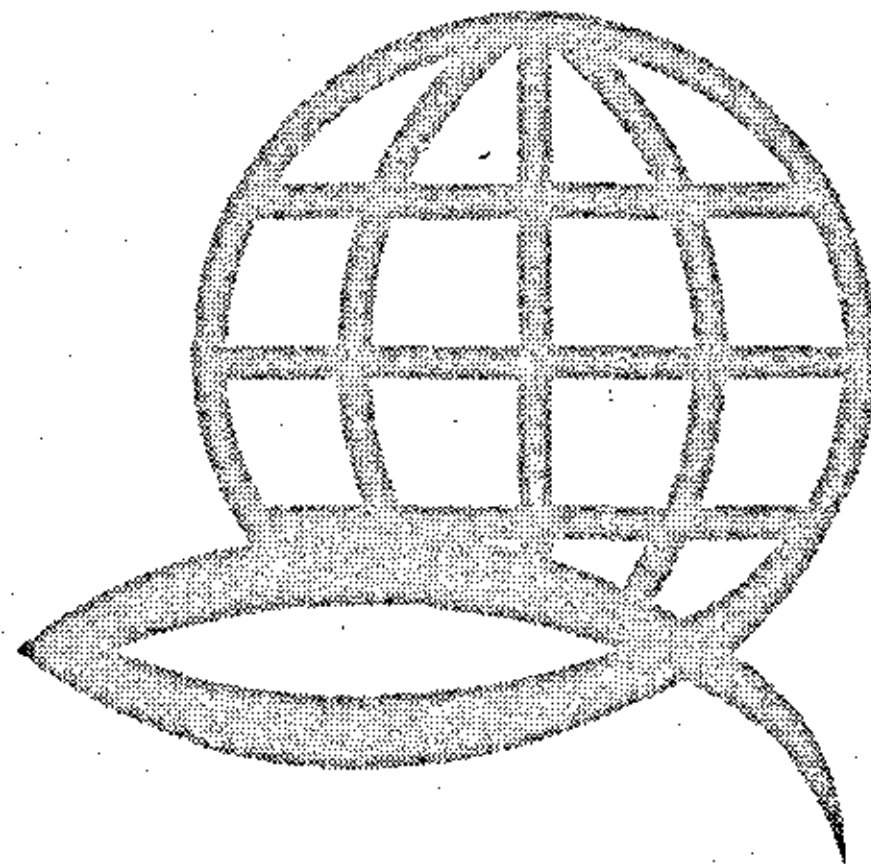


Minutes
of the
One-Hundred Eighth Annual Session
of the
Arkansas State Association
of
Free Will Baptists

Conway Public School Auditorium
Conway, Arkansas
August 2-3, 2005



Moderator of the 108th Session

David Bishop
403 Avenue 2 NE
Atkins, Arkansas 72823

Clerk for the 108th Session

Wendell Leckbee
3731 Lakeshore Drive
North Little Rock, Arkansas 72116

MINUTES
Of the
108th Annual Session
of the
ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS

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OFFICERS AND STANDING BOARDS

2005-2006

EXECUTIVE BOARD

Dale Blackwell	2006
Joe Buttgen	2006
Will Harmon	2007
Jim Walker	2007
David Watson	2008
David Copeland	2008

MISSIONS BOARD

Kenneth Winningham	2006
Gerald Thomas	2006
Randy Burris	2007
David Taylor	2007
Jackie Brown	2008
Kerry Gandy	2008

YOUTH BOARD

Ken Brown	2006
Johnny Miller	2006
Darren Walker	2007
John Gilliland	2007
Tim Landers	2008
Lynn Crawford	2008

CHRISTIAN EDUCATION BOARD

Leroy Scudder	2006
Doug Jones	2006
Randy Scott	2007
Bob Brown	2007
Kevin Jewell	2008
Vince Daniels	2008

MODERATOR	Nelson Henderson
ASSISTANT MODERATOR	David Harper
CLERK	Wendell Leckbee
ASSISTANT CLERK	Keith Bowden

OFFICERS OF DISTRICT ASSOCIATIONS

ANTIOCH

Moderator - Darrell Barnes
2145 St. Joe Road
Atkins, AR 72823
(479) 641-8819

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

ARKANSAS

Moderator - Bobby Richey
2856 Chris Freeman Circle
Boles, AR 72926
(479) 577-2527

Clerk - Kathy Minnie
HC 69 Box 124
Gravelly, AR 72838
(479)299-4607
Minniek@fus.k12.ar.us

CENTRAL

Moderator - Marshall Smith
1206 Foxwood
Jacksonville, AR 72076
(501) 982-2633
marshes@aristotle.net

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

FELLOWSHIP

Moderator - Randall Williams
127 Welcome Home Road
Hector, AR 72843
(479) 284-2238

Clerk - Keith Bowden
245 Bowen Estates Circle
Russellville, AR 72802
(479) 968-8321
pcefcu@cox-internet.com

HARMONY

Moderator-Ricky White
14040 State Hwy 22
Subiaco, AR 72865
(479) 938-7073

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

LITTLE MISSOURI RIVER

Moderator - Kenny Fant
116 N. Garfield Road
New Hope, AR 71959
(870) 398-4698

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

NEW HOPE

Moderator - Greig Caswell
P. O. Box 338
Vilonia, AR 72173
(501) 796-4245

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

NORTHWEST

Moderator - Lonny Burks
1624 Hwy 7 N
Harrison, AR 72601
(870) 741-3943

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

OLD MOUNT ZION

Moderator - Paul Payne
3017 East Emma
Springdale, AR 72762
(479) 751-3047
westsidepreacher@aol.com

Clerk - Carla Henson
P. O. Box 14
Avoca, AR 72711
(479) 451-8408

POLK BAYOU

Moderator - Tim Landers
84 Jill Circle
Batesville, AR 72501
(870) 251-0266
kimtim@arkansas.net

Clerk - Amy Johnson
8839 Hwy 37 North
Newport, AR 72112
(870) 252-3442

SALINE

Moderator - Billy Wilson
915 Woodlawn Street
Warren, AR 71671
(870) 226-5502

Clerk - Tracy Nichols
115 Smith Road
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(870) 226-5927

SOCIAL BAND

Moderator - Steve Trail
202 Carmen Drive
Walnut Ridge, AR 72476
(870) 886-6715

Clerk - Dale Blackwell
710 Utnage Drive
Jonesboro, AR 72404
(870) 932-6195
Blackwel@bscn.com

SOUTHEAST ARKANSAS

Moderator - Phillip Payne
644 B 144 West
Lake Village, AR 71653
(870) 256-3755
preacherpayne1@yahoo.com

Clerk - Sandra Schuk
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Lake Village, AR 71653
(870) 265-2880

UNITY

Moderator - Jim Walker
505 Hester Lane
Greenwood, AR 72936
(479) 996-2198
jwalker@valvelinx.net

Clerk - John Hays
P.O. Box 1393
Van Buren, AR 72956
(479) 471-0854

ZION HOPE #2

Moderator - Chet Smith
6136 Arkhola Road
Van Buren, AR 72956
(479) 474-9243

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

PROCEEDINGS

Tuesday Evening, August 2, 2005

The 108th annual of the Arkansas State Association of Free Will Baptists met at the Conway Public School Auditorium in Conway, Arkansas on August 2-3, 2005. The convention theme was **"Passion & Personal Where 'I' Fit Into Missions."** The theme verse was Acts 1:8.

The Tuesday evening service opened with song director Tim Landers leading the congregation in singing *"I Love to Tell the Story"* and *"Rescue the Perishing."* Debbie Stripling was the pianist.

Wendell Leckbee, Clerk, called the session to order and introduced the Moderator, David Bishop. Brother Bishop led in prayer, read and spoke from Psalms 37.

The Committee on Committees was elected as follows: Randy Scott, Early Payne, Steve Sawrie, John High and Leo Martin..

Tim Landers led the congregation in singing *"Lord Lay Some Soul Upon My Heart."*

Tim Eaton, President of Hillsdale Free Will Baptist College, presented Lawnie Coffman with a plaque naming him a "Friends of Hillsdale Champion" in recognition of his financial support of Hillsdale. Brother Coffman presented Hillsdale with a set of DVD's of WWII veterans telling about the war from an eyewitness/participant point of view and two copies of his book "My Leg of the Race."

The congregation sang *"Where He Leads I'll Go."*

Offertory prayer was led by Don Matchett. Offertory music was by Tanner Stahl who sang *"Giver of Life."* The offerings were divided one half each to National Home and International Missionaries present.

Moderator David Bishop introduced the evening speaker, Brother Randy Ledbetter, Missionary to Salt Lake City, Utah. Special music was presented by Kim Dickey who sang *"The Time is Now."* Brother Ledbetter preached from II Corinthians 5:18-21 on the subject *"Our Personal Responsibility for Missions."* The congregation sang *Have*

Thy Own Way" as an invitation.

Report of the Committee on Committees was given (page 8).
Scott Warren dismissed in prayer.

Wednesday Morning, August 3, 2005

The service opened with the congregation singing "*Bring Them In.*" Jay Griffin brought the morning devotion from Acts 1:8 and led in prayer. Moderator, David Bishop brought a brief message from Nehemiah 6.

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

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

Report of the State Executive Board was given by Will Harmon (pages 14-17). Motion was passed to receive the report. Kurt Hetherington and Gwyn Jowers representing Brotherhood Mutual through James Green & Associates presented a check for \$20,246.00 to Arkansas Free Will Baptists. Motion passed to allocate the money as follows: State Office \$5,000, Camp Beaverfork \$5,000, CE Scholarships \$5,000 and Missions \$5,000. David Copeland and David Watson were re-elected to the Executive Board.

Report of the Executive Director was given by Tim Campbell (pages 17-35). Brother Tim stressed the importance of the Cooperative Plan of Support 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 read by the Clerk (page 77). Motion passed to accept the report.

Report of the Christian Supply Store was given by Tim Campbell (pages 36-43). Motion passed to accept the report and adopt the budget.

Reports from Hillsdale Free Will Baptist College and the following National Departments were presented: Executive Office and Board of Retirement.

Brother Campbell requested continued prayers for Sue Patton and announced a reception in her honor after the Wednesday evening services.

Wednesday Morning Worship Service August 3, 2005

The service opened with the congregation singing "*The Light of the World is Jesus*" and *We've a Story to Tell the Nations.*" Nelson Henderson led in prayer and introduced Don Matchett who spoke after the congregation sang "*My Jesus I Love You.*" His subject was "*A Personal Call to Missions*" from I Kings 17:1-16.

After announcements by Nelson Henderson the meeting was dismissed.

Wednesday Afternoon Business Session August 3, 2005

Tim Landers led the congregation in singing "*God Leads His Dear Children.*"

Moderator David Bishop led in prayer and introduced Fern Phillips who gave her testimony which included resigning as a teacher and going to Brazil to teach and work with the missionaries there. James Forlines, Director of International Missions asked special prayer for those in Ivory Coast and recognized International Missionaries that was present.

Report of the Youth Board was given by Tim Landers (pages 68-76). *Campaign 87*" was proposed asking churches or individuals to give \$87.00 per month to pay off the indebtedness of Camp Beaverfork which he emphasized as an investment in our young people.

Report of Camp Beaverfork Director was given by Pat Baze (pages 69-76) who directed attention to the reports and introduced Ricky Taylor who discussed the financial reports of Camp Beaverfork. Brother Baze stressed the effectiveness of the Camp as a mission work and praised Arkansas young people and those who work with them. Plaques were presented to Lisa Bowden on behalf of ARWAC and Darren Walker on behalf of Master's Men in recognition of their support of Camp Beaverfork. Motion was adopted to receive the report and adopt the budget. Tim Landers and Lynn Crawford were re-elected to the board.

Report of the Christian Education Board was given by Kendall Ross (pages 44-45). He announced an endowment for scholarships had been established. Tim Campbell presented Brother Ross with a plaque for his service on the board. Motion adopted to accept the report and adopt the budget. Kevin Jewell was elected to the board and Vince Daniel was re-elected.

Report of the Mission Board was given by Kerry Gandy (pages 47-67). Ricky Taylor discussed the board's financial reports. Motion adopted to accept the report and adopt the budget. Jackie Brown was elected and Kerry Gandy was re-elected to the board.

The A.C.T.S. 1:8 Task Force Report was given by Nelson Henderson (pages 58-59). Appreciation was expressed to those who supported in the amount of \$462,169.41. Motion adopted to accept the report. After discussion regarding the practicality of a budget of \$752,156.00 the budget was adopted.

Report of the Missions Director was given by Don Matchett (page 54). Alan Pointer presented a challenge introduced to the teens at the National Youth Conference in Louisville, KY. It was for every teen to give \$1.00 a week for a mission offering to be presented at the 2006 National Association Missions Service in Birmingham, AL. The report was adopted.

Greetings and appreciation was expressed by National Home Missions Board, Family Ministries, Free Will Baptist Foundation, Free Will

Baptist Bible College and Randall House.

Report of the Master's Men Board was given by Darren Walker, President (page 11). Motion adopted to receive the report.

Report of the Resolutions Committee was adopted (page 12).

Report of the Obituary Committee was read by Keith Bowden, Assistant Clerk (pages 9). The congregation stood for a moment of silence after which Ben Scott led in a prayer of thanks for the life of each person. Motion adopted to accept the report.

The Statistics Report was read (page 12). Motion adopted to accept the report.

An invitation from Quail Valley Free Will Baptist Church to host the 2006 State Meeting was not accepted.

Delegates to the 2006 National Association in Birmingham, AL were Willa Lewis, Belinda Adair, Brenda Housley, Michael Birmingham and Christy Flores.

State Officers elected for the next year were as follows: Nelson Henderson, Moderator; David Harper, Assistant Moderator; Wendell Leckbee, Clerk; and Keith Bowden, Assistant Clerk.

David Copeland was elected and Will Harmon was re-elected to the Hillsdale Free Will Baptist College Board.

Tim Campbell presented David Bishop with a plaque for his service as Moderator for the 102nd thru the 108th sessions.

Dismissed in prayer by Wendell Leckbee.

Wednesday Evening Worship Service August 3, 2005

The service opened with the congregation singing *Great Is the Lord*". Will Harmon led in prayer and then presented Sue Patton with a retirement gift of a laptop computer and a check for \$3,000 in recognition of her service to Arkansas Free Will Baptists. She received a standing ovation from those present. A special prayer was prayed by David Bishop.

The congregation sang "*Throw Out the Lifeline*" and "*Bringing In the Sheaves*."

Anthony Edgmon, Missionary to Spain requested prayers for them as they return to the field to start a new church in a city that does not have an evangelical church. Brother Edgmon led in the offertory prayer. Offertory music was presented by Tracy Baze who sang "*Had It Not Been*."

Special music was presented by Lynsey Stripling who sang "*I Will Go*."

Tim Campbell introduced Mark Stripling who spoke on the subject "*Our Personal Passion for Missions*." His text was Psalms 126. After a time of invitation Tim Campbell led in prayer.

Nelson Henderson asked those present to complete a form in order to receive missions information.

Report of the Registration Committee was adopted (page 12).

The 108th session was adjourned.

REPORTS:
REPORT OF THE COMMITTEE ON COMMITTEES

Credentials: Jim Walker, Ronnie Garrett, Steve Trail, Jason Nichols and Rue Dell Smith

Nominating: Tim Landers, Keith Johnson, Tim Harris, Paul Payne and Dale Blackwell.

Obituary: Levan Hubbard, Gene Cross, Jim Fairchild, Darren Walker and Ronnie Whitten

Resolutions: Bobby Shepherd, Randy Burris, Ken Winningham
Gene Cullum and Bill Wyatt.

Committee on Committees:

Randy Scott

John High

Leo Martin

Early Payne

Steve Sawrie

REPORT OF THE CREDENTIALS COMMITTEE

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

Zion Hope: five churches did not pay: Booneville, Chester, Kibler, Heritage Oaks and Van Buren.

Respectfully submitted: Credentials Committee

Jim Walker

Jason Nichols

Rue Dell Smith

Ronnie Garrett

Steve Trail

OBITUARY COMMITTEE REPORT

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

ANTIOCH

Charlene Allison
Hazel Ballard
Jack Biffle
Mona Duvall
Pat Felkins
Vannie Harmon
Virvile Johnson
Therman McVay
Bill Patton
Dorothy Vandermark
Rev. Avaugh Vaugh

ARKANSAS

Leo Kenner
Maybelle Lacy
Ruby Brewer
Verla Stovall
Thelma Phillips
Larry Jones
Ules "Pud" Owens
Lisa Smith

CENTRAL

Ruby Williams
Opal Shillito
Inez Roper
Justin Barnett (Deacon)
Gladys Hudson
Goldman Rogers
Verdie Gaddy
William Stone
Bobby Bowen

FELLOWSHIP

Alice Roberts
Goldie Hettel
Eddie Spencer (Non-Member)
Otha Weir
Stanley Haralson
Avaughn Johnston
Ruth Boyer
Emalea Farnum
Gladys Hodges

HARMONY

W. D. (JR.) Pendergraft
Douglas Wayne Clemons
Jacob Smith
Fonzo Tidwell
Helen Cline
Ailene Barker
Marguerite Anglin

LITTLE

MISSOURI RIVER

Jodie Bushnell
Caleb Hatton
Erma Sue Vaught
Audria Metcalf
Jean Wharton

NEW HOPE

Juanita Harmon
Slim Wallis
Clarence Woodrome (Deacon)
Herman Jennings (Deacon)
Joy Thomas
Marvin Shannon
Faye Hare
Rosa Martin
Irene Burroughs
Thomas Holliman (Deacon)

NORTHWEST

Redith Porter
Loetta White

OLD MT. ZION

Max Puryear
Robert Joyner
Kenneth Outland
Curtis Burrows
Laura Casteel
Opal Ramer
Flora Sizemore
James Hamilton
James Bragg
Flora Reynolds
Wiloma Edens
Frank Mann
Joey Elington
Cordelia Jones
Lorenda Dotson
Viril Sloan
Dorothy Erschen
Nellive Fowler
James McConnell
Audie Smith
Delma Clark
Dillion Parsons
Flora Ledbetter
Walter Todd
Pearl Cook
Juanita Carter
Vernal Parker
Billy Roller, Sr.
LaRama Burris

OLD MT. ZION cont.

Betty Clark
Willie Nall
Roland Hartman
Danny Bryan
Jack Daniels
Loradean Gifford
Jerry Skelton
John Bryan
Wanda Winn
Derwin Wolf
Mildred Jones
Denver Adams
Robert Hollingsworth
Opal Johnson
Elva Martin
Genie Bolinger

Nellie Moore

Lawrence Gayer

POLK BAYOU

Cathy White
Helen Douthitt
Troy Branscum
Lena Mae Coleman
Carl Tapp
Freda Stroud
Freda Cheavers
Arva Finnegan
George Foster
Beatrice Foster
Opal Crownover
Joe Huckaba
Don Bailey
Lloyd Rutledge
Jessie Lee Davis
Donnie Hays
Jerry Sikes
Norene Young
Mrs. Tate
Sara Loy
Lorene Terry
George Mullin
Carl Shaver
Lucille Doyle
Grace Jochim
Temperance Burrow
Wenona Stroud
Junita Hastings
Tommie Coles
Alta Casm Kelly

SALINE ASSOCIATION

Pearl Harton
Opal Cornett
Earl Craig
Terrell Craig
Margaret Keith
Anita Nichols
Leavy McKinney
Paulette Adair
Naomi Holcomb
Geneva Peters
Pat Sanson
Virginia Rice
Freddy John Murry
Herman Morgan
Viola Dorsey
Alva Gates
Junior Gardner
Mack Morgan
Hazel White
Jimmie Lee Nicholson
Leon Ross

SOCIAL BAND

Irene Crider
Wayne Staggs
Willard Boling
Syble Potter
John Mitchell
Ruby Bennett

Steve Forkum

Ed Weaver

Dorothy Black

Retha Edington

Marie Simek

Kay Bennett

Shade Million

Lena Rieck

Ester Adams

Eli Murray

Dale Howard

Kathleen Hattenbauer

Clark Rieck

Effie Rudy

Clyde Cook

Ellen Moore

J. L. Jackson

Jewel Roberts

Margaret McCampbell

Claye Ann Pinkston

Hazel Cody

Mary Back

Charlie Johnson

Carrie Oldham

S.W. ARKANSAS

None Reported

UNITY

None Reported

ZION HOPE #2

George Conely
Robert Reed
Grace Thomas
Carolyn Burris
Maggie Summerhill
Velma Spoon
Diana Tugg
Therol (Doc) Neidecker
Loraine Osborne
Hazel Osborne
Lola Osborne
Katherine Joslin
Robert Bodine
D'Wayne Hatfield
Loretta Heckerman
Connie Christian
Imogene Tudor
Rev. Eugene Marston
Rev. M. C. Parish
Rev. John Barrick
Raymond Yeager
Jess Collette

Respectfully submitted:

OBITUARY COMMITTEE

Levan Hubbard

Gene Cross

Jim Fairchild

Darren Walker

Ronnie Whitten

REPORT OF THE ARKANSAS WOMEN ACTIVE FOR CHRIST

The 51st Annual session of the Arkansas Women Active for Christ met August 2, 2005 at Conway High School Auditorium. The theme was "*A Day Of Purpose*." The theme scripture was Ecclesiastes 3:1. The speaker was Lynette Morgan, missionary to France. Lisa Barnett directed the singing with Debbie Stripling as the pianist.

Several Home and Foreign Missionaries gave greetings and updates during Missionary Share Time.

11 Districts reported with 68 Locals and membership of 720. A total of \$22,319.61 (Acts 1:8 receiving \$17,296.91 of this amount), National Home Missions \$14,025.72, Children's Home \$2,787.00 and our 2004 State Project was a split project between Jim Fairchild, Arkansas and John Reed, Wisconsin with a total of \$9,275.77.

The following resolutions were adopted (see attached)

The 38th Annual Banquet was held in the Conway High School Cafeteria, August 2, 2005 at 5:00 pm with 147 in attendance. Lorene Miley, former missionary to Africa spoke from the theme "*What is Your Purpose?*" Special music was by Jeremy and Beth Thomas, North Little Rock FWB Church.

The Annual Retreat was held on May 6-7, 2005, at Camp Beaverfork with 155 registered. The theme was "*The Race of Faith*" taken from Hebrews 12:1-2. Speakers were represented from districts throughout the state. Special music was by REACH from the Unity District.

Respectfully Submitted, Lisa Bowden, Arkansas WAC President

We the Resolution Committee, submit the following recommendations:

1. We move to accept the 2005 WNAC Convention Resolutions as printed.
2. We move to give a rising vote of thanks to Antioch Association and Central Association for decorations and door prizes for the retreat and banquet, respectively.
3. We move to encourage our ladies (or locals) to try to double their giving to A.C.T.S. 1:8.

Committee Members: Vennis Parker, Chairman, Betty Hambright, Darlene Buttgen Shirley Smith, Bonita T. Hill.

Recommendations from the Executive Committee

1. If funds are available, Arkansas WAC will help Truth and Peace participants attending the 2007 National Convention in Little Rock. (For example, money, food, certificates, gift bags, with snack food, etc.) There are approximately 81 participants. If any district or local is interested in coordinating this activity, see our President.

2. Judy Short to replace Mary Bromley, due to her resignation, as a Member at Large for the remainder of the 2005-2007 term.

3. AR WAC give a \$100 gift to FWBBC in memory of Dr. LaVerne Miley to continue to train young men and women for Christian service.

4. The AR WAC State Project for 2006 be the Florence Crittenton Home in Little Rock.

Executive Committee

Lisa Bowden, President; Judy Trail, Secretary; Jayne Hannah, Treasurer; Mary Burris, Member at Large; Lou Williams, Field Worker; Belinda Adaire, Vice-President; Brenda Housley, Member at Large and Willia Jean Lewis, Member at Large

ARKANSAS MASTER'S MEN REPORT

Arkansas State Master's Men meeting was held at Ryan's Family Steakhouse in Conway, Arkansas, on Wednesday, August 3, 2005. The meeting was called to order by President Darren Walker. Jackie Brown brought the message from Mark 15:21. He spoke using the sports analogy of "*Coming off the Bench.*"

The State Project adopted was to purchase new mattresses for all the cabins at Camp Beaverfork before summer camp 2006.

We will be asking for 18 men's groups from all over the state to sponsor one cabin for the cost of approximately \$600 per cabin. Six men's groups committed to raise the \$600 from their group at the close of the meeting.

The treasurer's report and the minutes were read and approved. Officers elected for 2005-2007 were as follows:

Wendell Leckbee, President; Jerry Lewis, Treasurer; Carmon Rushing, Membership; James Smith, Activities; Ken Nabors, Program and Jeremy Thomas, Chorister. The meeting was adjourned.

RESOLUTIONS COMMITTEE REPORT

We the Resolutions Committee recommend that we thank the Executive Committee for all their hard work in making this an outstanding meeting.

Respectfully Submitted: Resolutions Committee

Bobby Shepherd, Chairman

Gene Cullum

Bill Wyatt

Randy Burris

Ken Winningham

REPORT OF THE REGISTRATION COMMITTEE

The following have registered during the 108th annual session of the Arkansas State Association of Free Will Baptists, held at the Conway High School Public Auditorium in Conway, Arkansas, August 2-3, 2005. Ministers 101, Deacons 21, Delegates 43, Missionaries 6, Visitors 174, for a grand total of 345 registered.

Respectfully submitted: Registration Committee

Ronnie Whitten

Tim Harris

David Copeland

Michael Morrison

STATISTICS REPORT

The Arkansas State Association of Free Will Baptists reports 15 associations comprised of 208 churches. The statistics for membership, baptism, etc., are based on the 192 churches who reported.

There are 91 churches located in a city/town; 111 churches in rural; 89 with full-time pastors, and 89 part time pastors. There are 314 ordained ministers, 51 licensed ministers, and 465 ordained deacons.

The churches reported 612 baptisms with 1,074 members added, 561 members lost, with a total membership of 19,441.

Sunday School enrollment was 10,765, CTS enrollment was 1,992, Women Active for Christ membership was 978 and Master's Men membership was 288.

There were four churches with day care, four churches with kindergartens and five churches with Christian Day Schools.

The total income of all churches reporting was \$13,020,545.51, and 49 churches with budgets.

There were 63 churches with parsonages, and a total value of all church property, including parsonages, of \$67,906,294.00.

ARKANSAS FREE WILL BAPTISTS

Comparative Receipts - January-December 2002-2003

STATE ASSOCIATION

			\$ Increase	% Gain
	2004	2003	(\$ Decrease)	(% Loss)
General Fund	109,188.77	90,256.14	18,932.63	20.98%
Operational Fund	13,000.00	9,175.00	3,825.00	41.69%
State Missions	184,555.36	157,010.70	27,544.66	17.54%
SM Property	14,133.08	36,497.76	-22,364.68	-61.28%
Sunday School Literature	290,589.67	255,731.15	34,858.52	13.63%
State Association Fees	6,033.00	6,175.00	-142.00	-2.30%
National Association Fees	20,230.00	20,150.00	80.00	0.40%
THE VISION	20,339.91	20,738.75	-398.84	-1.92%
OASIS	0.00	29,661.98	-29,661.98	-100.00%
Christian Education Board	31,482.44	42,391.85	-10,909.41	-25.73%
A.C.T.S. 1:8 Task Force	0.00	9,939.77	-9,939.77	-100.00%
Miscellaneous Accounts	42,613.00	28,085.46	14,527.54	51.73%
Christian Supply Store	522,890.00	674,883.00	-151,993.00	-22.52%
Camp Beaverfork	185,062.00	186,388.00	-1,326.00	-0.71%
TOTALS (Note 1)	1,440,117.23	1,567,084.56	-126,967.33	-8.10%
A.C.T.S. 1:8 (Note 2)	462,169.41	458,681.24	3,488.17	0.76%
COOP (Note 3)	550,904.95	543,936.54	6,968.41	1.28%
HILLSDALE	37,307.00	41,569.50	-4,262.50	-10.25%

NOTE 1: The above totals represent monies receipted through Arkansas agencies

NOTE 2: The above A.C.T.S. 1:8 totals are also included in the Intenational Missions totals below

NOTE 3: The above Coop Plan receipts is the sum of all Coop receive by all agencies

NATIONAL ASSOCIATION

			\$ Increase	% Gain
	2004	2003	(\$ Decrease)	(% Loss)
Executive Office	89,784.80	92,922.27	-3,137.47	-3.38%
International Missions	594,517.96	532,099.43	62,418.53	11.73%
National Home Missions	213,281.93	271,959.50	-58,677.57	-21.58%
FWBBC	72,537.68	69,720.66	2,817.02	4.04%
Bd. Of Retirement & Insurance	15,358.69	15,909.88	-551.19	-3.46%
Master's Men	17,751.04	18,381.55	-630.51	-3.43%
WNAC	13,834.20	11,963.89	1,870.31	15.63%
FWB Foundation	6,582.30	6,817.69	-235.39	-3.45%
Theological-Integrity Commission	548.86	615.77	-66.91	-10.87%
Media Commission	548.94	568.11	-19.17	-3.37%
Music Commission	548.80	568.72	-19.92	-3.50%
Historical Commission	548.72	567.86	-19.14	-3.37%
TOTALS	1,025,843.92	1,022,095.33	3,748.59	0.37%
GRAND TOTALS (State, National, Hillsdale)	2,465,961.15	2,589,179.89	-123,218.74	-4.76%

Executive Committee Summaries

July 12, 2004

The Executive Committee met at the state office in Conway and Ricky Taylor (Independent Auditor) presented the audits for Arkansas State Association of Free Will Baptists, Inc., Arkansas State Home Mission Board of the Arkansas State Association of Free Will Baptists, Inc., Christian Supply Store, Inc., and Camp Beaverfork, Arkansas Free Will Baptists Youth Camp, Inc. They were received and approved.

The Committee unanimously voted to retain the services of Ricky Taylor as auditor for the 2005 year.

December 3, 2004

The Executive Committee met at the state office in Conway to plan the 2005 state meeting. The meeting was set for August 9-10 at Conway High School Auditorium. The theme is to be "Passionate and Personal: Where 'I' fit into Missions." The theme Scripture is to be Acts 1:8.

Speakers were selected. Dr. Lavene Miley is to preach the Bible Conference and preach during the Wednesday morning service, Randy Ledbetter is to preach the Tuesday evening service, and Mark Stripling is to preach the Wednesday evening service.

The committee selected Jay Griffin to offer the Wednesday afternoon devotion and Ms. Fern Phillips to give her testimony about her involvement in missions on Wednesday morning.

The meeting was adjourned.

NOTE: After the passing of Dr. Miley, the committee voted via email to ask Don Matchett to speak in the Wednesday morning service and Larry Page to speak at the Bible Conference.

Moderator: David Bishop
Assistant Moderator: David Winfrey
Wendell Leckbee
Executive Director: Tim Campbell

Clerk: Randy Ledbetter
Assistant Clerk:

Executive Board Summaries

January 26 – 27, 2004

(January 26)

The state Executive Board met during the All Boards meeting at the Ozark Conference Center in Solgohacia, Arkansas. Bro. Will Harmon called the meeting to order with all members present. The board received and approved the report of the state office from Bro. Tim Campbell. Motion passed to give a \$1000.00 onetime gift to Sue Patton for medical expenses. Motion passed to accept the revisions in the Employee Policy Manual.

(January 27)

The state Executive Board met at the Ozark Conference Center. Bro. Will Harmon called the meeting to order with all members present. Board received an approved the report from the bookstore from Bro. Keith Johnson. Motion passed to accept Bro. Keith's request to take off two days a week to work in his church (salary adjusted accordingly). A request was made from Bro. Johnny Miller on behalf of the Arkansas State Youth Board to adjust the Youth Board's budget. Motion passed to adjust the budget, without increase, to allow a housing allowance for Bro. Pat Baze, youth camp director, if he should buy his own home.

February 27, 2004

The Executive Board of the state association of Arkansas Free Will Baptists met via conference call with all members present. Motion passed to place Kenneth Winningham on the State Mission Board to finish the unexpired term of Steve Trail who had recently resigned.

April 22, 2004

The Executive Board of the state association of Arkansas Free Will Baptists met in Conway at the state office. The chairman, Bro. Will Harmon, called the meeting to order. Members present were David Copeland, Joe Buttgen, Dale Blackwell, David Watson, Executive Director, Tim Campbell, and State Moderator, David Bishop. Motion was made to accept the minutes from the previous meeting as read. Bro. Tim Campbell gave the report from the state office. Bro. Keith Johnson gave the report from Christian Supply Store. Bro. Keith submitted his resignation effective September 1, 2004. Motion passed to accept his resignation.

May 18, 2004

The Executive Board of the state association of Arkansas Free Will Baptists met at the state office in Conway. The chairman, Bro. Will Harmon called the meeting to order. Members present were Joe Buttgen, David Copeland, David Watson, Executive Director Tim Campbell, and State Moderator David Bishop. Motion was passed to accept the minutes as read. Motion was passed to place Ken Brown on the state Youth Board to fill the term of Chris Moody, who recently moved. Motion passed to enter into negotiations to sell Christian Supply Store.

June 2, 2004

The Executive Board of the state association of Arkansas Free Will Baptists held a conference call. Members participating were Dale Blackwell, David Copeland, David Watson, Jim Walker, Joe Buttgen, Executive Director Tim Campbell, State Moderator David Bishop, and auditor Rick Taylor. Tim Campbell updated the board on the negotiation with the potential buyer of Christian Supply Store. Rick Taylor commented on last year's audit and the financial status of the bookstore.

July 14, 2004

The Executive Board of the state association of Arkansas Free Will Baptists met in Conway at the state office. Chairman, Bro. Will Harmon called the meeting to order. All board members were present along with Tim Campbell, David Bishop, and state auditor, Ricky Taylor.

Ricky Taylor went over the audits for Christian Supply Store and the state offices. Motion passed to accept both audits. Motion passed to create an accounting procedure manual for the state office. Motion passed to authorize the sale of the Christian Supply Store for \$275,000.00 contingent upon certain stipulations laid down in the contract. Brother Keith Johnson gave a report on the Christian Supply Store. Motion passed to give Bro. Keith and Sister Barbara \$10,000 out of the sale of Christian Supply store as a retirement gift. Bro. Tim Campbell gave the report on the state office. Motion passed to give Bro. Tim a cost of living raise of \$1,500.00 in 2005. Motion passed to divide the Brotherhood Mutual dividend as follows: General Fund - \$10,000.00, Camp Beaverfork \$5,000, A.C.T.S. 1:8 - \$4,009.00. Motion passed to adopt the state office budget for 2005. Motion passed to recommend the proposed organizational structure for the state at the annual state association. Motion passed to name the conference room at the state office as the "David A. Joslin, Conference Room."

The meeting was adjourned.

July 29, 2004

The Executive Board of Arkansas Free Will Baptists held a conference call. Executive Director informed the board that the prospective buyer of Christian Supply Store withdrew his offer. The Board voted to appoint a subcommittee to interview David Winfrey and his wife Carolyn for the position of bookstore manager and gave the go ahead to hire him if the interview was satisfactory.

The board also voted to pay Keith and Barbara Johnson's retirement gift out of state office funds.

The board also nominated Tim Harris to the Christian Education Board to fulfill the term of Bob Brown, who resigned to take a church in Virginia.

July 30, 2004

The Executive Board subcommittee interviewed David and Carolyn Winfrey and offered the job of bookstore manager to David and a assistant's job to Carolyn. They accepted the position.

August 24, 2004

The Executive Board met at the state office in Conway. Members present were Will Harmon, Dale Blackwell, David Bishop, David Copeland, Joe Buttgen and Tim Campbell. Officers for the board were elected. Will Harmon was reelected as chairman, Dale Blackwell was reelected as vice chairman and Joe Buttgen was elected as clerk.

A motion was passed to allow Christian Supply Store to borrow \$100,000 from the Apple Fund, pending approval by the State Mission Board. A motion was passed to allow the Executive Director to join a coalition that stands in opposition to alcohol legalization. The cost to join is \$100.00.

The meeting was adjourned.

October 21, 2004

The Executive Board of Arkansas Free Will Baptists met at the state office in Conway. Chairman Will Harmon read Matthew 6:9-13 and encouraged us about our prayer time. The meeting was opened in prayer and then called to order.

The previous meetings minutes were approved as read. Tim Campbell reviewed the various funds of the state office and then gave pertinent information concerning the status of the bookstore. Various reports were given for the office and bookstore. A motion passed to accept the information and reports.

A report was given by Tim Campbell concerning the Wynne Free Will Baptist Mission property. Motion was passed to give approval from the Executive Board to the State Mission Board to lease the property with an option to buy for \$100,000.00.

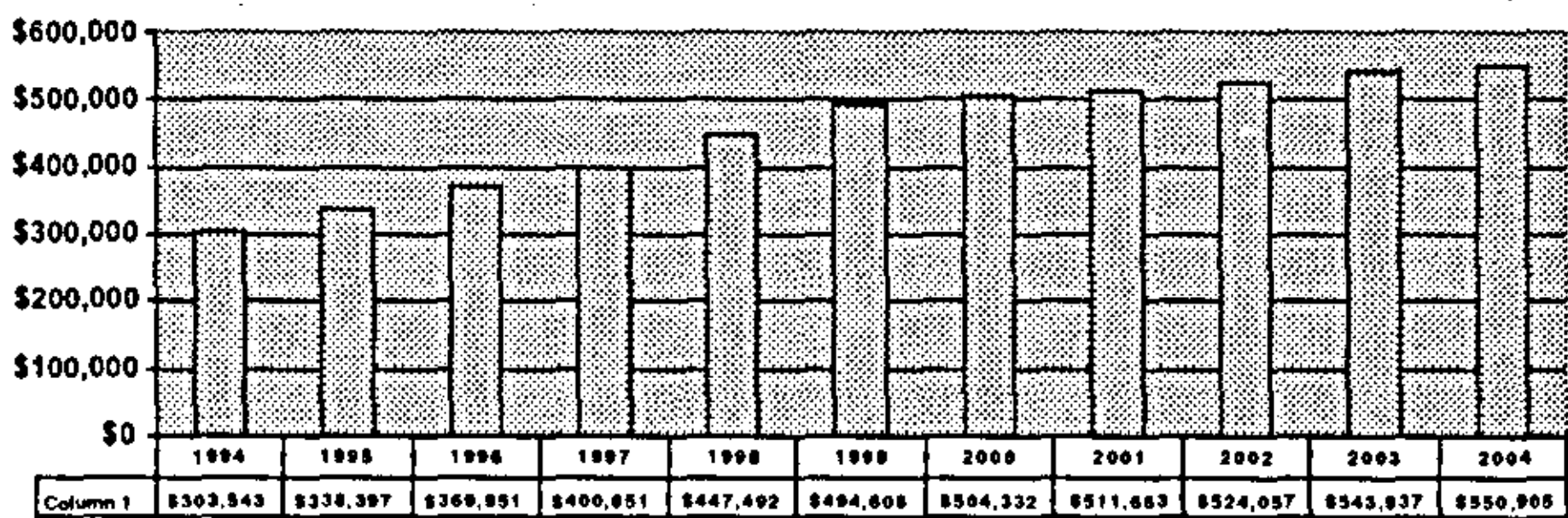
The request that was issued from Free will Baptist Family Ministries to place an additional board member from Arkansas on their board was delayed until further communication with Dr. James Kilgore.

The meeting was adjourned.

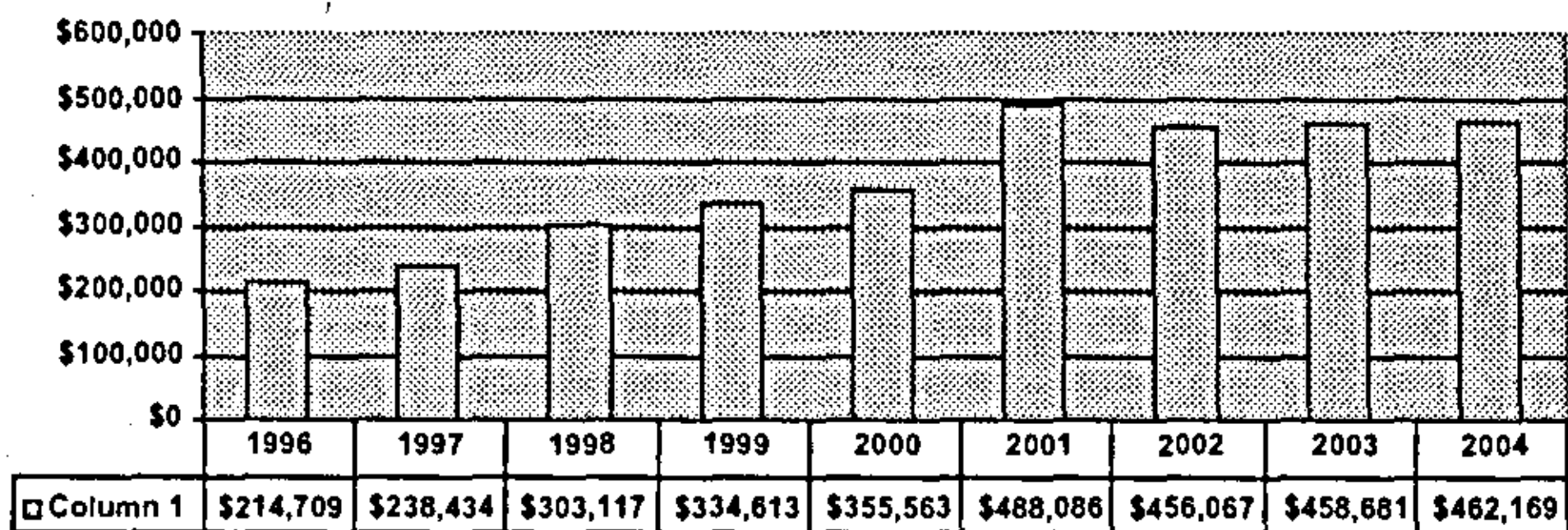
Respectfully submitted

Chairman:	Will Harmon	David Copeland
Vice Chairman:	Dale Blackwell	David Watson
Secretary:	Joe Buttgen	Jim Walker
Moderator:	David Bishop	

10 Year Coop Receipts



9 Year A.C.T.S. 1:8 Receipts



Proposed Cooperative Plan Budget - 2006				
	Plan A		Plan B	
Agency	%	\$	%	\$
Minister's Retirement		\$ 18,900.00		\$ 18,900.00
General Fund	18.5%	\$ 102,046.00	18.5%	\$ 102,046.00
State Missions	21.5%	\$ 118,594.00	21.5%	\$ 118,594.00
Youth Board	17.5%	\$ 96,530.00	17.5%	\$ 96,530.00
Christian Education Board	3.0%	\$ 16,548.00	3.0%	\$ 16,548.00
The VISION	2.0%	\$ 11,032.00	2.0%	\$ 11,032.00
In State Total	62.5%	\$ 363,650.00	62.5%	\$ 363,650.00
National Association	37.5%	\$ 206,850.00	30.5%	\$ 192,370.50
Hillsdale			7.0%	\$ 14,479.50
Total	100.0%	\$ 570,500.00	100.0%	\$ 570,500.00

Plan B designated 7% to Hillsdale Free Will Baptist College, 62.5% to the State Association, and 30.5% to the National Association. The minister's retirement comes off the top of cooperative receipts for minister's retirement. Each senior, full-time, minister who is enrolled with the Board of Retirement gets 5% of his church's cooperative receipts funneled to this retirement account.

Sunday School Budget 2004 Budget to Actual			
Receipts:		Budget	Actual
	Sale of Literature	260,000.00	290,589.97
	Total Receipts:	260,000.00	290,589.97
Disbursements:			
	Literature for Resale	162,000.00	191,903.19
	Postage/UPS	8,000.00	11,189.02
	Incoming Freight	1,600.00	1,614.96
	Sales Tax	16,000.00	21,437.00
	Supplies	1,200.00	2,415.24
	Phone	1,400.00	1,229.09
	Audit	500.00	500.00
	Misc.	500.00	1,137.06
	Total Disbursements:	191,200.00	231,425.56
	Transfer	68,800.00	41,300.00
	Copier		269.08
	Stockroom Mileage		462.48
	Workman's Comp		459.01
	Total		232,616.13
	Revenue Over Expenses		57,973.84

General Fund 2004 Budget to Actual			
Receipts:		Budget	Actual
	Cooperative Plan (18.5% of \$545,000)	100,825.00	102,788.77
	Fund Transfers	69,200.00	41,300.00
	Secretarial Transfers	6,600.00	6,300.00
	Other		100.00
	Total Receipts:	176,625.00	150,488.77
Disbursements			
	Director's Salary	31,700.00	32,660.19
	Director's Housing	12,600.00	12,600.00
	Director's Insurance	4,450.00	4,577.41
	Director's Retirement	1,200.00	240.00
	Director's Social Security	6,900.00	6,862.02
	Travel & Auto	6,000.00	5,360.30
	Vehicle Payment	5,500.00	5,486.64
	Auto Insurance	1,000.00	841.00
	National	1,200.00	1,388.17
	Board Mileage & Meals	3,000.00	3,576.58
	Phone	3,700.00	2,417.95
	Postage	300.00	574.92
	Dinners	1,000.00	842.24
	Office Supplies & Printing	1,500.00	1,285.44
	Web Site & Internet	1,000.00	534.40
	Audit	2,500.00	1,850.00
	Computer & Peripherals	2,000.00	600.00
	Copier	4,000.00	403.68
	Contingency	7,245.00	
	Staff Salaries	57,000.00	56,005.76
	Staff Insurance	9,000.00	12,473.49
	Staff Retirement	1,930.00	1,921.80
	Stockroom Salaries	2,000.00	1,588.21
	Payroll Taxes	7,900.00	5,205.59
	Misc.	2,000.00	5,292.36
	Total Disbursements:	176,625.00	164,588.15
	All Boards Mtg. Expense		671.50
	Vehicle Repairs & Maintenance		1,750.86
	Patton Medical Expense		1,000.00
	Total		164,588.15
	Revenue Over Expenses		(14,099.38)

Contingency Fund Budget 2004 Budget to Actual			
Receipts:		Budget	Actual
	Interest On Checking Accounts	1,500.00	1562.37
Total Receipts:		1,500.00	1562.37

Operational Fund 2004 Budget to Actual			
Receipts:		Budget	Actual
	Rental Income	13,000.00	13,000.00
	Rental Utilities	4,000.00	
	Total Receipts:	17,000.00	13,000.00
Disbursements:			
	Utilities	7,400.00	3,319.79
	Pest & Dust Control	400.00	462.91
	Janitor & Yard	1,700.00	1,830.00
	Property Insurance	2,200.00	3,401.50
	Property Taxes	1,500.00	2,182.03
	Supplies	200.00	212.93
	Repairs & Maintenance	2,000.00	692.67
	Audit	1,000.00	
	Miscellaneous	500.00	544.91
	Computer/Office Equipment	1,000.00	1,788.49
	Improvements	500.00	-
	Total Disbursements:	18,400.00	14,435.23
	Transfer	\$(1,400.00)	
	Building Furnishings		181.40
	Workman's Comp		10.00
	Total		14,626.63
	Revenue Over Expenses		(1,626.63)

VISION Budget 2004 Budget to Actual			
Receipts:		Budget	Actual
	Coop Receipts (2%)	10,900.00	10,005.15
	Subscriptions	10,800.00	10,514.76
	Advertisements	300.00	100.00
	Total Receipts:	22,000.00	20,619.91
Disbursements:			
	Printing	10,500.00	11,554.53
	Postage	6,800.00	6,912.87
	Supplies	200.00	462.57
	Computer Fund	700.00	700.00
	Audit	600.00	600.00
	Secretarial	1,200.00	1,200.00
	Misc.	200.00	876.14
	Total Disbursements:	20,200.00	22,306.11
	Transfer	1,800.00	
			(1,686.20)
	Copier		269.08
	Phone		14.90
	Total		22,590.09
	Revenue Over Expenses		(1,970.18)

2006 Proposed Budgets

2006 Proposed General Fund Budget

Receipts:

Cooperative Plan (18.5% of \$551,600)	102,046.00
Fund Transfers	57,050.00
Secretarial Transfers	6,600.00
Total Receipts:	165,696.00

Disbursements:

Director's Salary	31,700.00
Director's Housing	14,100.00
Director's Insurance	4,700.00
Director's Retirement	1,200.00
Director's Social Security	7,000.00
Travel & Auto	5,000.00
Vehicle Payment	6,000.00
Auto Insurance	1,000.00
National	1,200.00
Board Milage & Meals	3,000.00
Phone	2,500.00
Postage	600.00
Dinners	1,200.00
All Boards Mtg. Expenses	750.00
Postage Meter Rental	165.00
Office Supplies & Printing	1,000.00
Web Site & Internet	600.00
Audit	2,500.00
Computer & Peripherals	500.00
Contingency	31,081.00
Vehicle Contingency	2,200.00
Staff Salaries	36,800.00
Staff Insurance	4,100.00
Payroll Taxes	3,500.00
Workman's Comp	200.00
Misc.	3,000.00
Total Disbursements:	165,596.00

2006 Proposed Operational Fund Budget

Receipts:

Rental Income	15,600.00
Total Receipts:	15,600.00

Disbursements:

Utilities	3,500.00
Pest & Dust Control	500.00
Janitor & Yard	1,500.00
Property Insurance	3,500.00
Property Taxes	800.00
Supplies	200.00
Repairs & Maintenance	2,450.00
Audit	1,000.00
Miscellaneous	500.00
Computer/Office Equipment	500.00
Payroll Taxes	150.00
Improvements	1,000.00
Total Disbursements:	15,600.00

2006 Proposed Sunday School Budget

Receipts:

Sale of Literature	285,000.00
Total Receipts:	285,000.00

Disbursements:

Literature for Resale	185,500.00
Postage/UPS	11,200.00
Incoming Freight	1,600.00
Sales Tax	21,500.00
Supplies	2,500.00
Phone	1,250.00
Audit	500.00
Misc.	1,200.00
Stockroom Salaries/Mileage	2,500.00
Payroll Taxes	750.00
Total Disbursements:	228,500.00
Transfer	56,500.00

2006 Proposed VISION Budget

Receipts:

Coop Receipts (2%)	10,867.00
Subscriptions	10,600.00
Advertisements	100.00
Total Receipts:	21,567.00

Disbursements:

Printing	11,067.00
Postage	7,000.00
Supplies	500.00
Computer Fund	500.00
Audit	600.00
Secretarial	1,200.00
Misc.	700.00
Total Disbursements:	21,567.00

2006 Proposed Contingency Fund Budget

Receipts:

Interest On Checking Accounts	1,500.00
Total Receipts:	1,500.00

Cooperative Ministry Support (January - December, 2004)

ANTIOCH		POLK BAYOU	
Mt. Vernon	2,400.00	Allen Chapel	17,904.00
Ola	2,059.36	Ballew's Chapel	6,699.60
New Life	552.66	Batesville, First	15,605.49
Antioch Total	5,012.02	Blackland Chapel	3,757.00
CENTRAL		Cave City	300.00
Bethel	1,967.76	Mt. Harmony	5,533.63
Capitol City	360.00	New Bethel	3,816.01
Conway, First	3,927.00	Newport, First	5,669.85
Hot Springs, First	600.00	Tuckerman, First	6,842.51
Jacksonville, First	3,664.12	Polk Bayou Total	66,128.09
Malvern, First	1,316.40	SALINE	
N. Little Rock, First	10,383.36	Corbin Ferry, LA	420.00
Oak Park	10,210.62	Crossett, First	2,003.53
Russellville, First	64,383.46	Faith	1,993.18
The Worship Center FWB	2,079.18	Free Hill	35.00
Central Total	98,891.78	Harmony	4,985.49
FELLOWSHIP		Hillview, LA	518.00
Dardanelle, First	2,957.00	Landmark, LA	840.00
Harmony	3,679.00	Macedonia	377.87
Oak Grove	4,209.00	Mt. Pleasant	87.50
Union Grove	13,277.00	Oak Grove	2,264.96
Welcome Home	3,117.00	Pine Hill	759.50
Woodlawn	5,559.00	Pleasant Grove	42.00
Fellowship Total	32,798.00	Pleasant Valley	4,371.13
HARMONY		Rose Hill	3,349.84
Danville	621.12	Spring Hill	122.50
Plainview	905.00	Star City, First	10,493.67
Ranger	1,355.99	Trinity	4,077.07
Upper Spring Creek	1,247.79	Warren, First	7,368.90
Wilson	796.97	Yorktown	1,500.69
Harmony Total	4,926.87	Saline Total	45,610.83
LITTLE MISSOURI RIVER		SOCIAL BAND	
Arkadelphia, First	686.00	Arbor Grove	2,473.00
Daisy	4,805.18	Cornerstone	2,588.67
Glenwood	1,048.40	Faith	8,280.00
Hatfield	555.21	Jonesboro, First	10,000.00
Lake Hills	9,071.54	Old Reyno	3,215.28
Lodi	1,188.25	Pocahontas	9,039.90
Pleasant Grove	1,282.97	Poplar Valley	3,303.51
L.M. R. Total	18,637.55	Sutton	13,810.78
NEW HOPE		United, Walnut Ridge	10,782.25
Center Point	6758.25	Walnut Ridge, First	7,867.39
Chapel Lane	1,801.33	Social Band Total	71,360.78
Friendship	2,847.44	S.E. ARKANSAS DISTRICT	
Mt. Bethel	4,972.86	S.E. Arkansas Dist.	1,244.99
Rolling Oaks	4,450.00	Southeast Total	1,244.98
Sharon	3,669.27	UNITY	
South Heights	5,306.94	Bethlehem	11,655.62
New Hope Total	29,806.09	Cavanaugh	67,290.30
NORTHWEST		Central	720.00
Eureka Springs	829.79	Charleston, First	15,762.31
Gospel Lighthouse, MO	322.20	Greenwood, First	9,175.50
Moore	1,101.00	Oliver Springs	3,524.25
Mt. Olivet, MO	30.00	Ozark	11,620.25
Oak Grove	1,047.57	Southside	3,348.03
Oak Lane	120.00	Vista	4,050.00
Trinity	805.00	Unity Total	127,146.26
Northwest Total	4,255.56	ZION HOPE	
OLD MT. ZION		Catcher	766.14
Calvary	7,922.43	Cottonwood	22.80
Clifty Chapel	1,063.34	Fort Smith, First	879.99
New Sulphur	600.00	Kenner Chapel	887.53
Phillips Chapel	17,398.99	Locke	2,552.82
Rogers	4,800.00	Mulberry, First	870.10
Victory	2,000.00	Zion Hope Total	6,001.38
Westside	3,500.00	Individual	25.00
West Ridge	1,800.00	ASSOCIATION TOTALS	550,904.95
Old Mount Zion Total	39,084.76		

A.C.T.S. 1:8 Support (January - December 2004)

ANTIOCH		Heritage, LA	
Atkins, First	995.00	Lake Hills	2,743.95
Benton	360.00	Lodi, Glenwood	4,071.39
Clarksville, First	635.85	Pleasant Grove	1,800.00
Hector	408.00	L.M.R. Total	22,357.82
Johnson	825.00	NEW HOPE DISTRICT	
Mt. Vernon	1,680.00	New Hope District	1,240.00
New Life	552.66	Ceda Heights	759.86
New Life Youth	24.00	Center Point	2,785.00
Slaty Crossing	1,750.00	Chapel Lane	3,318.81
Smith Springs	2,880.00	Friendship	781.61
Sweet Home Youth	107.78	Mt. Bethel	3,911.00
ANTIOCH TOTAL	10,218.29	Rolling Oaks	2,720.00
ARKANSAS		Sharon	3,295.00
Arkansas District	1,000.00	Soda Valley	1,644.00
Boles	500.00	South Heights	4,044.43
Freedom	450.00	Individual	110.00
Harmony	318.32	New Hope Total	24,609.71
Hosanna	360.00	NORTHWEST	
Mulberry, Gravelly	2,415.67	Northwest District	3,000.00
ARKANSAS TOTAL	5,043.99	Eureka Springs	900.00
CENTRAL		Moore	3,603.00
Central District	9,363.31	Mt. Home, First	545.70
Bethel	2,276.00	Oak Lane	600.00
Capitol City	600.00	Trinity	533.96
Conway, First	3,573.62	Northwest Total	9,182.66
Hot Springs, First	625.00	OLD MT. ZION	
Jacksonville, First	8,713.26	Bentonville	984.50
Malvern, First	996.92	Calvary	2,000.00
N. Little Rock, First	20,984.25	Clifty Chapel	175.30
Oak Park	12,405.40	Durham	325.00
Russellville, First	47,724.60	Faith	700.00
Individual	600.00	Freedom	551.95
18th Street	3,345.10	Huntsville	700.00
The Worship Center	400.00	Mt. Zion	950.00
Central Total	111,567.46	New Sulphur	600.00
FELLOWSHIP		Pea Ridge	100.00
Fellowship District	2,640.00	Phillip's Chapel	3,730.00
Dardanelle, First	3,007.30	Victory	1,094.32
Harmony	2406.00	West Ridge	2,520.00
Oak Grove	1,440.00	Individuals	4,648.00
Union Grove	9,307.00	Old Mt. Zion Total	19,831.07
Welcome Home	1,727.00	POLK BAYOU	
Woodlawn	2,998.00	Polk Bayou Association	115.00
Individual	505.00	Allen Chapel	17,094.54
Fellowship Total	24,030.30	Ballew's Chapel	4,448.56
HARMONY		Batesville, First	4,223.31
Harmony Association	1,473.04	Blackland Chapel	1,899.72
Plainview	5,451.00	Cave City	225.00
Ranger	945.00	Macedonia, Mt. Pleasant	300.00
Upper Spring Creek	3,529.93	Mt. Harmony	2,038.68
Wilson	1,593.92	New Bethel	4,586.68
Individual	410.00	Newport	2,928.00
Harmony Total	13,402.89	Oak Grove	784.00
LITTLE MISSOURI RIVER		Oakland	268.14
Little Missouri River	2,989.40	Pool's Chapel	300.00
Arkadelphia, First	963.00	Tuckerman, First	10,669.82
Daisy	6,617.83	Weaver's Chapel	692.86
Glenwood	2,394.00	Master's Men	250.00
Hatfield	502.00	Polk Bayou Total	50,824.31

A.C.T.S. 1:8 Support (January - December 2004) continued

SALINE		Mulberry, First	575.00	ZION HOPE DISTRICT	
Saline District	13,860.59	Riverdale	531.00	Centerpoint	61.00
Crossett, First	3,793.94	Zion Hope Total	6,792.03	Fort Smith, First	90.00
Faith	1,920.00	Associations Total	440,957.28	Kenner Chapel	168.00
Harmony	2,389.66	WOMEN ACTIVE FOR CHRIST		Mulberry, First	240.00
Hillview, LA	400.00	ANTIOCH		Riverdale	30.00
Macedonia	1,188.20	Mt. Home, Lamar	80.40	Zion Hope Total	589.00
Oak Grove	306.00	Mt. Vernon	322.50	AR WAC Totals	14,021.08
Pleasant Valley	1,305.00	New Life	235.00	OTHER	
Rose Hill	4,762.42	Ola	591.10	Individuals	925.00
Spring Hill	400.00	Slaty Crossing	228.00	First Church Mission Vision	432.00
Star City, First	18,898.70	Smith Springs	502.50	Arkansas Master's Men	300.00
Trinity, Hamburg	2,711.34	Antioch Total	1,959.50	Green Forest United	1,200.00
Warren, First	20.00	CENTRAL		Lafferty Community	200.00
Willoughby	204.00	Conway	300.00	Brotherhood Dividend	4,009.00
Yorktown	2,243.83	Hot Springs	250.00	AR FWB Cash Jar	125.05
Individuals	785.00	Jacksonville	250.00	Other Totals	7,191.05
Saline Total	55,189.03	Malvern	36.01	GRAND TOTALS	462,169.41
SOCIAL BAND		N. Little Rock	663.31		
Social Band District	3600.00	Oak Park	300.00		
Arbor Grove	560.00	Russellville	480.00		
Coffman	200.00	Central Total	2,279.32		
Cornerstone	1,525.70	FELLOWSHIP			
Corning	491.00	Harmony	300.00		
Faith	9,100.00	Oak Grove	120.00		
Grandview	2,000.00	Union Grove	600.00		
Harmony	1,500.00	Union Grove Actionettes	600.00		
Jonesboro, First	4,122.24	Welcome Home	393.00		
Mt. Home, First	235.58	Woodlawn	376.00		
Northside	1,139.90	Fellowship Total	2,389.00		
O'Kean	380.00	NEW HOPE			
Old Reyno	4,279.29	Center Point	310.00		
Paragould, First	1,226.00	South Heights	240.00		
Pocahontas, First	7,102.03	New Hope Total	550.00		
Sharum	1,110.00	OLD MT. ZION			
Sutton	7,746.61	Old Mt. Zion District	40.00		
United, Walnut Ridge	1,200.00	Rogers	392.00		
Walnut Ridge, First	3,125.81	OLD MT. ZION TOTAL	432.00		
Individuals	55.00	POLK BAYOU			
Social Band Total	50,919.16	Polk Bayou District	200.00		
SOUTHEAST ARKANSAS		Ballew's Chapel	135.00		
Southeast District	622.49	Batesville, First	100.00		
Grace	1,200.00	Blackland Chapel	100.00		
Southeast Total	1,822.49	Mt. Harmony	120.00		
UNITY		Newport, First	120.00		
Bethlehem	1,755.68	Weaver's Chapel	100.00		
Cavanaugh	15,547.82	Polk Bayou Total	875.00		
Charleston, First	7,967.96	SALINE			
Greenwood, First	3,090.84	Saline District	560.06		
Oliver Springs	2,116.27	Crossett, First	480.00		
Ozark	1,525.00	Fairview	240.00		
Southside	1,800.00	Warren, First	601.10		
Vista	900.00	SALINE TOTAL	1,881.16		
Individuals	462.50	SOCIAL BAND			
Unity Total	35,166.07	Jonesboro, First	25.00		
ZION HOPE		Pocahontas, First	325.00		
Barling, First	94.45	Sutton	720.00		
Catcher	1,430.62	Walnut Ridge, First	110.00		
Chester	450.00	Social Band Total	1,180.00		
Cottonwood	44.27	UNITY			
88 FWB	50.00	Unity District	937.24		
Fort Smith, First	676.00	Charleston, First	307.50		
Independence	1,200.00	Oliver Springs	300.00		
Kenner Chapel	540.69	Riverview	341.36		
Locke	1,200.00	Unity Total	1,886.10		

2004 Arkansas Free Will Baptist Association Receipts

Association	COOP	A.C.T.S. 1:8	State Miss.	N.H.M.	I.M.	FWBBC.	Hillsdale	Misc.	Totals
Antioch	5,012.02	10,218.29			258.43			3,545.00	19,033.74
<i>Antioch ARWAC</i>		1,959.50							1,959.50
Arkansas		5,043.99			500.00			1,300.00	6,843.99
Central	98,891.78	111,567.46	1,877.50	9,881.83	24,853.26	19,463.01	4,596.19	5,631.53	276,762.56
<i>Central ARWAC</i>		2,279.32							2,279.32
Fellowship	32,798.00	24,030.30		4,403.00	295.00	500.00		2,115.00	64,141.30
<i>Fellowship ARWAC</i>		2,389.00							2,389.00
Harmony	4,926.87	13,402.89		3,452.00	709.38		1,020.00	2,450.00	25,961.14
<i>Harmony ARWAC</i>									-
Little MO River	18,637.55	22,357.82	2,627.52	230.00	821.00	2,595.68	395.76	6,415.00	54,080.33
<i>Little MO River ARWAC</i>									-
New Hope	29,806.09	24,609.71	4,877.10	5,134.75	447.50	600.00	2,696.75	3,990.91	72,162.81
<i>New Hope ARWAC</i>		550.00						110.00	660.00
Northwest	4,255.56	9,182.66		2,560.00			60.00	1,320.00	17,378.22
Old Mt. Zion	39,084.76	19,831.07		6,221.57	3,822.91			6,034.00	74,994.31
<i>Old Mt. Zion ARWAC</i>		432.00							432.00
Polk Bayou	66,128.09	50,824.31		6,911.85	6,070.46	1,560.00		6,059.25	137,553.96
<i>Polk Bayou ARWAC</i>		875.00							875.00
Saline	45,610.83	55,189.03	2,009.95	3,831.25			2,646.01	4,734.29	114,021.36
<i>Saline ARWAC</i>		1,881.16		50.00					1,931.16
Social Band	71,360.78	50,919.16	1,102.73	15,103.34	981.90	1,058.54	2,706.50	6,325.23	149,558.18
<i>Social Band ARWAC</i>		1,180.00						200.00	1,380.00
Southeast	1,244.98	1,822.49		622.49	6,497.39			1,666.50	11,853.85
Unity	127,146.26	35,166.07		12,095.70			23,186.00	6,162.15	203,756.18
<i>Unity ARWAC</i>		1,886.10							1,886.10
Zion Hope	5,976.38	6,792.03		180.00				1,690.00	14,638.41
<i>Zion Hope ARWAC</i>		589.00							589.00
Other	25.00	7,191.05	6,586.19	478.15	568.15			1,079.88	15,928.42
<i>ARWAC</i>			4,507.89		25.00			4,616.47	9,149.36
Totals	550,904.95	448,148.33	23,588.88	71,105.93	45,825.38	25,777.23	37,307.21	60,518.74	1,263,176.65
Totals ARWAC		14,021.08	4,507.89	50.00	25.00	-	-	4,926.47	23,530.44
Grand Totals	550,904.95	462,169.41	28,096.77	71,155.93	45,850.38	25,777.23	37,307.21	65,445.21	1,286,707.09
2003 Totals	543,936.54	458,681.24	31,813.10	65,949.97	42,947.43	23,053.71	41,569.50	75,585.23	1,283,536.72
\$ Increase or Decrease	6,968.41	3,488.17	(3,716.33)	5,205.96	2,902.95	2,723.52	(4,262.29)	(10,140.02)	3,170.37
% Increase or Decrease	1.28%	0.76%	-11.68%	7.89%	6.76%	11.81%	-10.25%	-13.42%	0.25%

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

Certified Public Accountant

P. O. Box 2851

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(479) 967-4439

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors

Arkansas State Association of Free Will Baptists, Inc.

I have audited the accompanying statements of financial position of Arkansas State Association of Free Will Baptists, Inc. (a nonprofit Corporation) as of December 31, 2004 and 2003, 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.

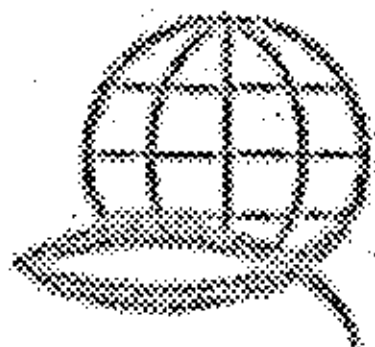
In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the actual cash and donations records referred to in the preceding paragraph been susceptible to satisfactory audit tests, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Arkansas State Association of Free Will Baptists, Inc. as of December 31, 2004 and 2003 and its results of operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

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

Russellville, Arkansas

June 24, 2005

Member of:
Arkansas Society of Certified Public Accountants



ARKANSAS

FREE WILL BAPTISTS

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2004 AND 2003

ASSETS

ASSETS:	<u>2004</u>	<u>2003</u>
Cash	\$ 133,447	\$ 140,679
Accounts Receivable	3,612	2,491
Inventory	4,361	2,422
Property, Plant & Equipment		
Less Accumulated Depreciation	<u>386,018</u>	<u>392,212</u>
Total Assets	<u>\$ 527,438</u>	<u>\$ 537,804</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts Payable	\$ 5,680	\$ 8,422
Designated Contributions Payable	135,200	117,945
Sales Tax Payable	62	185
Payroll Taxes Payable	1,522	1,451
Notes Payable	<u>12,991</u>	<u>17,473</u>
Total Liabilities	155,455	145,476
NET ASSETS:		
Unrestricted	367,953	388,413
Permanently Restricted	<u>4,030</u>	<u>3,915</u>
Total Net Assets	<u>371,983</u>	<u>392,328</u>
Total Liabilities and Net Assets	<u>\$ 527,438</u>	<u>\$ 537,804</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, 2004 AND 2003**

	2004			2003	
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	TOTAL
REVENUE:					
Designated contributions-					
National Home Missions	\$	\$	\$ 71,106	\$ 71,106	\$ 65,950
Designated contributions-					
Foreign Missions			45,982	45,982	42,947
Designated contributions-					
Acts 1-8			461,886	461,886	458,681
Designated contributions-					
Free Will Baptist Bible College			25,777	25,777	23,054
Designated contributions-					
Hillsdale			37,307	37,307	41,570
Designated contributions-Other			42,613	42,613	28,407
Cooperative Contributions	550,905			550,905	543,937
Sunday school literature sales	269,928			269,928	231,812
Vision sales and advertising	10,455			10,455	10,979
National Association fees	16,300			16,300	20,150
State convention fees	9,933			9,933	6,175
Rental income	13,000			13,000	9,175
Interest income	1,621			1,621	5,530
State Cooperative income			134,226	134,226	156,811
Other income	19,242		150	19,392	52,515
Net Assets released from restrictions:					
Restrictions satisfied by payments	818,932		(818,932)	0	0
Total Revenue	1,710,316	0	115	1,710,431	1,697,693
EXPENSES:					
Designated contributions	684,671			684,671	660,609
Cooperative contributions	550,905			550,905	543,937
Cost of sales - S. S. literature	191,150			191,150	161,332
C.E. Scholarships	1,500			1,500	0
State convention expense	7,475			7,475	6,668
Interest expense	1,004			1,004	1,285
Gifts to Retiring Bookstore Manager	10,000			10,000	0
Property taxes	2,182			2,182	0
Payroll taxes	4,926			4,926	7,200
Health insurance & retirement	14,395			14,395	11,108
Property insurance	3,402			3,402	2,492
Website cost	534			534	1,025

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

**ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
STATEMENTS OF ACTIVITIES - (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

	2004			2003	
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	TOTAL
EXPENSES: (CONTINUED)					
Workman's comp insurance	\$ 805	\$	\$	\$ 805	\$ 562
Utilities	3,326			3,326	3,684
Jantor	1,550			1,550	1,150
Supplies	8,304			8,304	5,128
Miscellaneous	14,965			14,965	11,367
Salary, housing, retirement insurance & social security	56,940			56,940	55,740
Board mileage & meals	8,241			8,241	11,436
Auto & travel expenses	7,569			7,569	7,588
Repairs & maintenance	5,721			5,721	3,992
Telephone	3,922			3,922	3,476
Postage & printing	29,156			29,156	34,722
Computer expense	1,300			1,300	2,400
Secretary salaries	57,006			57,006	62,725
Stockroom expense	1,588			1,588	2,022
Professional fees	3,450			3,450	3,200
Retreat & conference expense	23,415			23,415	25,850
National Association fees	20,800			20,800	21,300
Ministers benevolence expenses	35			35	11,055
Oasis Salaries	0			0	23,669
Oasis ministry expenses	0			0	4,016
Depreciation	10,539			10,539	9,447
Total Expenses	1,730,776	0	0	1,730,776	1,700,185
Increase (Decrease) In Net Assets	(20,460)	0	115	(20,345)	(2,492)
Net Assets - Beginning of Year	388,413	0	3,915	392,328	394,820
Net Assets - End of Year	\$ 367,953	\$ 0	\$ 4,030	\$ 371,983	\$ 392,328

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

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2004</u>	<u>2003</u>
Increase <Decrease> in net assets	\$ <20,345>	\$ <2,492>
Depreciation	10,539	9,447
<Increase> decrease in:		
Accounts receivable	<1,121>	<2,127>
Inventory	<1,939>	<1,009>
Increase <decrease> in:		
Accounts payable	<2,742>	5,441
Payroll taxes payable	71	50
Sales tax payable	<123>	114
Designated contributions payable	<u>17,255</u>	<u>18,895</u>
Net Cash Provided by Operating Activities	1,595	28,319
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property & equipment	<u><4,344></u>	<u><9,115></u>
Net Cash Used by Investing Activities	<4,344>	<9,115>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt	0	0
Repayment of debt	<u><4,483></u>	<u><4,201></u>
Net Cash Provided by Financing Activities	<u><4,483></u>	<u><4,201></u>
Net Increase <Decrease> in Cash	<7,232>	15,003
Cash at Beginning of Year	<u>140,679</u>	<u>125,676</u>
Cash at End of Year	<u>\$ 133,447</u>	<u>\$ 140,679</u>
SUPPLEMENTAL DISCLOSURES:		
Cash Paid During the Year for Interest	<u>\$ 1,004</u>	<u>\$ 1,285</u>

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

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

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, 2004 AND 2003

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>2004</u>	<u>2003</u>
Auto	\$ 23,314	\$ 23,314
Office Furniture & Equipment	52,552	49,132
Building Improvements	<u>25,247</u>	<u>24,322</u>
	101,113	96,768
Less Accumulated Depreciation	<u>70,095</u>	<u>59,556</u>
	31,018	37,212
Land and Building	<u>355,000</u>	<u>355,000</u>
Total Property and Equipment	<u>\$ 386,018</u>	<u>\$ 392,212</u>

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 2004 AND 2003

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, 2004 and 2003 was as follows:

	<u>2004</u>		<u>2003</u>	
	<u>PLAN A</u>	<u>PLAN B</u>	<u>PLAN A</u>	<u>PLAN B</u>
State General Fund	18.5%	18.5%	18.5%	18.5%
State CTS Board	17.5%	17.5%	17.5%	17.5%
State Missions Board	21.5%	21.5%	17%	17%
Christian Education Board	3%	3%	3%	3%
THE VISION	2%	2%	2%	2%
National Association	37.5%	30.5%	37.5%	30.5%
ACTS 1:8 Task Force	0%	0%	2%	2%
OASIS *	0%	0%	2.5%	2.5%
Hillsdale	0%	7%	0%	7%
TOTAL	100%	100%	100%	100%

*As of October 1, 2003, distributions were paid to contingency fund.

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 2004 and 2003 are \$ 1,598 and \$ 8,490. 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>2004</u>	<u>2003</u>
Ministers Benevolent Fund	<u>\$ 4,030</u>	<u>\$ 3,915</u>
	<u>\$ 4,030</u>	<u>\$ 3,915</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, 2004 AND 2003

NOTE 7 - NOTES PAYABLE

	<u>2004</u>	<u>2003</u>
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>12,991</u>	\$ <u>17,473</u>
Total Debt	\$ <u>12,991</u>	\$ <u>17,473</u>

The aggregate maturities of these notes are as follows:

2005	\$ 4,782
2006	5,102
2007	3,107

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, 2004 is \$ 92,301.

NOTE 9 – CONTINGENT LIABILITIES

The Executive Board of The Arkansas State Association of Free Will Baptists, Inc. has signed the notes for Arkansas State Home Mission Board of the Arkansas State Association of Free Will Baptists, Inc., Camp Beaverfork, Arkansas Free Will Baptists Youth Camp, Inc. and Christian Supply Store, Inc. and the long term lease agreement for Christian Supply Store, Inc. If these entities are unable to cover there obligations, the Arkansas State Association of Free Will Baptists, Inc. will be liable for those obligations.



Ricky J. Taylor C.P.A., P.A.
Certified Public Accountant
P. O. Box 2851
Russellville, AR 72811
(479) 967-4439

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying balance sheets of Christian Supply Store, Inc. (a nonprofit corporation) as of December 31, 2004 and 2003, 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, 2004 and 2003 and its results of the operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

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

Russellville, Arkansas
May 26, 2005

Member of:
Arkansas Society of Certified Public Accountants

CHRISTIAN SUPPLY STORE, INC.

BALANCE SHEETS

DECEMBER 31, 2004 AND 2003

ASSETS		2004	2003
CURRENT ASSETS:			
Cash on hand	\$	400	\$ 200
Cash in bank		23,730	7,088
Cash-contingency fund		686	682
Accounts receivable		9,706	18,157
Inventory		<u>186,665</u>	<u>233,373</u>
Total Current Assets		221,187	259,500
FIXED ASSETS:			
Auto		0	14,159
Equipment		36,114	55,305
Leasehold Improvements		8,661	5,235
Less: Accumulated Depreciation		<u><20,040></u>	<u><67,737></u>
Total Fixed Assets		<u>24,735</u>	<u>6,962</u>
TOTAL ASSETS		\$ <u>245,922</u>	\$ <u>266,462</u>
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES:			
Accounts payable	\$	50,458	\$ 81,611
Current Portion of L-T Debt		8,007	0
Notes payable		0	20,124
Payroll taxes payable		2,407	1,351
Sales tax payable		<u>4,276</u>	<u>6,603</u>
Total Current Liabilities		65,148	109,689
LONG-TERM DEBT			
Notes Payable (less Current Portion)		<u>90,053</u>	<u>0</u>
Total Liabilities		155,201	109,689
FUND BALANCES:			
Fund balance, Beginning		156,773	124,593
Current year profit <loss>		<u><66,052></u>	<u>32,180</u>
Fund balance, Ending		<u>90,721</u>	<u>156,773</u>
TOTAL LIABILITIES AND FUND BALANCES		\$ <u>245,922</u>	\$ <u>266,462</u>

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

CHRISTIAN SUPPLY STORE, INC.
STATEMENTS OF REVENUE AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
REVENUE:		
Sales	\$ 522,890	\$ 674,883
COST OF SALES:		
Merchandise purchases	331,216	393,379
Freight	7,357	6,067
Sales tax	37,126	45,514
Supplies	9,406	8,733
Commissions	<u>1,419</u>	<u>1,805</u>
Total cost of sales	386,524	455,498
GROSS PROFIT	136,366	219,385
OPERATING EXPENSES:		
Advertising	4,539	8,059
Auto expense	356	395
Insurance	14,379	16,801
Bank charges & credit card fees	4,009	3,404
Contract labor	1,263	0
Miscellaneous	3,005	2,194
Postage	3,652	4,694
Rent	52,800	52,800
Payroll taxes	5,630	5,520
Telephone	3,820	3,511
Travel	436	330
Salaries-other	52,662	44,971
Manager-salary & housing	29,697	25,368
Manager-insurance & retirement	4,152	1,367
Professional fees	5,230	4,000
Property tax	2,222	2,031
Returned checks	655	48
Repairs & Maintenance	2,060	0
Utilities	7,025	7,010
Depreciation	<u>2,758</u>	<u>3,253</u>
Total operating expenses	<u>200,350</u>	<u>185,756</u>
NET OPERATING PROFIT <LOSS>	<63,984>	33,629

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

CHRISTIAN SUPPLY STORE, INC.
STATEMENTS OF REVENUE AND EXPENSES-(CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
NET OPERATING PROFIT <LOSS>	\$ <63,984>	\$ 33,629
OTHER REVENUE AND EXPENSES		
Interest income	111	117
Interest expense	<u><2,179></u>	<u><1,566></u>
NET PROFIT <LOSS>	<u>\$ <66,052></u>	<u>\$ 32,180</u>

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

CHRISTIAN SUPPLY STORE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
CASH FROM OPERATING ACTIVITIES:		
Excess of revenues over expenses	\$ <66,052>	\$ 32,180
Adjustments to reconcile excess to net cash provided by operating activities:		
Depreciation	2,758	3,253
(Increase)decrease in accounts receivable	8,451	<7,053>
(Increase)decrease in inventory	46,708	<26,480>
Increase(decrease) in accounts payable	<31,153>	1,291
Increase(decrease) in payroll taxes payable	1,056	<639>
Increase(decrease) in sales tax payable	<u><2,327></u>	<u>770</u>
Net cash provided by operating activities	<40,559>	3,322
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	<u><20,531></u>	<u>0</u>
Net cash used in investing activities	<20,531>	0
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt	119,916	0
Repayment of debt	<u><41,980></u>	<u><6,000></u>
Net cash used in financing activities	77,936	6,000
Net Increase (Decrease) in Cash	16,846	<2,678>
Cash at Beginning of Year	<u>7,970</u>	<u>10,648</u>
Cash at End of Year	\$ <u>24,816</u>	\$ <u>7,970</u>

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

CHRISTIAN SUPPLY STORE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003

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 straight-line method based on the estimated useful lives of the related assets. Estimated useful life of the property, equipment and leasehold improvements range from 3 to 10 years. Depreciation expense for the years ending December 31, 2004 and 2003 are \$ 2,758 and \$ 3,253, respectively.

INVENTORY

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

STATEMENT OF CASH FLOWS

For purposes of the statement of cash flows, the Corporation considers all investment instruments purchased with a maturity of three months or less to be cash equivalents. Cash available per operating accounts are \$ 24,130 and cash in the contingency fund is \$ 686.

Cash paid for interest is as follows:

2004	\$ 2,179
2003	\$ 1,566

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, 2004 AND 2003

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>2004</u>	<u>2003</u>
Beginning Balance	\$ 682	\$ 676
Contributions	0	0
Disbursements	0	0
Interest earnings	<u>4</u>	<u>6</u>
Ending Balance	\$ <u>686</u>	\$ <u>682</u>

NOTE 3 - NOTES PAYABLE

Notes payable - Simmons First Bank, Conway, Arkansas. A one year note, including interest at an annual percentage rate of 7%. The note is secured by all furniture, fixtures, equipment, inventory and accounts receivable.	<u>2004</u>	<u>2003</u>
	\$ 0	\$ 20,124

Notes payable - Arkansas State Home Mission Board of The Arkansas State Association of Free Will Baptists, Inc., Conway, Arkansas. Requires monthly installments of \$ 1,061, including Interest at an annual percentage rate of 5%.	<u>98,060</u>	<u>0</u>
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Total Debt	98,060	20,124
Less: Current Notes Payable		<20,124>
Less: Current Portion of L-T Debt	<u>8,070</u>	<u>0</u>
Long Term Debt	<u>\$ 90,053</u>	<u>\$ 0</u>

2005 Proposed Christian Supply Store Budget

Revenue:

Sales	605,000
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Cost of Sales:

Merchandise purchases	344,850
Freight	7,300
Sales Tax	42,750
Supplies	6,000
Commissions	1,400
Total Cost of Sales	402,300

Gross Profit:

202,700

Operation Expenses:

Advertising	4,000
Bank charges & credit card fees	4,500
Miscellaneous	1,857
Postage	4,000
Rent	52,800
Payroll taxes	5,600
Telephone	3,600
Travel	350
Salaries (other)	50,000
Manager s salary & housing	35,000
Manager s insurance & retirement	8,400
Professional fees	4,000
Property tax	2,300
Payment on Loan	12,792
Returned checks	600
Repairs & maintenance	1,000
Utilities	7,100
Workman s Comp & Liability	2,000
Depreciation	2,800

Total Operation Expenses:

202,699

Christian Education Board Summaries

January 26-27, 2004

The Christian Education Board met on January 26 & 27, 2004 at the Ozark Conference Center near Morrilton in conjunction with the Arkansas All-Boards Meeting. Members present were, chairman, Kendall Ross; vice-chairman, Bob Brown; secretary, Leroy Scudder; Randy Scott and Vince Daniel.

The meeting was called to order by the chairman. The Board discussed the following: 2004 Minister's Retreat, 2005 Minister's Retreat, 2004 Trail Blazer Retreat, and the Team Church Conference.

Lisa Bowden gave a report on the 2003 Women's Conference.

Considerable discussion was given concerning offering scholarships to qualified ministerial students. Motion seconded and carried for the CE Board to implement a scholarship program promoting higher education among ministers and ministerial students in graduate and undergraduate programs involving Arkansas Free Will Baptist students attending Free Will Baptist colleges.

The following meeting dates were set: May 3, August 4, September 17, and December 2.

May 3, 2004

The Christian Education Board met Monday, May 3, 2004 at the State Headquarters Building in Conway. Members present were: chairman, Kendall Ross; vice-chairman, Bob Brown; secretary, Leroy Scudder; Doug Jones, Vince Daniel, and Randy Scott. Also, executive director, Tim Campbell was present.

Kendall Ross called the meeting to order with a welcome and prayer.

2005 Minister's Retreat—Matt Pinson, president of Free Will Baptist Bible College is the confirmed speaker. Motion carried to ask Levan Hubbard to lead the worship music. Motion carried to ask Randall Lovelace to provide the sound equipment and produce the tapes and CD's.

2004 Trail Blazer's Retreat—The Riggs family has confirmed that they will provide the music and the speaking. The dates are September 17 and 18, and the location is Camp Beaverfork.

Scholarship Fund—Motion carried to implement the Scholarship program. Promotion of the program may now begin and be ready for applications. Approval for the recipient is to be announced at the State Meeting in August this year.

Team Church Conference—Three Board members, Kendall, Bob, and Leroy attended the Tennessee Team Church Conference along with Tim Campbell on April 18. Each gave a brief verbal report as we analyzed the conference with the thought of implementing an Arkansas Team Church Conference. Motion carried to implement an Arkansas Team Church Christian Education Conference in cooperation with Randall House Publications for the Spring of 2005. The dates and location are yet undetermined. This Board reserves the right to have input with Randall House Publications regarding a keynote speaker and workshop leaders.

2004 Women's Conference—The speaker for this year's conference is Dee Brestin. Presumably the theme will be based on her recent book, *Falling In Love With Jesus*. The date is set for November 12-13 and the location has been moved to a larger facility, The Embassy Suites Hotel, Little Rock. The singing group, "The Undivided" is a free Will Baptist Women's trio from Ohio and will provide the music.

Motion carried to purchase a CD recorder, not to exceed \$500.

The financial report was received and accepted.

June 16, 2004

The Christian Education Board met at the State Office in Conway. Members present were: chairman, Kendall Ross; vice-chairman, Bob Brown; secretary, Leroy Scudder; Vince Daniel, and Doug Jones. The chairman called the meeting to order.

2004 Women's Conference—The location has been changed from The Embassy Suites to Holiday Inn Airport due to the cost at the Embassy Suites. Chairperson, Terri Hogue has resigned and Kay Brown has agreed to assume her role. The committee will select another member to replace Terri.

Team Church Conference—Motion carried to set the date for Saturday, April 16, 2005 and use the facilities at the First Free Will Baptist Church in Russellville.

Motion carried to approve the proposed budget for 2005. Officers elected for 2004-05 are as follows: chairman, Kendall Ross; vice-chairman, Bob Brown; and secretary, Leroy Scudder. Vince Daniel and Kendall Ross will serve on the subcommittee for the women's conference.

One scholarship application has been received.

December 2, 2004

The Christian Education Board meeting was held at the State Office. Board members present were: chairman, Kendall Ross; secretary, Leroy Scudder; Vince Daniel, and Randy Scott. Tim Campbell was also present. The meeting was opened with prayer.

2004 Women's Conference—It was reported that this year's conference was not as well attended. Kay Brown of the women's committee suggested that future conferences be held on alternate years, and if possible schedule them in the spring. The CE Board suggests that the women's conferences may be held on alternate years, but because of spring schedules, they be best served if held in the fall, preferably the last week in October. The next women's conference would be scheduled in 2006. The CE Board recommends that the women's conference committee should meet at least once each year. The CE Board recommends that the women's conference committee will decide who will serve on the five member committee.

2005 Team Church Conference—The Arkansas Team Church Christian Education Conference is scheduled for April 16 and will be hosted by First Free Will Baptist Church in Russellville. This conference is sponsored jointly by the Arkansas CE Board and Randall House. The CE Board discussed possible keynote speakers, workshop leaders, and team leaders in preparation for the conference.

2005 Minister's Retreat—The Board discussed final details for the retreat which will be held February 21-23 at Lake DeGray.

2005 Trail Blazer Retreat—Motion carried to suspend the Trail Blazer Retreats in order to allow time to consider continued effectiveness.

2006 Minister's Retreat—Dates being considered for the 2006 retreat are February 27-March 1 or February 20-22. Dr. Stephen Ashby is tentatively scheduled as speaker.

Financial Report—The financial report for January – October was presented.

Chairman: Kendall Ross

Vince Daniel

Secretary: Leroy Scudder

Randy Scott

Doug Jones

Tim Harris

2006 Proposed CE Board Budget

Receipts:

2006

Coop	16,548.00
Minister's Retreat	7,500.00
Woman's Conference	9,500.00
CE Workshops	3,000.00

Total Receipts:

36,548.00

Minister's Retreat	12,500.00
Board Mileage and Meals	3,000.00
Phone	350.00
Printing and Postage	1,000.00
Secretarial Expense	1,200.00
Computer	480.00
Audit	500.00
Woman's Conference	9,500.00
Miscellaneous	1,018.00
CE Workshops	3,000.00
Scholarships	4,000.00

Total Disbursements:

36,548.00

State Mission Board Summaries

January 26-27, 2004

Monday Evening Session

The State Mission Board met at the Ozark Conference Center, Solgohachia, Arkansas in conjunction with the state All-Boards meeting. Board members Randy Burris, Kerry Gandy, Dwayne Roper, David Taylor, Gerald Thomas, and Steve Trail were present. Chairman Dwayne Roper called the meeting to order. Randy Burris led in prayer.

Copies of the Mission Board minutes of November 25, 2003 were distributed to the members. **Motion carried** to accept the minutes with the following changes and/or clarifications:

1. Change: the \$6,345.74 figure in item #2 of The Worship Center FWB Church, Cabot; construction loan was corrected to Read: \$4,999.74.
2. Clarification: under miscellaneous, the \$35,000.00 loan to the Landmark FWB Church, Monroe, Louisiana is to come out of and paid back to the APPLE Fund.
3. Clarification: a **motion carried** to formally approve the addendum concerning an email vote of a Christmas bonus for Jim Fairchild.

The Board Chairman distributed November-December 2003 financial reports. After review, a **motion carried** to accept the reports.

The Worship Center FWB Church, Cabot—Construction. The steel framing is up, the roof is on, and the exterior siding has been installed. Interior work will begin on Monday, February 2. The Mission Board members agreed to participate in a workday.

Wynne FWB Church. Dwayne and Kerry reported on their Sunday night, January 18th meeting with the Wynne Church. They expressed the Mission Board's concern for the church. An offer of assistance was made to the church but would necessitate a return to mission status. The members of the Wynne Church will be meeting to make a decision.

Bald Knob FWB Church. Dwayne reported that the Bald Knob Church has discontinued its affiliation with Free Will Baptists.

Mission Director The Board discussed the position of Mission Director and the process that will be used to interview prospective candidates. Resumes will continue to be accepted until the end of February.

Missionary Reports. No missionaries were present to give reports; except for a copy of Jim Fairchild's January 6, 2006 email report to Tim Campbell, no written reports were available either.

Miscellaneous:

2004 Tentative Calendar—A **motion carried** that the Mission Board tentatively schedule its 2004 meeting for the third Tuesday of each month (with no meeting scheduled in July). The next meeting will be Tuesday, February 17, 2004 at the State Office at 10:00 a.m.

The meeting was dismissed until Tuesday morning. Board members attended the general session.

Tuesday Morning Session

All six board members were again present.

Wynne FWB Church. The possibility of the Board securing a retired preacher (or two) to interim at the Wynne Church was discussed. This would only take place if the Church voted to return to mission status.

Mission Director. The board again discussed the process that will be used in interviewing prospective candidates. Considerable time and thought was given to various ideas presented.

Missionary Reports. A report from Jim Fairchild was heard. Jim gave a five-page financial, attendance, and activity report. Jim agreed to forward Tim Campbell, at the Board's request, a copy of his tentative construction schedule. This information will be very helpful

for those who want to help work on the building. Jim said that he intended to affiliate the church with the Central Association, which met with the Board's unanimous approval.

The meeting dismissed to the general session.

February 17, 2004

The State Mission Board met at the State Office in Conway. Board members Randy Burris, Kerry Gandy, Dwayne Roper, David Taylor, and Gerald Thomas, along with Tim Campbell were present. Chairman Dwayne Roper, The State Mission Board met at the State Office in Conway. Board members Randy Burris, Kerry Gandy, Dwayne Roper, David Taylor, and Gerald Thomas, along with Tim Campbell were present. Chairman Dwayne Roper, called the meeting to order. Gerald Thomas led in prayer.

Copies of the mission Board minutes of January 26-27, 2004 were distributed and read. Finding no corrections were necessary they were declared by the chairman to stand approved as read.

Tim Campbell distributed January 2004 financial reports. Finding no corrections necessary after review, the chairman declared the financial reports stand approved as read.

The Worship Center FWB Church, Cabot—Construction. The Board reviewed the tentative construction schedule for the Cabot Church. Two churches, one from Michigan and one from Indiana, have been to Cabot to help with the interior framing.

Wynne FWB Church. No response has been received about the church's decision to return to mission status. Dwayne will follow up with the church about their decision.

Missionary Reports.

No missionaries were present to give reports

Jim Fairchild sent an email attendance and activity report.

Dwayne will contact Paul Hammons and invite him to be at our next board meeting.

Mission Director. Discussion continued concerning the position of Mission Director. Because resumes will continue to be accepted until the end of February, the Board simply continued to work on the question/interview process.

The meeting was adjourned for lunch. David Taylor prayed the dismissal prayer and blessing on the meal.

Following lunch, more time was spent on the question/ interview process for the Mission Director position.

It was unanimously agreed that the March Mission Board meeting be scheduled for Thursday, March 11, 2004 at the State Office in Conway. The meeting will begin at 10:00 a.m.

March 11, 2004

The State Mission Board met at the State Office in Conway. Board members Randy Burris, Kerry Gandy, Dwayne Roper, David Taylor, Gerald Thomas, and Kenneth Wunningham, along with Tim Campbell were present. Chairman Dwayne Roper called the meeting to order.

As a result of Steve Trail's resignation from the Mission Board, Executive Board appointed Kenneth Wunningham to fill out Steve's term. Ken was welcomed to the Board and led in the opening prayer.

Copies of the Mission Board minutes of February 27, 2004 were distributed and read. Finding no corrections were necessary, they were declared by the chairman to stand approved as read.

No Mission Board financial reports were distributed, but updates on the following matters were distributed:

- 1) Designated breakdown of Missionaries (February 04)
- 2) Account ledger for the Cabot construction (1/1/02-3/10/04)
- 3) A.C.T.S. 1:8 monthly & yearly comparison (2001-2004)

The Worship Center FWB Church, Cabot—Construction. The Board heard a report from Kerry Gandy about his recent visit with Jim Fairchild. Good progress continues on the building. To help facilitate the work, a **motion carried** that Kerry act as the Board's liaison with Jim and the Cabot work. Also, with the need to stay within budget absolutely essential, the Board will ask Jim to develop the following:

- 1) A construction priority schedule—at present, what is the highest to the least priority phase in the construction process?
- 2) A construction budget—estimated costs for each phase of the project, hanging and finishing the drywall is the next major phase of the construction process.

Wynne FWB Church. In a telephone conversation, Larry Burnett at the Wynne Church, indicated to Tim Campbell that the Church would not be voting to accept the Board's offer of assistance by returning to mission status. The church continues to struggle and currently has no prospect of securing a pastor.

Missionary Reports.

No missionaries were present to give reports

Jim Fairchild sent an email attendance and activity report

Mission Director. The Mission Board received six resumes from men interested in the position of Mission Director. Interview questions were finalized. March 23rd and 26th were chosen as dates to interview the six candidates.

With the additional office space required for a Mission director at the State Office, a new telephone system will need to be installed. Additional telephone lines cannot be added to the current system. A **motion carried** that the Mission Board pay of the cost for a new telephone system for the State Office (the total system will cost about \$2,300).

A **motion carried** that the Board will not cover the cost of a second vehicle's mileage incurred by a missionary while on itinerate.

The next Mission Board meeting will be Tuesday, March 23, 2004 at the State Office in Conway. The meeting will begin at 8:00 a.m.

The meeting was adjourned for lunch. Randy Burris prayed the dismissal prayer and blessing on the meal.

March 23 & 26, 2004

The State Mission Board met at the State Office in Conway. Board members Randy Burris, Kerry Gandy, Dwayne Roper, David Taylor, Gerald Thomas, and Kenneth Winingham were present. Chairman Dwayne Roper called the meeting to order and Gerald Thomas opened in prayer on Tuesday and Randy Burris opened in prayer on Friday. Tim Campbell joined the meeting on Friday during the meeting with Jim Fairchild.

The main purpose for the two-day meeting was to conduct interviews for the position of Arkansas State Missions Director. Prayer was made with each candidate asking for God's leading and wisdom

Friday morning (3/26) the Board met with Jim Fairchild. Jim gave reports to the Board for attendance, finances, and construction project dates and estimates of cost. A **motion carried** that Jim be given \$2,000 to cover expenses to attend the National Association convention in Kansas City, Missouri (July 2004). February 2004 financial statements for the Mission Board were distributed to members. Copies of the Georgia State Association of FWB Missions Handbook were distributed to board members as information and for future consideration. A **motion carried** that mileage be paid to each candidate interviewed for the Missions Director position

The Mission Board will meet again on Thursday, April 8, 2004 to conduct an interview with the finalists for the Missions Director position.

April 5, 2004

The State Mission Board held a conference call on Monday night, April 5, 2004. Board members Randy Burris, Kerry Gandy, Dwayne Roper, David Taylor, Gerald Thomas and Kenneth Winningham were present, as well as Tim Campbell.

The purpose for the conference call was to advise the board members that one of the two candidates being considered for the position of Mission Director has withdrawn his name from consideration. It was decided that our scheduled meeting on Thursday, April 8, 2004 to interview the remaining candidate would still take place.

April 8, 2004

The State Mission Board met on April 8, 2004 at the State Office. Board members Randy Burris, Kerry Gandy, Dwayne Roper, David Taylor, Gerald Thomas, and Kenneth Winningham were present. Tim Campbell attended the meeting except during the interview process. Ken Winningham opened the meeting with prayer.

Minutes of the previous board meetings (3/27/04 & 4/5/04) were distributed, along with financial statements for March 2004. The Cabot project was discussed briefly.

Motion carried to approve payment of \$650 from the General Fund for a new backhoe bucket (to replace the old one that broke) and The Worship Center FWB Mission Church pay the remaining costs for the bucket.

Jim Fairchild advised Dwayne Roper that they are going to have to use a "laser" drill to dig holes under the gas lines that cross the Church's property so that gas and water lines can be run from the road to the church building.

Motion carried to an addition to the job description of the Missions Director. Under Responsibilities of the Director, Number 7 A will now read; "Employment shall be in keeping with the Arkansas FWB Policy Manual." The previous A and B will remain the same and become B and C respectively.

The Board conducted a second interview with a candidate for the position of Missions Director. Randy Burris led in prayer. After the interview and subsequent discussion among Board members, a vote was taken and **passed by majority vote** to offer the position to Don Matchett. A **motion carried** that Don would assume the position June 1, 2004. A **motion carried** that Don move to Conway no later than January 1, 2005.

David Taylor led the dismissal prayer.

April 14, 2004

The State Mission Board held a conference call on April 14, 2004. Board members Randy Burris, Kerry Gandy, Dwayne Roper, David Taylor, Gerald Thomas, and Kenneth Winningham were present. Tim Campbell was also a part of the call. Dwayne shared that Don Matchett accepted the position of Mission Director.

April 27, 2004

The State Mission Board held a conference call on April 27, 2004. Board members Randy Burris, Kerry Gandy, Dwayne Roper, David Taylor, Gerald Thomas, and Kenneth Winningham were present. Tim Campbell was also a part of the call.

Tim shared that Rue Dell Smith had asked if the loan to mission work in Monroe might be increased by an additional \$10,000. **Motion carried** to loan an additional \$10,000 to Rue Dell Smith with the same conditions applying as on the original note.

May 25, 2004

The State Mission Board met at the state office in Conway. Board members Kerry Gandy, Dwayne Roper, David Taylor, Gerald Thomas, and Kenneth Winningham were present. Tim Campbell and Don Matchett were also present. Don opened in prayer.

Minutes of the April 8 meeting and the April 14 and 27 conference calls were reviewed (including an updated copy of the job description for the Mission Director, dated April 9, 2004). **Motion carried** to accept all three meetings minutes. After review and discussion a **motion carried** to accept the April financial statements.

NOTE: Tim Campbell will write a letter to Bobby Moore informing him that the Mission Board will no longer handle monies for his Inner City Mission work. He will need to organize his own governing or trustee board.

The Worship Center FWB Church, Cabot: The work in Cabot was discussed, and a conference call was made to Jim Farichild. The progress of the building project and staying within the budget was discussed. In addition, the following items were discussed and direction was taken or given.

1. The account ledger for the building project was reviewed.
2. Water pond for emergency protection - No letter from the city has been received "signing off" on the pond as an approved water source for the fire department. Jim was instructed to "get a letter" from the city.
3. The drywall work is one-third to one-half finished. No taping has been done. Dwayne will make a contact about the possibility of getting someone to come in and finish hanging the drywall. He will also look into securing a bid for taping and mudding as well.
4. The gas line has been installed.
5. A one inch (1') water line has been installed, but the water meter has not been set.
6. A septic sewer system will be used for the church.
7. Don and Kerry will be meeting with Jim to review the status and progress of the building project.

Mission Director: The transition period for Don as Mission Director was discussed.

1. Don informed the board that Sunday, May 30 will be his last Sunday with his church. The target date of June 1 to be in the office is good.
2. Furniture for the Mission Director's office has been purchased. Total cost to furnish the office should be \$2,500.00 to \$3,000.00.
3. Don has purchased a car.
4. Tim will make reservations for Don to the National.
5. Approval was given for Don to purchase a cellular telephone.
6. Plans are to put his home on the market the first of June, and look into buying a home in Conway when his home in Atkins sells.
7. Tim will look into the need of a constitutional change to make Don an ex-officio member of the State Mission Board.

Missionary Reports:

No missionaries were present to give their reports.

Jim Fairchild sent an email attendance and activity report, but no financial statement.

The next Mission Board meeting was set for Thursday, June 10, 2004 in Cabot. The 2005 Mission Board budget and the Cabot work will be the priority items of business. The meeting will begin at 10:00 am.

The **motion carried** to adjourn. Gerald Thomas prayed the dismissal prayer and blessing on the meal.

June 10, 2004

The State Mission Board met at the Worship Center FWB Church in Cabot. Board members Randy Burris, Kerry Gandy, David Taylor, Gerald Thomas, and Kenneth Winningham were present. Tim Campbell and Don Matchett were also present. Kerry Gandy presided in Dwayne's absence. Prayer requests were made and Randy Burris opened in prayer.

Before meeting for business, the Board walked through and reviewed the construction being done on the Worship Center building with Missionary Jim Fairchild. Minutes of the May 25th meeting were distributed along with Mission Board financial reports.

A **motion carried** to release funds for the Mission Board's part of the new conference room. For the remainder of the meeting the Board reviewed with Missionary Jim Fairchild the progress of the building project. A packet of information was distributed to each Board member showing March attendance and financial information, income and expense reports, and construction information, timeline, and copies of estimates for work.

A **motion carried** to establish priorities for the remaining construction needs and equipment purchases, and the bids be secured for all remaining work to be done (including furnishing for the church). The Board unanimously expressed their appreciation for the work that Jim Fairchild is doing getting the work in Cabot off the ground and running.

The next Mission Board meeting was set for Tuesday, July 27, 2004 in Cabot. The meeting will begin at 10:00 a.m.

A **motion carried** to adjourn. Gerald Thomas prayed the dismissal prayer and blessing on the meal.

June 22, 2004

The State Mission Board held a conference call meeting with Board members Randy Burris, Kerry Gandy, Dwayne Roper, David Taylor, Gerald Thomas, and Kenneth Winningham present. Tim Campbell was also present.

The purpose for the conference call was to review and approve the 2005 Mission Board Budget. Due to an oversight, the Board members did not receive the budget proposal. It was decided that we would try again on Tuesday, June 29, 2004.

David Taylor adjourned the meeting in prayer.

June 29, 2004

The State Mission held a conference call meeting with Board members Randy Burris, Kerry Gandy, David Taylor, Gerald Thomas, and Kenneth Winningham present. Tim Campbell and Don Matchett were also present.

The purpose for the conference call was to review and approve the 2005 Mission Board Budget. A **motion carried** that a budget for 2005 be approved with a total income and disbursements of \$182,720. The budget includes a 2.1% cost of living increase for the Director and Cabot missionary. A copy of the budget will be attached with these minutes.

After discussion, a **motion carried** that Jim Fairchild be authorized to spend up to \$1,500 for a riding mower to help in maintenance of the property at the Cabot work.

Don advised the Board that he has received a signed letter from the city of Cabot regarding the specifications for approval of the pond on the Cabot property as the source of water for emergency use by the fire department.

The next Mission Board meeting was set for July 13 at the State Office in Conway. Meeting adjourned.

July 13, 2004

The State Mission Board met at the State Office in Conway. Board members Randy Burris, Kerry Gandy, Dwayne Roper, David Taylor, and Kenneth Wunningham were present. Tim Campbell, Don Matchett, and Ricky Taylor were also present. Kerry Gandy opened in prayer.

Minutes of the June 10, 22, and 29 meetings were distributed and reviewed. A **motion carried** to accept them as written. Mission Board financial reports were distributed and reviewed. A **motion carried** to accept the financial report. A copy of the A.C.T.S. 1:8 monthly and yearly giving comparisons was distributed to each Board member as information.

Ricky Taylor distributed the Mission Board audit report. After review and discussion, a **motion carried** to accept the report.

Don Matchett gave his report including his August itinerate. The yearly contract between the Mission Director and the Mission Board was reviewed. After discussion, it was decided that Tim Campbell will rewrite the contract with the revisions noted, and it will be reconsidered at the next Board meeting.

Jim Fairchild met with the Board and shared his monthly report for the Cabot work (financial information, attendance figures, and projects). It was noted that on Father's Day they had a record Sunday morning attendance of 74. The remaining construction schedule and bids for work were discussed. A copy of a letter from the Cabot Public Works Department for the pond meeting the fire flow requirements was included with Jim's report.

A **motion carried** to approve the 2005 A.C.T.S. 1:8 Task Force budget proposal recommendation of \$543,800.81. This budget includes all or part of the budgets for 13 missionaries: ten foreign missionaries, two national home missionaries, and one state missionary.

Tim reported that Larry Burnett from the Wynne FWB Church contacted him and reported that the church voted unanimously to ask to come under the umbrella of the State Mission Board. The consensus of the Board was that the Wynne Church put their request in writing before the Board takes any further action.

Don Matchett read a thank you letter to the Mission Board from the Lake Hill FWB Church for the Board's assistance over the past 2 1/2 years.

The Mission Board will meet for breakfast at Cracker Barrel in Conway at 7:00 a.m. on Tuesday morning, August 3, 2004 (during the State meeting) with Paul Hammons and John Reed.

The next Mission Board meeting was set for Tuesday, August 17, 2004 at the State Office. The meeting will begin at 10:00 a.m.

A **motion carried** to adjourn. Following prayer requests, Randy Burris prayed the dismissal prayer and blessing on the meal.

August 17, 2004

The State Mission Board met at the State Office in Conway. Board members Randy Burris, Kerry Gandy, Dwayne Roper, and David Taylor were present. Don Matchett was also present. Following prayer requests, Kerry Gandy opened in prayer.

Minutes of the July 17, 2004 meeting was distributed and reviewed. A **motion carried** to accept them as written. Mission Board financial reports were not available; they will be mailed to the members.

Officers were elected as follows:

Chairman, Dwayne Roper • Vice Chairman, Kerry Gandy • Secretary, David Taylor

Don Matchett gave the Director's report:

September itinerate (handout)

Cabot Work:

Letter receiving signing off on the pond/fire protection

Painting is nearing completion

Foundation/base for retaining wall completed

Possible November date for first service

Status of the sale of his home in Atkins

Wynne FWB Church:

Don and Kerry visited on August 15 (pm), but the Church did not have a service

Don wants to attend on a Sunday morning, preach, and visit with the people, evaluate, and report back to the Board

Met with Paul Hammons about sending letters to his designated supporters and submitting monthly reports to the Mission Board.

Due to Tim's absence, Don's yearly contract will be dealt with at next month's meeting.

Don shared a letter from the Heritage Oaks FWB Church and Pastor Andy Percy. After discussion, a **motion carried** that the Mission Board decline the offer/request.

A **motion carried** that Don's health insurance be paid for the transition period from his previous employment to the State Mission Director's position: May 15 – June 1.

No missionaries were scheduled to meet with the Mission Board at this meeting.

The next Mission Board meeting was set for Tuesday, September 28, 2004 at Cabot. The meeting will begin at 10:00 a.m.

A **motion carried** to adjourn. Randy Burris prayed the dismissal prayer and blessing on the meal.

August 21, 2004

The State Mission Board met at the State Office in Conway for a special called meeting. Board members Kerry Gandy, Dwayne Roper, David Taylor, Gerald Thomas, and Ken Winningham were present. Tim Campbell was also present. Following prayer requests, Dwayne Roper opened in prayer.

Tim Campbell presented a request to the Mission Board from the Executive Board regarding a loan for the Christian Supply Store. The request is that the Mission Board loan the Christian Supply Store \$100,000. The Board listened to the need for the loan, reviewed a sample repayment schedule—10 years @5% annual interest rate, and discussed the matter. A **motion carried** that the Board Loan \$100,000 from the APPLE Fund to the Christian Supply Store for ten years at the lowest rate allowed. Tim will be responsible to have the appropriate loan papers drawn up.

Gerald Thomas dismissed the meeting in prayer.

September 14, 2004

The State Mission Board held a conference call with all members present, along with Tim Campbell and Don Matchett. The conference call was held regarding the church property at Wynne, Arkansas. Don advised the board that the Wynne church appraised for \$120,000—\$100,00 for the building (brick) and \$20,000 for the Land (2.11 acres). David Yates, pastor of the Community Baptist Church (affiliated Southern Baptist) is interested in purchasing the property, building and the contents.

A motion carried that Don advise David Yates and the Community Baptist Church that the Board will take \$105,000 for the property, building and contents, as is. Don has the power to negotiate to \$95,000 before coming back to the Board for approval.

September 21, 2004

The State Mission Board held a conference call with all members present, along with Don Matchett. The conference call was held regarding the church property at Wynne, Arkansas.

A motion carried that we make a counteroffer to the Community Baptist Church of \$100,000 for the property, church and contents: they pay \$85,000 cash, and we will take the remaining \$15,000 as a "second mortgage" for five years.

September 28, 2004

The State Mission Board met at the Worship Center FWB Mission Church in Cabot with Board members Randy Burris, Kerry Gandy, Dwayne Roper, David Taylor, Gerald Thomas, and Ken Winningham present. Tim Campbell and Don Matchett were also present. Following prayer requests, Don opened in prayer.

A motion carried to accept the minutes of the August 17 regular meeting, the special called meeting of August 30, and the conference calls of September 14 and 21. Financial statements for August were distributed and, with no changes or corrections, were declared to stand approved as printed. Don Matchett distributed copies of his October itinerate, and a spread sheet and summary page for the Cabot construction loan.

Don reported that the Community Baptist Church did not accept our purchase proposal of September 21. They would prefer to lease with an option to purchase. **A motion carried** to give Don the authority to present them the following proposal:

1. The Arkansas State Mission Board enters into a contractual lease/purchase agreement with Pastor David Yates and the community Baptist Church of Wynne, Arkansas.
2. The lease/purchase agreement will be for a period of six (6) months to twelve (12) months in length.
3. The Community Baptist Church will pay \$3,000 down and then \$600 per month for use of the church facility.
4. The Community Baptist Church will procure and forward proof of liability insurance and the Arkansas State Mission Board will maintain insurance on the property and building.
5. At the end of the lease, the Community Baptist Church will have the option of purchasing the church for \$100,000. The down payment and one-half of the monthly lease payment (\$300) will go toward the purchase price of the church if the Community Baptist Church chooses to exercise the purchase option.

Jim Fairchild met with the Board and the status of construction at the Worship Center FWB Mission Church was reviewed. Plans are to have a grand opening Service at the end of November and a dedication service the first of December. Finances, attendance, and church plans were also reviewed. Updated church financial statements were distributed to Board members.

The Board considered an inquiry made to purchase a remote corner of the Cabot property by a neighbor of the church, Mr. Arlon Guess. The amount of the land would be less than one acre. **A motion carried** as follows:

That the Arkansas State Mission Board sell a small corner of the Cabot property (approximately $\frac{3}{4}$ of an acre) to Mr. Arlon Guess—exact acreage to be determined by survey—for \$3,500 ($\frac{1}{2}$ the original price paid per acre). The buyer is to pay the costs for the survey, title work, closing costs, etc. Dwayne Roper, Board Chairman, will give final approval for the deal after the survey has been done and the exact amount of land to be sold is determined.

The next Mission Board meeting was set for Tuesday, November 2, 2004 at 10:00 a.m. at the Worship Center FWB Mission Church in Cabot. Motion carried to adjourn. Kerry Gandy closed the meeting in prayer.

November 2, 2004

The State Mission Board met at the Worship Center FWB Mission Church in Cabot with Board members Randy Burris, Kerry Gandy, Dwayne Roper, and David Taylor present. Tim Campbell and Don Matchett were also present. Following prayer requests, Kerry opened in prayer.

Minutes of the September 28 regular meeting were read and declared to stand approved with no corrections of changes made. Financial statements for October were distributed. A **motion carried** to accept the financial statements as printed. A **motion carried** that all monies in the general fund in excess of \$50,000 be placed into a revocable trust with the FWB Foundation for a better interest rate (currently 4.5%). The general fund balance will be reviewed after six months.

Don Matchett gave his Director's report that included his November itnerate, a monthly report, status on the Cabot construction loan and construction progress. He reported that the Community Baptist Church has accepted our lease/purchase proposal. The down payment and first two months rent have been received. A **motion carried** that the following monies received by the Mission Board be placed in the Apple Fund for future church planting needs:

1. The down payment and monthly rent from the lease/purchase agreement with the Community Baptist Church for the Wynne property
2. The Wynne FWB Church bank account balance (\$1,919.66).
3. The monies received from the 18th Street FWB Church closing (\$3,245.10).

Jim Fairchild met with the Board and the status of construction at the Worship Center FWB Mission Church was reviewed. The fire hydrant has not been installed—waiting clarification on new specifications. Septic tank has been installed but the lateral lines have not yet been installed. The driveway and parking lots have been paved. Ceilings, tile/flooring, cabinets, trim/finish work, and projection system are still being installed. Plans for the Grand Opening Service are now Sunday, December 19, 2004, and January 16, 2005 for the dedication service. Attendance, offerings, and activities for October were reviewed. No work has been received from Arlon Guess regarding the property purchase proposal. The Board discussed with Jim the need for an operating budget for the church for 2005. Jim will submit a budget to the Board.

Copies of John Reed's monthly reports for July and August were distributed. Don reported that Paul Hammons is not required to submit monthly reports to the National Home Mission Department until he begins services, presently scheduled to begin in January in Flagstaff, Arizona. Tim Campbell shared two missions related items: one from the National Home Mission Department and one related to an Arkansas couple.

1. A **motion carried** that the Mission Board make a gift of \$1,000 to George and Kathy Lemelin who work with the Chippawa Indian Tribe at White Earth Reservation in Minnesota. The work is called the Harvest Free Will Baptist Mission.
2. A **motion carried** that the Mission Board make a gift of \$1,000 to David and Debe Taylor's account for their trip to the International FWB Mission Board and WNAC sponsored Central Asian Prayer Conference in Kazakhstan in the spring of 2005.

A **motion carried** that Don Matchett (Missions Director and Jim Fairchild (missionary) be given Christmas bonuses.

The next Mission Board Meeting was set for Monday and Tuesday, January 24-25, 2005 during the All-Boards meeting at Ozark Conference Center in Morrilton, Arkansas.

Motion carried to adjourn. Dwayne Roper closed the meeting in prayer.

Chairman: Dwayne Roper

Gerald Thomas

Vice Chairman: Kerry Gandy

Kenneth Winningham

Secretary: David Taylor

Randy Burris

2006 Proposed State Mission Budget		
		2006
	Coop	118,594.00
	A.C.T.S. 1:8 Receipts for Cabot Missionary	52,150.00
	Apple Payment from Cabot	3,600.00
	Cabot Insurance Payment	3,000.00
	Payment on Bank Note from Cabot	7,200.00
	Payment from Arkansas Free Will Baptist for Copier	1,300.00
	Interest Income	3,000.00
	Conway Property Receipts	5,850.00
Total Receipts:		194,694.00
Disbursements:		
	Phone	2,254.00
	Secretarial Expense	3,900.00
	Computer	800.00
	Board Mileage / Meals	4,000.00
	Audit	2,100.00
	Miscellaneous	2,450.00
	State Mission's payment on Cabot note	30,400.00
	Payment on note from Cabot	7,200.00
	Cabot Missionary Salary	30,550.00
	Cabot Housing Allowance	21,600.00
	Cabot Missionary travel exp to Nationals	1,500.00
	Cabot Missionary bonus	1,000.00
	Payment for Cabot Property Insurance	3,000.00
	Conway Property Payment to Apple	5,850.00
	Cabot Property Payment to Apple	3,600.00
	Mission Director's Salary	26,600.00
	Missions Director's Housing	18,000.00
	Missions Director's Retirement	1,200.00
	Mission's Director Insurance	6,000.00
	Missions Director's Social Security	7,000.00
	Missions Director's exp to Nationals	1,500.00
	Auto Payment and Insurance	5,600.00
	Auto Maintenance and repair	1,000.00
	Missions Director's Travel	5,000.00
	Office Expense	500.00
	Postage	500.00
	Printing	1,590.00
Total Disbursements:		194,694.00

A.C.T.S. 1:8 Task Force Summaries

January 13, 2004

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, Don Matchett, Mark Stripling, David Bishop, Dorace Bishop, Kevin Jewell, Sidney Sawrie, David Watson, David Winfrey, Phillip Payne, Chet Smith, Darren Walker and Tim Campbell). The meeting was opened with prayer.

The giving for 2003 was reviewed and discussed.

Our Emphasis Month for the past October was reviewed and ideas for this coming year were discussed. The new 2004 brochure was considered. Motion passed to print the new brochure and also print bookmarks for the coming year.

The new formula for determining the missionaries A.C.T.S. 1:8 budget was presented and discussed.

The meeting was set for May 4, 2004 at the First Free Will Baptist Church in Conway.

The meeting was dismissed with prayer led by Phillip Payne.

May 4, 2004

The A.C.T.S. 1:8 Task Force met at the State Office in Conway with 8 members present (Nelson Henderson, Mark Stripling, Dorace Bishop, Kevin Jewell, David Winfrey, Chet Smith, Darren Walker and Tim Campbell).

The meeting was opened with prayer. The giving for this year was reviewed and discussed. The A.C.T.S. 1:8 budget for 2005 was discussed. Motion passed to adopt the formula for missionaries on the field and present it to the State. Motion passed to adopt the 2005 budget and present it to the State.

The meeting was dismissed with prayer led by Kevin Jewell.

July 1, 2004

The A.C.T.S. 1:8 Task Force met via conference call on Thursday, July 1, 2004 to discuss two items. All members were present with the exception of David Winfrey, Chet Smith, and Mark Stripling.

1. A motion to rescind part of the proposed funding formula was discussed. The motion would delete the section that subtracts the instate designated giving from missionaries A.C.T.S. 1:8 Support. The remainder of the proposed funding formula would be unchanged. This motion was seconded and passed unanimously.

2. A request was made by Hollie Hubbard, whom the National Foreign Missions office has appointed as a short-term missionary to Japan, to be added to the A.C.T.S. 1:8 Plan in 2005. This is a two-year appointment. The cost of the first year would be \$25,000. Motion made and seconded to use money from the "new missionary account" to support Hollie for 2005 and tentative plans made for her to be placed into the budget for 2006. Motion passed unanimously.

November 30, 2004

The A.C.T.S. 1:8 Task Force met at the First Free Will Baptist Church in Conway on November 30, 2004 with 11 members present: Nelson Henderson, Dwayne Roper, Tim Campbell, Don Matchett, David Bishop, Dorcas Bishop, Sidney Sawrie, Kevin Jewell, Mark Stripling, Jim Martin, and Lisa Bowden.

Meeting was opened in prayer. Officers were elected for 2005: chairman, Nelson Henderson; vice-chairman, Mark Stripling; secretary, Lisa Bowden.

Don Matchett, Missions Director, gave a report of funds comparing 2003 and 2004. Suggestions were made to have a possible Missions Conference at the associational level.

Goal for 2005 was set for \$544,000.

Ideas were discussed on how the task force could assist the mission's director in promoting A.C.T.S. 1:8, how the mission's director could assist the task force, and what role the task force should take in the future. Suggestion was made that the task force should take on an advisory role in the future.

Motion was made that Nelson Henderson appoint a subcommittee to create a way to implement ideas discussed at this meeting, and Don Matchett implementing the goal of assisting two associations this year.

New bulletin inserts were discussed focusing on missionaries not the goal itself. Motion was made to offer \$20 per share, also have $\frac{1}{2}$ share, and $\frac{3}{4}$ share.

Suggested the task force meet three times a year, every four months.

Meeting was dismissed in prayer.

2006 Proposed A.C.T.S. 1:8 Budget

<u>Missionary</u>	<u>Agency Budget</u>	<u>A.C.T.S. 1:8 %</u>	<u>A.C.T.S. 1:8 \$</u>
B Aycock	98,646.00	25.00%	24,661.50
D Aycock	130,172.00	25.00%	32,543.00
Bishop	141,682.00	50.00%	70,841.00
Bowerman	113,228.00	100.00%	113,228.00
Bunch	137,498.00	50.00%	68,749.00
Davision	103,290.00	50.00%	51,645.00
Edgmon	123,724.00	25.00%	30,931.00
Lancaster	121,478.00	50.00%	60,739.00
Mcdonalds	146,080.00	25.00%	36,520.00
Vanhook	87,455.00	100.00%	87,455.00
Hubbard	50,000.00	50.00%	25,000.00
Reed	48,600.00	50.00%	24,300.00
Fairchild	51,050.00	100.00%	51,050.00
Hammond	48,987.00	50.00%	24,493.50
Warren/ Ledbetter	100,000.00	50.00%	50,000.00
Totals	1,501,890.00		752,156.00

Ricky J. Taylor C.P.A., P.A.
Certified Public Accountant
P. O. Box 2851
Russellville, AR 72811
(479) 967-4439

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying statements of financial position of Arkansas State Home Mission Board of the Arkansas State Association of Free Will Baptists, Inc. (a nonprofit Corporation) as of December 31, 2004 and 2003, and the related statements of activities, and cash flows for the years then ended. The financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

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

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the actual cash and donations records referred to in the preceding paragraph been susceptible to satisfactory audit tests, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Arkansas State Home Mission Board of the Arkansas State Association of Free Will Baptists, Inc. as of December 31, 2004 and 2003 and its results of operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Russellville, Arkansas
July 1, 2005

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

Member of:
Arkansas Society of Certified Public Accountants

**ARKANSAS STATE HOME MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2004 AND 2003**

ASSETS:	<u>2004</u>	<u>2003</u>
Cash	\$ 90,285	\$ 189,811
Cash - Savings Accounts	2,308	1,297
Cash - Trust Account	276,776	283,276
Property	760,461	500,715
Auto, Equipment & Leasehold Improvements	16,376	0
Mortgage/Notes Receivable	<u>179,045</u>	<u>75,358</u>
 Total Assets	 <u>\$ 1,325,251</u>	 <u>\$ 1,050,457</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
LIABILITIES:		
Bonus Payable	\$ 2,308	\$ 1,297
Escrow Payable	1,675	1,175
Mortgage/Notes Payable	<u>448,653</u>	<u>228,319</u>
 Total Liabilities	 <u>452,636</u>	 <u>230,791</u>
 NET ASSETS:		
Unrestricted	857,470	739,145
Temporarily Restricted	<u>15,145</u>	<u>80,521</u>
 Total Net Assets	 <u>872,615</u>	 <u>819,666</u>
 Total Liabilities and Net Assets	 <u>\$ 1,325,251</u>	 <u>\$ 1,050,457</u>

**ARKANSAS STATE MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

	2004			2003
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
REVENUE:				
General Fund Income	\$ 116,341	\$	\$	\$ 116,341
Donations				0
Missionary Income-Hispanic Mission				0
Missionary Income-Maumelle				0
Missionary Income-Cabot		49,850		49,850
Missionary Income-LR Inner City		1,522		1,522
Rental Income	3,600			3,600
Wynn Income	3,720			3,720
Interest Income	16,832	10		16,842
Gain (loss) on Disposition of Assets				0
Gain (loss) on Transfer of Assets To Self-Support Churches				0
Net Assets released from restrictions:				
Restrictions satisfied by payments	42,832	(42,832)		0
Total Revenue	183,325	8,550	0	191,875
EXPENSES:				
Board Mileage & Meals	10,511			10,511
Telephone	2,750			2,750
Printing	2,039			2,039
Postage	560			560
Office Supplies	695			695
Secretarial Expense	3,900			3,900
Computer Expense	1,141			1,141
Professional Fees	2,100			2,100
Workman's Comp Insurance	237			237
Miscellaneous	5,847			5,847
Travel	2,585			2,585
Missionary Expenses-Maumelle	0			0
Missionary Expenses-Cabot	47,636			47,636
Missionary Expenses-Hispanic Mission	0			0
Missionary Expenses-Inner City Mission	1,522			1,522
Contributions to Maumelle Mission	0			0
Contributions to Cabot Mission	0			0
Contributions to Hol Springs Mission	9,000			9,000
Expense for Contributed Property	588			588
Louisiana Land Fund Expense	0			0
Directors Salary, Housing & Social Sec.	26,982			26,982
Directors Insurance & Retirement	4,373			4,373
Auto Expense	1,001			1,001
National Association Expenses	1,055			1,055
Depreciation Expense	2,207			2,207
Interest Expense	12,197			12,197
Total Expenses	138,926	0	0	138,926
Increase (Decrease) In Net Assets	44,399	8,550	0	52,949
Net Assets - Beginning of Year	739,145	80,521	0	819,666
Net Assets Released due to time	73,926	(73,926)		0
Net Assets - End of Year	\$ 857,470	\$ 15,145	\$ 0	\$ 872,615

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

ARKANSAS STATE HOME MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2004</u>	<u>2003</u>
Increase <decrease> in net assets	\$ 52,949	\$ <124,353>
Add: Loss on disposition of property	0	2,908
Loss on transfer of property	0	175,744
Depreciation	2,207	0
Increase <Decrease> in:		
Bonus payable	1,011	<2,297>
Escrow payable	<u>500</u>	<u><262,652></u>
Net Cash Provided by Operating Activities	56,667	<210,650>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property	<278,330>	<165,490>
Proceeds from collection from Mortgage Receivable	6,313	11,851
Sales proceeds from property	0	506,652
Mortgage Advance	<110,000>	<39,036>
Net Cash Provided <Used> from Investing Activities	<382,017>	313,977
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loan Proceeds	222,626	228,318
Repayment of Debt	<2,291>	<172,939>
Net Cash Provided by Financing Activities	<u>220,335</u>	<u>55,379</u>
Net Increase <Decrease> in Cash	<105,015>	158,706
Cash at Beginning of Year	<u>474,384</u>	<u>315,678</u>
Cash at End of Year	\$ <u>369,369</u>	\$ <u>474,384</u>
SUPPLEMENTAL DISCLOSURES:		
Cash Paid During the Year for Interest	\$ <u>12,197</u>	\$ <u>1,222</u>

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

ARKANSAS STATE HOME MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Corporation is exempt from federal income tax under section 501 (c) (3) of the Internal Revenue 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 HOME MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 2004 AND 2003

NOTE 1- CONTINUED

Property

As mentioned in the audit report, the property located in Wynne, Arkansas is carried at the appraised values. The property at Cabot, 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>2004</u>	<u>2003</u>
Land & building - Wynne, Arkansas	\$ 135,000	\$ 135,000
Land & construction in progress - Cabot, Arkansas	<u>625,461</u>	<u>365,715</u>
	<u>\$ 760,461</u>	<u>\$ 500,715</u>

NOTE 3 - AUTO, EQUIPMENT & LEASEHOLD IMPROVEMENTS & DEPRECIATION

Auto, office furniture and equipment and leasehold 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 years

A summary of property is as follows:

Auto	\$ 12,564	\$ 0
Office furniture & equipment	3,821	0
Leasehold improvements	<u>2,198</u>	<u>0</u>
	18,583	0
Less Accumulated Depreciation	<u>2,207</u>	<u>0</u>
Total Property, Equipment & Leasehold Improvements	<u>\$ 16,376</u>	<u>\$ 0</u>

ARKANSAS STATE HOME MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 2004 AND 2003

NOTE 4 – MORTGAGE/NOTES RECEIVABLE

The State Missions Board has sold various properties to various organizations and carries the mortgage on the property until paid. The State Mission Board has also loaned funds to various mission churches and the Christian Supply Store, Inc.

NOTE 5 - ESCROW PAYABLE

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

NOTE 6 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2004</u>	<u>2003</u>
Missionary – Cabot	\$ 15,145	\$ 6,595
Contributed Property – Conway	<u>0</u>	<u>73,926</u>
	<u>\$ 15,145</u>	<u>\$ 80,521</u>

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

NOTE 7 - NOTES PAYABLE

	<u>2004</u>	<u>2003</u>
Mortgage payable – Simmons First National Bank, Conway, Arkansas, requires quarterly installments of interest at an annual percentage rate of 5.0%. In 2005 the note will convert from a construction loan to an amortizable valuable rate loan.	\$ 438,318	\$ 228,319

ARKANSAS STATE HOME MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 2004 AND 2003

NOTE 7 - NOTES PAYABLE (CONTINUED)

Note payable - Simmons First National Bank
Conway, Arkansas, requires monthly installments of
\$ 383, including principal and interest at an annual
percentage rate of 5.75%. Note secured by vehicle.

<u>10,335</u>	<u>172,939</u>
<u>\$ 448,653</u>	<u>\$ 228,319</u>

The aggregate maturities of the notes are as follows:

2005	\$ 4,108
2006	4,351
2007	1,876

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, 2004 is \$ 276,776.



ARKANSAS STATE YOUTH BOARD

150 BEAVERFORK ROAD • CONWAY, AR 72032

501-329-6794

January 26-27, 2004 (All Board's Mtg.)

The Arkansas State Youth Board met at the Ozark Conference Center in Solgohachia, Arkansas. Motion was made by Tim Landers and seconded by Leo Martin that the speakers for the 2004 summer camps be as follows: For the senior high camp the speaker will be Michael Waddell and Kendall Ross will lead the music. For the junior cam the speaker will be Jason Nichols and Kendall Ross will lead the music. For the children's camp, Johnny Miller will speak and lead the music. The motion passed.

The motion was made by Tim Landers and seconded by Chris Moody that the speakers be paid \$1300.00. Motion carried.

Speakers were also selected for the fall retreat. Lynn Crawford made the motion and Leo Martin seconded to have Chris Moody speak at the Teen retreat on October 22-23, 2004. Motion carried.

Motion was made by Tim Landers and seconded by Mark Stripling to have Michael Foster speak at the children's retreat on November 5-6, 2004. Motion carried.

Tim Landers made the motion to adjourn. Motion carried.

July 12, 2004

The Arkansas State Youth Board met on July 12, 2004 at the state office. Members present were Tim Landers, Leo Martin, John Miller, Mark Stripling, Ken Brown, Lynn Crawford and Director, Pat Baze.

Ken Brown, the new board member, was welcomed to the Youth Board.

The financial report was presented and accepted.

The board reviewed this year's camps and discussed improvements for promotion of camps next year.

The need to secure certified lifeguards was discussed. Ken Brown said that he would be certified and Mark Stripling stated that he had some young people from First Free Will Baptist in North Little Rock that were also certified.

The proposed 2005 budget was reviewed and adopted to be presented at the upcoming state association.

August 9, 2004

The Arkansas State Youth Board met on August 9, 2004 at the state office in Conway.

The financial report was given and tentative plans for camps and upcoming retreats were discussed.

The meeting was adjourned.

2006 Proposed State Youth Board Budget

Receipts:

Coop	96,530.00
Camp Registration & Concession	53,500.00
Camp Rentals	52,000.00
Interest Income	400.00
CTS Rally	5,015.40
Gifts & Contributions	5,000.00
Total Receipts:	212,445.40

Disbursements:

Director's Salary	37,563.00
Maintenance/Caretaker Salary	15,500.00
Clerical Salary	3,000.00
Auto Payment	3,932.40
Director's Home Equity	900.00
Car Expense	3,000.00
Utilities - Camp & Director	25,000.00
Camp Insurance	13,000.00
Director's Insurance	8,000.00
Payroll Taxes	12,000.00
Postage	400.00
Professional Fees	2,300.00
CTS Rally	5,000.00
Conventions	1,500.00
Camp Literature	100.00
Pool Maintenance	2,000.00
Food Service	24,000.00
Food Service Labor	2,500.00
Camp Equipment Operations	2,000.00
Repairs	12,000.00
Supplies	8,000.00
Camp Labor	4,000.00
Guest Speakers	5,000.00
Board Mileage & Meals	3,000.00
Loan Payment	12,000.00
Printing	1,250.00
Camp Games & Recreation	3,000.00
T-shirts	2,500.00
Total Disbursements:	212,445.40

Ricky J. Taylor C.P.A., P.A.
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, 2004 and 2003, 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, 2004 and 2003, and its results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Russellville, Arkansas
July 7, 2005

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

Member of:
Arkansas Society of Certified Public Accountants

**CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.**

BALANCE SHEETS

DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
CURRENT ASSETS:		
Cash in bank	\$ 37,263	\$ 35,830
Cash-contingency fund	1,219	1,211
Cash-capital improvements fund	2,201	2,189
Cash-Arkansas Youth Scholarship fund	1,086	1,920
Accounts receivable	<u>15,638</u>	<u>10,814</u>
Total Current Assets	57,407	51,964
FIXED ASSETS:		
Land and buildings	333,760	333,760
Auto	21,517	21,517
Equipment	71,222	60,538
Camp improvements	204,114	204,114
Less: accumulated depreciation	<u><157,810></u>	<u><134,856></u>
Total Fixed Assets	<u>472,803</u>	<u>485,073</u>
TOTAL ASSETS	<u>\$ 530,210</u>	<u>\$ 537,037</u>
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES:		
Current notes payable	\$ 0	\$ 338
Current portion of L-T debt	6,802	4,504
Accounts payable	1,802	1,733
Payroll taxes payable	1,483	1,307
Designated contributions payable	<u>1,296</u>	<u>1,296</u>
Total Current Liabilities	11,383	9,178
LONG-TERM DEBT:		
Notes payable (Less: current portion of L-T debt)	<u>96,114</u>	<u>95,496</u>
TOTAL LIABILITIES	107,497	104,674
FUND BALANCE:		
Fund balance, Beginning of Year	432,363	436,880
Excess revenue over expenses	<u><9,650></u>	<u><4,517></u>
Fund balance, End of Year	<u>422,713</u>	<u>432,363</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 530,210</u>	<u>\$ 537,037</u>

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

**CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
STATEMENTS OF REVENUE AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

	<u>2004</u>	<u>2003</u>
REVENUE:		
COOP	\$ 86,831	\$ 86,630
Camp rentals	39,348	37,612
Registration & concessions	45,928	50,774
CTS rally	7,169	6,760
Gifts and contributions	5,493	4,254
Interest income	<u>293</u>	<u>358</u>
Total Revenues	185,062	186,388
EXPENSES:		
Salaries-director	35,317	34,269
Auto expense	3,736	2,511
Utilities	21,644	19,425
Insurance-camp	12,866	12,779
Insurance and retirement-director	7,500	6,000
Payroll taxes	4,991	4,135
Office supplies	192	858
Professional fees	2,200	2,100
CTS rally	4,912	5,184
Meetings & conventions	822	1,357
Interest expense	5,305	5,978
Miscellaneous	2,282	7,899
Scholarships	1,000	0
Pool upkeep	1,316	920
Food service	16,998	23,451
Food service-labor	2,065	2,450
Supplies	8,999	4,452
Repairs & maintenance	10,886	11,210
Postage	222	110
Camp labor	21,520	15,460
Guest speakers	2,850	3,785
Board mileage & meals	3,094	1,799
Printing	1,041	1,541
Depreciation	<u>22,954</u>	<u>23,232</u>
Total Expenses	<u>194,712</u>	<u>190,905</u>
Excess Revenues Over Expenses	<u>\$ <9,650></u>	<u>\$ <4,517></u>

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

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
CASH FROM OPERATING ACTIVITIES:		
Net revenue <loss> over expenses	\$ <9,650>	\$ <4,517>
Adjustments to reconcile net revenue over expenses to net cash provided by operations:		
Depreciation	22,954	23,232
(Increase)decrease in accounts receivable	<4,824>	1,006
Increase(decrease) in accounts payable	69	<486>
Increase(decrease) in payroll tax payable	<u>176</u>	<u>482</u>
Net Cash Provided by Operating Activities	8,725	19,717
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	<u><10,684></u>	<u><13,500></u>
Net cash used in investing activities	<10,684>	<13,500>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	<6,147>	<7,706>
Proceeds from debt	<u>8,725</u>	<u>4,905</u>
Net cash used by financing activities	<u>2,578</u>	<u><2,801></u>
Net increase (decrease) in cash	619	3,416
Cash at beginning of year	<u>41,150</u>	<u>37,734</u>
Cash at end of year	\$ <u>41,769</u>	\$ <u>41,150</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, 2004 AND 2003**

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 \$ 22,954 and \$ 23,232 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:

2004	\$ 5,305
2003	\$ 5,798

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, 2004 AND 2003

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, 2004 and 2003, due payable to Camp Beaverfork, Arkansas Free Will Baptist Youth Camp, Inc.

NOTE 2 - NOTES PAYABLE

	<u>2004</u>	<u>2003</u>
Note payable-Simmons First Bank, Conway, Arkansas, requires monthly installments of \$ 804. including principal and interest at an annual percentage rate of 5.25%. This note is secured by property & equipment.	\$ 95,295	\$ 100,000
Note payable-Simmons First Bank, Conway, Arkansas, requires monthly installments of \$ 206, including principal and interest at an annual percentage rate of 6.34%. This note is secured by equipment.	7,621	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>0</u>	<u>338</u>
	102,916	100,338
Less: Current notes payable	0	338
Less: Current portion L-T Debt	<u>6,802</u>	<u>4,504</u>
Long-term Debt	\$ <u>96,114</u>	\$ <u>94,496</u>

Scheduled minimum maturities of long-term debt over the years subsequent to December 31, 2003, are as follows:

2005	\$ 6,802
2006	7,191
2007	7,761
2008	6,498
2009	5,869
2010 and thereafter	68,795

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
NOTES TO FINANCIAL STATEMENTS-(CONTINUED)
DECEMBER 31, 2004 AND 2003

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>2004</u>	<u>2003</u>
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, 2004 all of the corporation's money was insured.

Nomination List and Election Schedule

<u>Executive Board</u>	<u>Recommendation</u>	<u>Nomination</u>
<i>Term Ends 2005</i>		
David Copeland	<u>David Copeland</u>	_____
David Watson	<u>David Watson</u>	_____
<i>Term Ends 2006</i>		
Dale Blackwell		
Joe Buttgen		
<i>Term Ends 2007</i>		
Will Harmon		
Jim Walker		
<u>Youth Board</u>		
<i>Term Ends 2005</i>		
Tim Landers	<u>Tim Landers</u>	_____
Lynn Crawford	<u>Lynn Crawford</u>	_____
<i>Term Ends 2006</i>		
Ken Brown		
Johnny Miller		
<i>Term Ends 2007</i>		
Darren Walker		
John Gilliland		
<u>State Mission Board</u>		
<i>Term Ends 2005</i>		
Kerry Gandy	<u>Kerry Gandy</u>	_____
*Dwayne Roper	<u>Jackie Brown</u>	_____
<i>Term Ends 2006</i>		
Kenneth Winningham		
Gerald Thomas		
<i>Term Ends 2007</i>		
Randy Burris		
David Taylor		
<u>Christian Education Board</u>		
<i>Term Ends 2005</i>		
Vince Daniel	<u>Vince Daniel</u>	_____
*Kendall Ross	<u>Kevin Jewell</u>	_____
<i>Term Ends 2006</i>		
Leroy Scudder		
Doug Jones		
<i>Term Ends 2007</i>		
Tim Harris		
Randy Scott		
<u>Officers</u>		
Moderator: David Bishop	<u>Nelson Henderson</u>	_____
Assist. Moderator: Nelson Henderson	<u>David Harper</u>	_____
Clerk: Wendell Leckbee	<u>Wendell Leckbee</u>	_____
Assist. Clerk: Keith Bowden	<u>Keith Bowden</u>	_____
Hillsdale FWB College Board Member:		
Will Harmon	<u>Will Harmon</u>	_____
Nelson Henderson	<u>David Copeland</u>	_____

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 reelected 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.