, Arkansas	<u>200,224</u>	<u>1,000</u>
	\$ <u>1,020,529</u>	\$ <u>967,918</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, Lake Hills Free Will Baptist Church in Hot Springs, Arkansas, and The Worship Center Free Will Baptist Church in Cabot, 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, Hot Springs, and Cabot, respectively. The property will not be transferred to Rolling Oaks Free Will Baptist Church, Lake Hills Free Will Baptist Church, or The Worship Center 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, 2002 AND 2001

NOTE 5 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2002</u>	<u>2001</u>
Missionary - Maumelle	\$ <7,399>	\$ 8,141
Missionary - Hispanic Mission	552	5,309
Missionary - Cabot	2,081	3,149
Contributed Property - Conway	73,926	212,000
Little Rock Inner City Youth	<u>729</u>	<u>0</u>
	\$ <u>69,889</u>	\$ <u>228,599</u>

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

NOTE 6 - NOTES PAYABLE

	<u>2002</u>	<u>2001</u>
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.	\$ 0	\$ 20,104
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>172,939</u>	<u>185,107</u>
	\$ <u>172,939</u>	\$ <u>205,211</u>

The aggregate maturities of these notes are as follows:

2003	\$ 9,212
2004	9,977
2005	10,805
2006	11,702
2007	12,673
Thereafter	118,570

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, 2002 is \$ 212,143.

NOTE 8 - SUBSEQUENT EVENTS

In January 2003, the Arkansas State Mission Board of the Arkansas State Association of Free Will Baptists, Inc. transferred the property in Hot Springs, Arkansas to the Lake Hills Free Will Baptist Church. This will result in a loss to the Arkansas State Mission Board of the Arkansas State Association of Free Will Baptists, Inc. of approximately \$ 49,900.

OASIS CAMPUS MINISTRIES REPORT
Kyle Hood, Campus Ministries Director

OASIS REPORT

January-December 2002

Beginning Balance, January 1, 2002		\$1,931.74
Receipts:		
Cooperative Plan	\$32,200.28	
Designated	9,465.71	
Total Receipts	\$41,665.99	41,665.99
Disbursements:		
Director's Salary	\$19,120.09	
Director's Housing	5,818.08	
Payroll Taxes	7,013.34	
Director's Mileage	368.18	
Director's Insurance	5,005.76	
Christmas Bonus	400.00	
Workman's Compensation Insurance	158.07	
Conferences	50.00	
Campus Promotion	1,266.78	
Campus Ministry	236.17	
Support Services	122.94	
Postage	110.62	
Printing	64.11	
Office Supplies	95.24	
Phone	33.89	
Internet Service	194.22	
Miscellaneous	300.38	
Total Disbursements	\$40,357.87	40,357.87
Ending Balance, December 31, 2002		\$3,239.86

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

September 12, 2002

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 15 members present (Nelson Henderson, Kevin Haralson, David Williams, Doug Little, David Bishop, Dorace Bishop, Kevin Jewell, Sidney Sawrie, David Winfrey, Dwayne Roper, Phillip Payne, Jim Walker, Chet Smith, and Darren Walker, along with Executive Director Tim Campbell) and home missionary Paul McKissick.

There was a request from David Riker from the Arkansas District that he be replaced on the Task Force. The giving and goals were reviews. Motion passed that the A.C.T.S. 1:8 Task Force offer an Electric Fund Transfer for contributions to the A.C.T.S. 1:8 Plan.

Motion passed that we set aside October 27, 2003, for a special offering to the A.C.T.S. 1:8 Plan.

Motion passed that the chairman appoint a subcommittee to compile the A.C.T.S. 1:8 guidelines to be placed in written form. Doug Little, Dwayne Roper, David Winfrey, and Jim Walker were appointed.

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

The next meeting was set for November 21, 2003, at the First Free Will Baptist Church in Conway.

November 21, 2002

The A.C.T.S. 1:8 Task Force Committee met at the First Free Will Baptist Church, Conway, Arkansas, with 14 members present (Nelson Henderson, Kevin Haralson, Doug Little, David Bishop, Dorace Bishop, Kevin Jewell, Sidney Sawrie, David Watson, David Winfrey, Phillip Payne, Jim Walker, Chet Smith, and Darren Walker, along with Executive Director Tim Campbell). The report from the subcommittee (to compile the guidelines to be placed in written form) was given and discussed. Motion passed to accept the A.C.T.S. 1:8 Criteria/Missionary Qualifications as presented.

Giving and goals were reviewed. The goal for 2003 was set for \$507,000.00. Plans for raising support for 2003 were discussed. The Task Force considered and agreed to select October as "A.C.T.S. 1:8 Emphasis Month." Each member is to be considering how we might promote it this next year.

Sidney Sawrie resigned as field representative for the A.C.T.S. 1:8 Task Force. Motion passed to accept his resignation.

Motion passed that the start-up funds and administrative cost for the Electronic Funds Transfer be taken from the A.C.T.S. 1:8 Task Force Budget.

The next meeting was set for February 11, 2003, at 10:00 AM at the First Free Will Baptist Church in Conway.

February 11, 2003

The A.C.T.S. 1:8 Task Force met at the First Free Will Baptist Church in Conway with 13 members present (Nelson Henderson, Kevin Haralson, David Bishop, Dorace Bishop, Kevin Jewell, Sidney Sawrie, David Watson, David Winfrey, Phillip Payne, Jim Walker, Chet Smith, Darren Walker and Executive Director Tim Campbell.)

The A.C.T.S. 1:8 Criteria Missionary Qualifications changes, suggested by a joint meeting of the Task Force Sub-committee and the State Home Missions Board, were reviewed and discussed. Motion passed to accept the following and send a copy to the pastors of this state for their comments.

A.C.T.S. 1:8 Criteria Missionary Qualifications

WHAT IS THE A.C.T.S. 1:8 PLAN?

This is a plan to support home and foreign missionaries from Arkansas as a whole rather than individually. It is a plan through which Free Will Baptists in Arkansas can cooperate toward a common goal and accomplish together what none could do alone. It is a plan that gets missionaries to the field more quickly.

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

A.C.T.S. 1:8 Criteria, Continued **Missionary Qualifications**

FOREIGN MISSIONARIES:

1. Must be appointed by and in good standing with the Foreign Missions Board of the National Association of Free Will Baptists
2. Must have strong residency ties to Arkansas Free Will Baptists
3. The Arkansas State Association of Free Will Baptists will approve the recommendations for support for A.C.T.S. 1:8 Foreign Missionaries on a yearly basis (each year at State Associational Meeting).
4. It is also understood that should a missionary resign or be dismissed by the Foreign Missions Board, funding will be discontinued effective with the termination date of the missionary's employment.
5. 100% of the missionary's budget will be adopted if the missionary is single and from Arkansas or if there is a missionary couple and both of them are from Arkansas. 50% of a missionary couple's budget will be adopted if one of the missionaries is from Arkansas. Any other missionaries who have ties will be considered on a case-by-case basis.

HOME MISSIONARIES:

1. They must be hired by, and in good standing with, the Arkansas State Mission Board and/or the National Home Mission Board and approved by The A.C.T.S. 1:8 Task Force for funding.
2. They must have a minimum of 5-years of residency in the state of Arkansas and/or approved by the State Mission Board.
3. It is understood that the State Association will approve the recommendations from The A.C.T.S. 1:8 Task Force for the amount of support on a yearly basis and that continued support be reviewed at the end of the missionary's contract.
4. Should a missionary resign or be dismissed by his board, funding will be discontinued effective with the termination date of the missionary's employment.
5. Rate of support:
 - State Mission Project – 100% of compensation package
 - National Home Missionary – no more than 50% of their missionary budget

SUPPORT PLAN:

All missionaries receiving money from the A.C.T.S. 1:8 Plan are expected to promote giving to the Plan and not to their individual accounts.

Foreign Missionaries

- A.C.T.S. 1:8 revenue will go toward the missionary's ministry budget

National Home Missionaries

- A.C.T.S. 1:8 revenue will go toward the missionary's ministry budget – no more than 50% of their missionary budget.

State Missionaries – 100% of compensation package.

- A.C.T.S. 1:8 revenue will go toward the missionary's compensation package (salary).
- Funds for Land Purchase will come from the APPLE Fund
- Building subsidy will be funded by State Mission's Cooperative receipts
- Subsidies will be based on the amount needed above the offerings of the Mission church

The A.C.T.S. 1:8 Emphasis Month was discussed. Many suggestions were given which will be compiled and given to each Task Force member.

Motion passed to recommend to individual Task Force members to send a representative from their association or organization if unable to attend. This representative will be a non-voting proxy.

The next A.C.T.S. 1:8 Task Force meeting was scheduled for May 13, 2003 at 10:00 AM at the First Free Will Baptist Church in Conway.

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

May 13, 2003

The A.C.T.S. 1:8 Task Force met at the First Free Will Baptist Church in Conway with 10 members present: (Nelson Henderson, Doug Little, David Bishop, Dorace Bishop, Kevin Jewell, Sidney Sawrie, Doug Harris, David Winfrey, Lisa Bowden, and Tim Campbell) along with James Forlines, General Director of National Foreign Missions.

Tim Campbell gave a report from the Cabot work and also the Bank Draft giving.

Motion passed to order some Post-it pads to give to pastors as a "Thank You" for their support.

The possibility of establishing the position of an Arkansas Missions Director was discussed. Motion passed to endorse the establishing of the position of an Arkansas Missions Director.

Suggestions to help with October Emphasis Month were discussed.

Motion passed to authorize the Chairman to appoint at his discretion a committee to develop a promotional plan for Emphasis Month.

Motion passed to accept Rev. Doug Little's resignation from the A.C.T.S. 1:8 Task as he had accepted a position at the Foreign Missions Department in Tennessee.

The next meeting was scheduled for July 1, 2003, at 10:00 AM at the First Free Will Baptist Church in Conway. The budget and Emphasis Month will be discussed at that time.

Rev. James Forlines shared with us about the work of the National Foreign Missions Department and answered questions from the Task Force.

July 1, 2003

The A.C.T.S. 1:8 Task Force met at the First Free Will Baptist Church in Conway with 10 members present (Nelson Henderson, Dorace Bishop, Kevin Jewell, Sidney Sawrie, David Winfrey, Dwayne Roper, Phillip Payne, Jim Walker, Lisa Bowden, and Tim Campbell) along with Wendell Leckbee, representing Central Association.

The financial report was reviewed and discussed. Several items concerning October Emphasis Month were discussed. The A.C.T.S. 1:8 Missionary Budget for 2004 was discussed. Motion passed to recommend the following to the Arkansas state meeting:

A.C.T.S. 1:8 Mission Task Force Budget January - December 2004

Receipts:

Cooperative Plan (2% of \$545,000)	\$10,900.00	\$10,900.00
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Disbursements:

Board Mileage & Meals	\$5,000.00	
Printing	4,000.00	
Postage	400.00	
Supplies	100.00	
Phone	100.00	
Secretarial	300.00	
Certificates of Appreciation	500.00	
Miscellaneous	500.00	
Total Disbursements:	\$10,900.00	\$10,900.00

**A.C.T.S. 1:8 Missionary Budget
January - December 2004**

MISSIONARY	FM BUDGET	RATE	A.C.T.S. 1:8 BUDGET	
FM-Bobby Aycock	\$94,647.06	25%	\$10,000.00	2.0%
FM-David Aycock	114,836.62	25%	10,000.00	2.0%
FM-Dale Bishop	129,105.74	50%	64,552.87	12.5%
FM-Eddie Bowerman	88,394.45	100%	80,000.00	15.5%
FM-Stan Bunch	106,967.31	50%	30,000.00	5.8%
FM-Shane Davison	118,218.96	50%	40,000.00	7.7%
FM-A. Edgmon	101,449.83	25%	25,362.46	4.9%
FM-J. Lancaster	112,375.45	50%	56,187.72	10.8%
FM-Don McDonald	149,994.91	25%	37,498.73	7.2%
FM-Patsy Vanhook	80,499.71	100%	80,499.71	15.5%
NHM-John Reed	43,000.00	50%	21,500.00	4.1%
SM-Jim Fairchild	50,000.00	100%	50,000.00	9.7%
Support Services			12,000.00	2.3
TOTALS	\$1,189,449.04		\$517,601.49	100.0%

Nelson Henderson, Chairman-Social Band Association
 Antioch -Kevin Haralson
 Arkansas-
 Central-Doug Little
 Fellowship-David Bishop
 Harmony-Dorace Bishop
 Little Missouri River-Kevin Jewell
 New Hope-Sidney Sawrie
 Northwest-Doug Harris

Old Mt. Zion-David Watson
 Polk Bayou-David Winfrey
 Saline-Dwayne Roper
 Southeast-Phillip Payne
 Unity-Jim Walker
 Zion Hope-Chet Smith
 Women Active for Christ-Lisa Bowden
 Master's Men - Darren Walker
 Executive Director Tim Campbell

ELECTION SCHEDULE FOR 2003-2004

EXECUTIVE BOARD

TERM ENDS 2004

Will Harmon

Jim Walker

TERM ENDS 2005

David Copeland

David Watson

TERM ENDS 2006

Dale Blackwell

(Replacing Dale Blackwell)(2)

Joe Buttgen

(Replacing Randell Williams)(3)

STATE YOUTH BOARD

TERM ENDS 2004

Leo Martin

Mark Stripling

TERM ENDS 2005

Tim Landers

Lynn Crawford

TERM ENDS 2006

Chris Moody

(Replacing Randall Ray)(3)

Johnny Miller

(Replacing Johnny Miller)(1)

STATE HOME MISSIONS BOARD

TERMS ENDS 2004

Randy Burris

David Taylor

TERM ENDS 2005

Kerry Gandy

Dwayne Roper

TERM ENDS 2006

Steve Trail

(Replacing Bobby Shepherd)(3)

Gerald Thomas

(Replacing John Fowlkes)(3)

CHRISTIAN EDUCATION BOARD

TERM ENDS 2004

Bob Brown

Randy Scott

(Replacing Mike Phillips)(4)

TERM ENDS 2005

Vincent Daniels

Kendall Ross

TERM ENDS 2006

Leroy Scudder

(Replacing Leroy Scudder)(2)

Doug Jones

(Replacing Jackie Brown)(3)

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

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

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

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

HILLSDALE TRUSTEE (2-Year Term) Will Harmon(Replacing Will Harmon)

OFFICERS

Moderator - David Bishop

(Replacing David Bishop)

Assistant Moderator - David Winfrey

(Replacing David Winfrey)

Clerk - Randy Ledbetter

(Replacing Randy Ledbetter)

Assistant Clerk - Wendell Leckbee

(Replacing Paul Hammons)

ARKANSAS STATE ASSOCIATION CONSTITUTION

Preamble

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

Article I.

Name:

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

Article II.

Purpose:

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

Article III.

Representation:

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

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

Section 3. Associational Delegates:

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

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

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

Section 5. The State Convention shall convene annually on the 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; \$100.00 for each church for National Association fees; and \$5.00 per each church for minutes, for a total of \$130.00.

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.