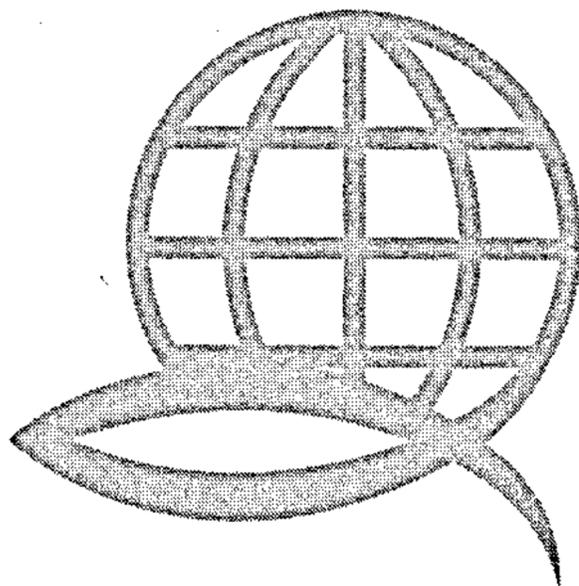


Minutes
of the
One-Hundred Ninth Annual Session
of the
Arkansas State Association
of
Free Will Baptists

Conway High School Auditorium
Conway, Arkansas
August 8-9, 2006



Moderator of the 109th Session
Nelson Henderson
2819 Highway 62 West
Pocahontas, Arkansas 72455

Clerk for the 109th Session
Wendell Leckbee
3731 Lakeshore Drive
North Little Rock, Arkansas 72116

**MINUTES
Of the
109th Annual Session
of the
ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS**

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OFFICERS AND STANDING BOARDS

2006-2007

EXECUTIVE BOARD

Will Harmon.....	2007
Jim Walker.....	2007
David Watson.....	2008
David Copeland.....	2008
Bobby Shepherd.....	2009
Mark Stripling.....	2009

MISSIONS BOARD

Randy Burris.....	2007
David Taylor.....	2007
Jackie Brown.....	2008
Kerry Gandy.....	2008
Ken Winningham.....	2009
Gerald Thomas.....	2009

YOUTH BOARD

Darren Walker.....	2007
John Gilliland.....	2007
Tim Landers.....	2008
Lynn Crawford.....	2008
Ken Brown.....	2009
Johnny Miller.....	2009

CHRISTIAN EDUCATION BOARD

Randy Scott.....	2007
Tim Harris.....	2007
Kevin Jewell.....	2008
Vince Daniel.....	2008
Clark Snow.....	2009
Doug Jones.....	2009

MODERATOR.....Nelson Henderson

ASSISTANT MODERATOR.....David Harper

CLERK.....Wendell Leckbee

ASSISTANT CLERK.....Keith Bowden

OFFICERS OF DISTRICT ASSOCIATIONS

ANTIOCH

Moderator-Denver Robinson
297 Hwy 247
Casa, AR 72025
(501)727-5432

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

ARKANSAS

Moderator-Bobby Richey
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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
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Moderator-Ricky White
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Subiaco, AR 72865
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LITTLE MISSOURI RIVER

Moderator-Kenny Fant
116 N. Garfield Road
New Hope, AR 71959
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P. O. Box 1374
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NEW HOPE

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

Moderator-Lonny Burks
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Harrison, AR 72601
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Green Forest, AR 72638
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OLD MOUNT ZION

Moderator-Paul Payne
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Springdale, AR 72762
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P. O. Box 14
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SALINE

Moderator-Billy Wilson
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710 Utnage Drive
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Blackwel@bscn.com

SOUTHEAST ARKANSAS

Moderator-Phillip Payne
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(870)265-2880

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jwalker@valvelinx.net

Clerk-Randall Ray
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(479)471-8621

ZION HOPE #2

Moderator-Chet Smith
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csmith9243@cox.net

Clerk-Gary O'Kelley
P. O. Box 1424
Van Buren, AR 72957
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PROCEEDINGS

Tuesday Evening, August 8, 2006

The 109th annual session of the Arkansas State Association of Free Will Baptists met at the Conway Public School Auditorium in Conway, Arkansas on August 8-9, 2006. The convention theme was **"Take Me to the Cross"** The theme verse was Luke 14:27.

The Tuesday evening service opened with song director Phil Whiteaker leading the congregation in singing *"At the Cross."* Marshall Smith served as the pianist.

Wendell Leckbee, Clerk called the session to order and introduced the Moderator, Nelson Henderson, and led in prayer.

The Committee on Committees was elected as follows: Randy Scott, Chet Smith, Jackie Brown, Gene Thomas and Ron Parker.

Keith Burden brought words of greetings from the Executive Office. He commented on the Cooperative states which includes Arkansas and on the number of Arkansas men serving on National Boards, One Magazine and Disaster Relief. Dale Bishop led in prayer.

The congregation sang *"My Saviors Love"* and *"Since Jesus Came Into My Heart."* Offertory prayer was led by Jamie Lancaster. Offertory music was by Marshall Smith. The offerings were divided one half each to National Home and International Missionaries present.

Kevin Jewell introduced the evening speaker, David Taylor, Pastor of Lake Hills in Hot Springs. Special music was presented by Southern Heritage Quartet who sang *"He's Still the Cross."* Brother Taylor preached from I Corinthians 1:18 on the subject *"Take Me to the Cross – The Road to Salvation, Missions."*

Phil Whiteaker sang "*The Savior is Waiting*" as an invitation.
A Christian Supply Store gift certificate was awarded.
Report of the Committee on Committees was given (page 8).
Patsy Vanhook dismissed in Prayer.

Wednesday Morning, August 9, 2006

The service opened with the congregation singing "*Holy Spirit Thou Art Welcome.*" Bobby Lester brought the morning devotion from Romans 12: 1-2 and led in prayer. The congregation sang "*Turn Your Eyes Upon Jesus.*" Moderator, Nelson Henderson, brought a brief message from Ecclesiastes 1, "*God is Original*" and led in prayer.

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 (page 10). Motion passed to receive the report.

Report of the State Executive Board was given by Will Harmon. (pages 14-28). Motion was passed to receive the report.

The \$19,917.00 dividend from Brotherhood Mutual to Arkansas Free Will Baptists was reported and a motion passed to allocate the money as follows: State Office \$4,917.00 (for improvements), Camp Beaverfork \$5,000, CE Scholarships \$5,000 and ACTS 1:8 Missions Support \$5,000.

Bobby Shepherd and Mark Stripling were elected to the Executive Board.

Report of the Executive Director was given by Tim Campbell. (pages 15-28). Brother Tim stressed the importance of all Board Members, the Cooperative Plan of Support and commented on the state of our Executive Office and State Ministries. He introduced Ricky Taylor who presented the Audit Report.

Motion passed to accept the report and adopt the budget.

Dale Blackwell and Joe Buttgen were presented plaques for their years of service on the Executive Board.

A Report from Hillsdale Free Will Baptist College was given by Bob Thompson.

Report of the Nominating Committee was read by the Clerk (page 65). Motion passed to accept the report.

Report of the Christian Supply Store was given by Tim Campbell (pages 29-37). Ricky Taylor presented the audit report. The future of the bookstore was outlined in detail. Motion passed to accept the report and adopt the budget.

Representatives from Master's Men, Alabama Children's Home, Free Will Baptist Family Ministries, Harvest Homes Ministries, Free Will Baptist Foundation and Board of Retirement reported on their ministry. Open House at Christian Supply Store was announced and a gift certificate awarded.

Wednesday Morning Worship Service August 9, 2006

The service opened with the congregation singing "*Lead Me to Calvary*" and "*I Will Serve Thee.*" David Aycock led in prayer.

Wendell Leckbee introduced Jackie Brown, Pastor, First-Charleston who

Spoke after special music by Pat Baze, Sheryl Baze and Don Matchett who sang "*I Believe in a Hill Called Mt. Calvary.*" His subject was "*Take Me to the Cross – The Road to Humility*" from Mark 8:34. Brother Brown led in prayer before the invitation hymns "*Take Me to the Cross*" and "*Wherever He Leads I'll Go.*" After announcements by Nelson Henderson and the awarding of a Christian Supply Store gift certificate, the meeting was adjourned.

Wednesday Afternoon Business Session August 9, 2006

Phil Whiteaker led the congregation in singing "*Oh How He Loves You and Me.*" Moderator Nelson Henderson led in prayer and introduced Doug Duvall who gave the devotion "*What are we Lifting Up to Draw People to the Cross?*"

The report from Randall House stressed the success of the Clear Literature.

Report of the Youth Board was given by Johnny Miller (page 56).

"*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 is an investment in our young people.

Report of Camp Beaverfork Director was given by Pat Baze (pages 57-64) who directed attention to the reports and introduced Ricky Taylor, who discussed the financial reports of Camp Beaverfork.

He pointed out the many positive things such as 83 decisions for Christ and several rededications. Camp speakers were extraordinary and volunteers were, once again, an important part of the success of the camp sessions. Wednesday night of Senior High Week was very unusual with the alters being full before the song service finished. Heart felt appreciation was expressed to all who helped during the disaster relief effort and those who participated in "*Campaign 87*" to help pay off the debt of Camp Beaverfork. Motion was adopted to receive the report and adopt the budget.

Speakers from Free Will Baptist Bible College (Arkansas was third in students and sixth in giving), National Home Missions, Hispanic Ministry and International Missions reported on their ministry.

Report of the Christian Education Board was given by Vince Daniel. (pages 38-40). He reported on the scholarships which were awarded. Men were encouraged to pre-register for the Minister's Retreat in February and directed attention to the Women's Conference in October. A plaque was presented to Leroy Scudder for his service on the board. Motion adopted to accept the report and adopt the budget. Clark Snow was elected to the board and Doug Jones was re-elected.

Report of the Mission Board was given by David Taylor. (pages 41-44). Ricky Taylor discussed the board's financial reports. Motion adopted to accept the report and adopt the budget. Ken Winningham and Gerald Thomas were re-elected to the board.

The A.C.T.S. 1:8 Task Force Report was given by Nelson Henderson (pages 45-47). Appreciation was expressed to those who gave support in the amount of \$454,374.15 Motion adopted to accept the report and adopt the budget.

Report of the Missions Director was given by Don Matchett (pages 45-55).

A motion to permit the management of the ACTS 1:8 funds by the Mission Director, Chairman of the Mission Board and Chairman of the Task Force was adopted. A new ACTS 1:8 logo was presented.

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

Report of the Obituary Committee was read by Keith Bowden, Assistant Clerk (page 9). The congregation stood for a moment of silence after which Steve Trail 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.

Delegates to the 2007 National Association in Little Rock, AR were Denver McKay, Doug Duvall, Brenda Housley, Michael Birmingham and Janice Smart.

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 re-elected as a Hillsdale Free Will Baptist College Trustee. Johnny Miller was re-elected to the Free Will Baptist Family Ministries Board. After announcements the meeting was adjourned.

Wednesday Evening Worship Service August 9, 2006

The service opened with the congregation singing "*I Just Feel Like Something Good is About to Happen.*" Nelson Henderson welcomed everyone to the evening service and led in prayer.

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

The congregation sang "*Kneel At the Cross*" and "*Hallelujah for the Cross.*"

Eddie Bowerman, Missionary to Panama, presented a video to challenge and to say "Thank you" for supporting his ministry through ACTS 1:8.

Brother Bowerman led in the offertory prayer in the language of Panama which was then translated by Stan Bunch. Offertory music was presented by Marshall Smith.

Special music was presented by Debbie Burden who sang "*Written in Red.*" Tim Campbell introduced Keith Burden who spoke on the subject "*Take Me to the Cross - The Road of Repentance*" His text was Luke 5:27-32. After the invitational hymn "*I Surrender All*" Tim Campbell led in prayer. Don Matchett, Missions Director, introduced Gerald Thomas who led in prayer for the church at Cabot.

A gift certificate to the Christian Supply Store was awarded.

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

The 109th session was adjourned.

REPORTS

REPORT OF THE COMMITTEE ON COMMITTEES

Credentials: Jim Walker, Cody Ally, Paul Payne, Joe Ray Short and David Copeland

Nominating: David Taylor, Will Harmon, Ken Winningham, Mark Stripling and Jason Scott.

Obituary: Ronnie Whitten, Loy Counts, Kevin Jewell, Delbert Hughes and Leroy Scudder.

Resolutions: Vince Daniels, Frank Matchett, Jerry Bromley, Randy Burris and Steve Trail

Committee on Committees:

Randy Scott

Chet Smith

Jackie Brown

Gene Thomas

Ron Parker

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, Unity.

Zion Hope: Nine churches did not pay: Barling, Boonville, Chester, Cottonwood, Heritage Oaks, Highway 71, Kibler, 81 Rudy, Van Buren.

Respectfully submitted: Credentials Committee

David Copeland

Cody Ally

Paul Payne

Joe Ray Short

Jim Walker

OBITUARY COMMITTEE REPORT

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

ANTIOCH

Charlie Parker
Veo McGhee
Rev. Jimmy Hallum
Ella Dean Brown Ballew
Rosie Surrent
Edna Latham
Syble Chronister
Teddy Cross
Mary Ruth Wright
Gerald Taylor
Rev. Thelbert Dixon
Zola Duvall
Adam Burriss
William F. "Bill"
Swicegood
Evelyn Thompson
Wilma Reade
LaDonna Matchett

ARKANSAS

Freda Taylor
Grady Crumpton
James Ragan
Alva Millard
Estelane Bailey
Roxie Atchley
Danny McIntyre

CENTRAL

Archie Henderson
(Deacon)
James (Jay) Shelton
Bobby Cook
E. Thurston Taylor
(Deacon)
Jerry Harvile (Deacon)

FELLOWSHIP

Frank Richardson
Reece Brace
Thelma Johnson
Iva Burriss
Paul Boyer
Ruby Tackett
Charles Kinder
Gladys Snyder
Roy Norton
Clara Thomas
Geneva Coffinan

HARMONY

Othel May
Betty English
Lucas Jett Smith
Samuel Charles Smith
Alyce Breashers
Beatrice Moody
Ervin Morse

LITTLE MISSOURI RIVER

Orville Westfall
Ola Kitchens
Ellen Parsons
Doyle Morrison
Paul Trout

NEW HOPE

Maxwell Mercer
Ivan McFall
Reba McFall
Thelia Holliman
William "Bill" Allen
William Harold Smith
Lewis Sawrie

NORTHWEST

Fred Dooley, Deacon
Tommie Satraganie
Lorene Bailey
Engie Clark

OLD MT. ZION

Doug Eoff
Mary Evans
Everett Morris
Margaret Ballard
Stella Gibson
Leoma Graham
Hershel Harrington
Alfred Glenn
Paul Archer
Edward Morris
Bertha Raines
Anna Lois Morris
Wanda Pitts
Willie Bohannon
Clifford Ake
Bobby Jean Phillips
Roy Dale Parsons
Mary Veta Vines Baker
Lena Mae Bartholomew
Foren
Charles McCarthy
J. C. Cantrell
Eugene Graham
Tammy Calico
Chrystal Hill
Bulah Rhodes
Destiny Hamilson
Aurther Moore
Oscar Villines
Rev. Glenn Jones
Charlotte Ferguson
Henry Klutts
Enoch Kendell

POLK BAYOU

Iva White
Margaret Presley
George Tubbs
Kenneth Ruminer
(Deacon)
Martha McClure
Deltha Gray

POLK BAYOU CONT.

Lena M. Fairbee
Amy Sue Whitlow
Devonne Northcutt
Jessie Stuart
Jerry Davis
Ernestine Hightower
Sandra Williamson
Virginia Martin
Harold Williams
Gary Money
Ray Bishop
Wanda Wentz
Edith Nelson
Virgil Hartsell
Lance McLaughlin
Erlene Ellis

SALINE ASSOCIATION

Rosa Lee Frith
Donald "Donnie" Sivils
Melb Jordan
James Beckham
Virginia Lewis
Onna Russell Strum
Ruth Swinney
Elvin McClellan
Bob Green
Grice McClellan
Elbert (Bud) Parker
(Deacon)
Marie Russell
Jim Meeks
J. T. Moncrief
Charles Adams
Charles Beard
Rex Barnett
Audie Morman
Gertrude Dendy
Elvin Funderburg
Roy Gates (Deacon)

SOCIAL BAND

Mary Taylor
Arah Maple
Pearl Broadway
Jewell Earley
J. W. Duff
Inez Morrow
Jack Tripplehorn
Maxine Wiles
Leonard Snow
Frank Owens
Carl Henderson
Daisy Stokes
Jerry Miller
Ralice Blackwell
Deloris Holder
Marvin Goforth
Mark Reed
Clowell Croom
Richard Scott
Lela Stacy
Mary M. Edington
Bill Crawford

SOCIAL BAND CONT.

Thursday Marshall
Josephine Land
Rev. Joe Barnett
Ruby Mae Swartzlander
John Warner
Esther Erickson
Lorraine Jones
Damon Jones
Ruby Fry
Howard Jarrett
Robert Poindexter

S.W. ARKANSAS

Clifford Jones

UNITY

Virgil Faires
Charley Marriott (Deacon)
Herbert Hutchins
Lorene Moore
Ronnie Merritt

ZION HOPE #2

Randell Stemm
Welmas Spoon
Nomi Bromley
Rev. Curtis Wilkinson
Diana Woodall
Mildred Fudge
Addie Cluck
Lloyd Allen
Buster Shipman
Sheila Berlau
Viola Wilson
O. P. "Jr" Parks
Frank Gregory, Jr.
Connie Christian
Ann Shores
William (Dub) Creel
Jerry McFarland
Carolyn McAllister
Myrtle Sparks
Loretta Freeman
Bobby Donaldson
Bobbi Ratcliff
Alene Collett
Ollie Passmore

Respectfully submitted:

OBITUARY COMMITTEE

Ronnie Whitten

Loy Counts

Kevin Jewell

Delbert Hodges

Leroy Scudder

REPORT OF THE ARKANSAS WOMEN ACTIVE FOR CHRIST

The 52nd Annual session of the Arkansas Women Active for Christ met August 8, 2006, at Conway High School Auditorium. The theme was "*Apples of Gold*." The theme scripture was Proverbs 25:11. The speaker was Paul Hammons, missionary to Arizona. Mary Moore directed the singing with Robin Richardson as the pianist.

Several Home and International Missionaries gave greetings and updates during the Missionary Share Time. Plans were made for Arkansas WAC to host the WNAC National Convention in Little Rock, AR in July 2007.

11 Districts reported with 63 Locals and membership of 671. A total of 179 registered, including 20 International Missionaries, and 11 Home Missionaries.

Total receipts for 2005 were \$74,875.25. Our giving to International Missions was \$20,989.63 (ACTS 1:8 receiving \$17,523.08 of this amount), National Home Missions \$8,058.54, Children's Home \$1,961.50, and our 2005 State Project was Camp Beaverfork in Conway with a total of \$10,500.66.

The following resolutions were adopted:

We the Resolutions Committee submit the following recommendations:

- 1) Accept the 2006 WNAC resolutions as printed.
- 2) Give a rising vote of thanks to Fellowship and Little Missouri River Associations for the decorations and door prizes for the 2006 WAC retreat and the 2006 Annual WAC Banquet, respectively.
- 3) Recommendation from the Executive Committee:
 - a. The ARWAC State Project for 2007 be the Salt Lake City Team – Ledbetters and Warrens.

Executive Committee: Lisa Bowden, President; Belinda Adaire, Vice President; Judy Trail, Secretary; Jayne Hannah, Treasurer; Lou Williams, Field Worker; Brenda Housely, Member at Large; Willa Jean Lewis, Member at Large; and Mary Burris, Member at Large

Resolutions Committee: Sue Patton, Charlotte Jones, Melissa Haralson, Judy Payne and Barbara Johnson.

The 39th Annual Banquet was held in the Brewer-Hegeman Conference Center on the UCA Campus, August 8, 2006 at 5:00PM with 166 in attendance. Deniece Hammons, missionary to Arizona, spoke from the theme "*What is in Your Basket*." Special music was by Angela Duncan of the Polk Bayou District. Little Missouri River District did the banquet decorations.

The Annual Retreat was held on May 5-6, 2006 at Camp Beaverfork with 131 registered. The theme was "*The Apple of His Eye*" taken from Psalms 17:8. The speaker was Karen Ferguson, Texas WAC President. Special music was by Teresa Newell of the Antioch District.

Respectfully Submitted, Lisa Bowden, Arkansas WAC President

REPORT OF ARKANSAS MASTER'S MEN

On March 17 and 18 more than 40 Free Will Baptist Men met at Camp Beaverfork. Phil Whiteaker spoke on Friday evening with a goal of giving something from which every Free Will Baptist Man could benefit. He was successful as he spoke of "*Terrorism*" as it relates to the spiritual war in which we are engaged.

On Saturday morning the men completed many projects to ready the camp for spring and summer activities. Ken Akers, National Director of Master's Men, also shared with the men. He received several donations for the Master's Men Disaster Response Unit.

Arkansas Master's Men received a donation of a Disaster Response Unit of their own from Center Point in Vilonia. Cash and donations of equipment have already been received. Plans are to encourage groups and individuals to donate tools or supply the funds to purchase the needed items such as a generator, chain saws, rakes, etc.

The Annual Master's Men Banquet was held at Ryan's Family Steak House in Conway on August 9 with 53 in attendance. A door prize was presented to Jared Higginbotham from a drawing of all tickets purchased in advance.

The treasurer's report and the minutes were read and approved. The only officer elected was Richard Dennis as chorister to replace Jeremy Thomas who moved from the state.

The most exciting things happened regarding the project for 2005/2006. The men started out trying to raise \$10,800 to replace every mattress at Camp Beaverfork. The final cost for the mattress with all shipping, taxes, etc totaled \$13,650. Not only did Free Will Baptist Men raise this amount, but eagerly supported the recovering of all the chairs at a cost of \$2,800 for a project total of \$16,450.

The body adopted a recommendation to make the 2006/2007 project the replacement of all doors on the cabins at a projected cost of \$500.00 each. We will be asking 18 men's groups across the state to commit to raising \$500.00 each to complete this project.

Funds were also requested for the Arkansas Disaster Response Unit. Gifts of tools and equipment were also solicited.

The body also approved \$150.00 for the officers to purchase trivia and door prizes for the 2006/2007 year from the project funds.

Pat Baze spoke to the men from Proverbs 29:18 *Ministering to Youth.*"

Sheryl and Friends provided a time of musical enjoyment.

The meeting was adjourned in prayer by Jared Fowlkes

Respectfully Submitted: Wendell M. Leckbee, President

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

Vince Daniel, Frank Matchett, Jerry Bromley, Randy Burris and Steve Trail

REGISTRATION COMMITTEE REPORT

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 8-9, 2006:

Ministers 125, Deacons 14, Delegates 50, Missionaries 27, Visitors 143, for a grand total of 359 registered.

Respectfully Submitted: Registration Committee:

David Copeland, Greig Caswell, Ronnie Whitten, Michael Morrison

STATISTICS REPORT

The Arkansas State Association of Free Will Baptists reports 15 associations comprised of 209 churches. The statistics for membership, baptism, etc., are based on the 193 churches who reported.

There are 95 churches located in a city/town; 107 churches in rural, 90 with full-time pastors, and 96 part-time pastors. There are 319 ordained ministers, 51 licensed ministers, and 452 ordained deacons.

The churches reported 459 baptisms with 996 members added, 411 members lost, with a total membership of 19,404.

Sunday school enrollment was 10,640, CTS enrollment was 2,188, Women Active for Christ membership was 966 and Master's Men enrollment was 189.

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

The total income of all churches reporting was \$15,098,920.71, and 47 churches with budgets.

There were 52 churches with parsonages, and a total value of all church property, including parsonage, of \$72,331,941.00.

ARKANSAS FREE WILL BAPTISTS

Comparative Receipts - January-December 2005

STATE ASSOCIATION

			\$ Increase	% Gain
	2005	2004	(\$ Decrease)	(% Loss)
General Fund	102,008	109,189	-7,180	-6.58%
Operational Fund	15,600	13,000	2,600	20.00%
State Missions	189,434	184,555	4,879	2.64%
SM Property	103,008	14,133	88,874	628.83%
Sunday School Literature	299,893	290,590	9,303	3.20%
State Association Fees	6,130	6,033	97	1.61%
National Association Fees	20,400	20,230	170	0.84%
THE VISION	20,507	20,340	167	0.82%
Christian Education Board	31,795	31,482	312	0.99%
Miscellaneous Accounts	40,306	42,613	-2,307	-5.41%
Christian Supply Store	471,674	522,890	-51,216	-9.79%
Camp Beaverfork	229,378	185,062	44,316	23.95%
TOTALS (Note 1)	1,530,132	1,440,117	90,015	6.25%
A.C.T.S. 1:8 (Note 2)	454,374	462,169	-7,795	-1.69%
COOP (Note 3)	548,854	550,905	-2,051	-0.37%
HILLSDALE	33,147	37,307	-4,160	-11.15%

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 International Missions totals below

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

NATIONAL ASSOCIATION

			\$ Increase	% Gain
	2005	2004	(\$ Decrease)	(% Loss)
Executive Office	91,552	89,785	1,767	1.97%
International Missions	572,698	594,518	-21,820	-3.67%
National Home Missions	255,903	213,282	42,621	19.98%
FWBBC	72,573	72,538	35	0.05%
Bd. Of Retirement & Insurance	15,664	15,359	305	1.99%
Master's Men	16,740	17,751	-1,011	-5.70%
WNAC	12,718	13,834	-1,117	-8.07%
FWB Foundation	6,713	6,582	131	1.99%
Theological-Integrity Commission	560	549	11	1.95%
Media Commission	560	549	11	1.93%
Music Commission	560	549	11	1.95%
Historical Commission	560	549	11	1.96%
TOTALS	1,046,798	1,025,844	20,954	2.04%
GRAND TOTALS (State, National, Hillsdale)	2,610,078	2,503,268	110,970	4.43%

EXECUTIVE COMMITTEE SUMMARIES

July 11, 2005

Present were Tim Campbell, Nelson Henderson, David Bishop, Ricky Taylor and Wendell Leckbee. Ricky Taylor opened the meeting in prayer.

It was agreed that Tim Landers would direct the music for the State Meeting.

It was agreed that Nelson Henderson would lead a "Commitment Time" after the Wednesday night service.

The report of Christian Supply Store was reviewed and discussed. The option of moving the Book Store back to the state office was discussed. The company renting the "bookstore section" of the State Office has about a year to go on his lease. Then the lease will be on a month by month basis.

The report of Camp Beaverfork was reviewed. Total loss for the camp was around \$9,650.00. Pat Baze is not taking his Housing Equity Benefit. In 2005 the Youth Board began paying Brother Baze insurance and retirement in full.

The report of the state office was reviewed.

The Committee reviewed the report of the Atate Mission Board. Various issues were discussed about the Mission Board report.

Quail Valley submitted a request to host the 2007 State Meeting. MSC to pass this request along to the State Meeting.

The possibility of having a youth retreat in conjunction with the state meeting was discussed in order to increase interest and attendance.

Meeting adjourned.

Respectfully Submitted

Wendell Leckbee (Clerk)

Nelson Henderson (Moderator)

David Harper (Assistant Moderator)

Wendell Leckbee (Clerk)

Keith Bowden (Assistant Clerk)

Executive Board Summaries

January 24, 2005 (All Board's Meeting)

The executive board met during the All Boards meeting held at the Ozark Conference Center. The meeting was called to order by Dale Blackwell (assistant chair) in the absence of Will Harmon who was ill. The meeting opened in prayer.

Item One: Due to the Conway Public School's scheduling conflict the date of the state meeting needed to be changed from August 8-9 to August 2-3. There was discussion and motion carried.

Item Two: There was an adjusted budget motion by David Watson; Second by Dale Blackwell. The motion carried.

Item Three: The fourth quarter income and expenses were reviewed and accepted as information.

The board met with David Winfrey for partial report from Christian Supply Store. The fourth quarter figures were not in from the auditor yet.

Brother Tim informed the board of our need to raise \$30,000.00 for the National Association in 2007 that is to be held in Little Rock.

David Winfrey and Tim Campbell signed contracts with the board and Arkansas Free Will Baptist as Christian Supply Store manager and Executive Director.

Item Four: The board met with the Office Manager.

Motion was made to adjourn. It was seconded and carried.

The meeting closed in prayer.

April 5, 2005

Minutes were taken by Brother David Watson in the absence of clerk Joe Buttgen.

The Executive Board of the Arkansas State Association of Free Will Baptist met in Conway at the state office. Chairman Bro. Will Harmon called the meeting to order. Members present were Dale Blackwell, David Copeland, Jim Walker, David Watson, Executive Director Tim Campbell, Moderator David Bishop, and Assistant Moderator Nelson Henderson.

Brother Tim Campbell gave the state office report.

A motion passed to instruct director to write letters to all district associations in order to raise funds to meet the \$ 30,000.00 needed to host the National Association of Free Will Baptists in Little Rock July, 2007.

July 7, 2005 (conference call)

The Executive Board discussed the purchase of a new vehicle for the state office use. Brother Tim had the Ford Explorer serviced and the technician said there were problems which could cause expense and problems in

the near future. The board voted to allow the Bro. David Bishop to negotiate for a new vehicle. Payment options to be worked out later.

The motion carried.

July 11, 2005

The meeting was opened by prayer.

Members present were Dale Blackwell, David Watson, Moderator David Bishop, Assistant Moderator Nelson Henderson, Executive Director Tim Campbell, Jim Walker, Joe Buttgen, and David Copeland. In the absence of Chairman Will Harmon, Dale Blackwell moderated the meeting.

Auditor Ricky Taylor went over the financial figures of Christian Supply Store. His report was received as information. Brother Tim Campbell gave the report of the state office.

- There was discussion concerning churches who do not pay their state and national dues. Brother Tim was going to look in the minutes to see of the issues had been addressed in years gone by.
- The proposed budget for the state office was presented by Brother Tim. There was a motion by David Copeland and seconded by Dale Blackwell to approve for presentation to the State Association motion carried.
- A motion was presented to provide Linda Whitten with an appreciation gift for extra hours worked in light of Sue Patton's illness. She would be provided with a Branson trip package from the state office miscellaneous expenses Motion by Dale Blackwell, and 2nd by Jim Walker. The motion carried.

A letter of resignation was read from Sue Patton, in lieu of her battle with cancer. The board voted to accept her resignation.

• There was a motion by David Copeland to give Sue a wireless lap top with a cost of around \$750.00 and a monetary gift of \$ 3,000.00 for her years of service, The motion was seconded by David Bishop.

• There was a motion by David Bishop and seconded by Jim Walker to recommend the state Association to divide a \$20,000.00 dividend from Brotherhood Mutual Insurance four ways at \$5,000 each for the Camp Beaverfork, Acts 1:8. CE. Board Scholarship Fund and the state office contingency fund. The state office portion would be used to as a down payment for the new state office vehicle. Motion carried.

The motion was made to adjourn.

Respectfully Submitted,

Joe Buttgen (Clerk)]

Will Harmon (Chairman)

Dale Blackwell (Vice Chairman)

Joe Buttgen (Clerk)

David Copeland

Jim Walker

David Watson

Nelson Henderson (Moderator)

David Harper (Assistant Moderator)

2007 Proposed Cooperative Budget				
	Plan A		Plan B	
Agency	%	\$	%	\$
Minister's Retirement		18,500.00		18,500.00
General Fund	18.50%	100,177.50	18.50%	100,177.50
State Missions	21.50%	116,422.50	21.50%	116,422.50
Youth Board	17.50%	94,762.50	17.50%	94,762.50
Christian Education Board	3.00%	16,245.00	3.00%	16,245.00
The VISION	2.00%	10,830.00	2.00%	10,830.00
In State Total	62.50%	356,937.50	62.50%	356,937.50
National Association	37.50%	203,062.50	30.50%	188,848.50
Hillsdale			7.00%	14,214.38
Total	100.00%	560,000.00	100.00%	560,000.00

Proposed State Office Budgets

2007 Proposed General Fund Budget		
Receipts:	Cooperative Plan (18.5% of \$541,500)	100,177.50
	Fund Transfers	59,800.00
	Secretarial Transfers	6,300.00
	Total Receipts	166,277.50
Disbursements:	Director's Salary	32,716.00
	Director's Housing	15,600.00
	Director's Insurance	5,200.00
	Director's Retirement	1,200.00
	Director's Social Security	7,654.00
	Travel & Auto	6,500.00
	Vehicle Payment	5,900.00
	Auto Insurance	850.00
	National	900.00
	Board Mileage & Meals	3,000.00
	Phone	2,300.00
	Postage	1,000.00
	Dinners & Promotion	1,500.00
	All Board's Meeting Expense	1,000.00
	Postage Meter Rental	750.00
	Office Supplies & Printing	1,000.00
	Web Site & Internet	600.00
	Audit	2,000.00
	Computer	2,000.00
	Contingency Savings	18,819.50
	Vehicle Contingency	2,000.00
	Administrative Assistant	25,688.00
	Receptionist Secretary	21,200.00
	Payroll Taxes	2,300.00
	Workman's Comp	100.00
	Operational Fund	2,500.00
	Miscellaneous	2,000.00
	Total Disbursements	166,277.50

2007 Proposed Contingency Budget		
Receipts:	Interest on Checking Accounts	1,500.00
	Total Receipts:	1,500.00

2007 Proposed Operational Fund Budget		
Receipts:	Rental Income	9,100.00
	Operational Revenue	6,200.00
	State Mission's Utilities	540.00
	Total Receipts	15,840.00
Disbursements:	Utilities	4,300.00
	Pest & Dust Control	480.00
	Janitor	1,750.00
	Yard	300.00
	Property Insurance	3,300.00
	Property Taxes	1,060.00
	Supplies	500.00
	Repairs & Maintenance	500.00
	Audit	1,500.00
	Computer	300.00
	Office Equipment	500.00
	Payroll Taxes	20.00
	Workman's Comp	690.00
	Improvements	640.00
	Total Disbursements	15,840.00

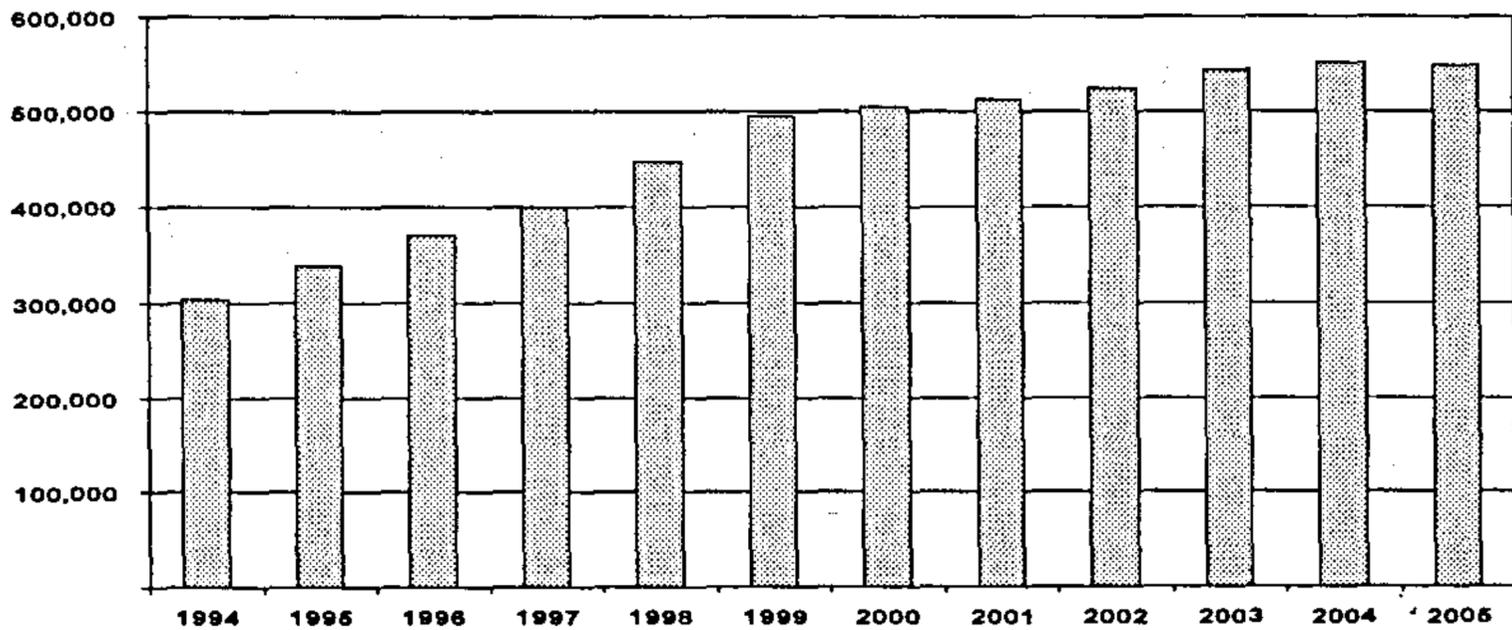
2007 Proposed VISION Budget		
Receipts:	Coop Receipts (2%)	10,830.00
	Subscriptions	10,800.00
	Total Receipts	21,630.00
Disbursements:	Printing	10,130.00
	Postage	5,700.00
	Mailing Clerk	1,900.00
	Supplies	300.00
	Computer	700.00
	Audit	600.00
	Secretarial	1,200.00
	Payroll Taxes	100.00
	Miscellaneous	1,000.00
	Total Disbursements	21,630.00

2007 Proposed Sunday School Budget		
Receipts:	Sale of Literature	285,000.00
	Freight	15,500.00
	Total Receipts	300,500.00
Disbursements:	Literature for Resale	222,000.00
	Postage/UPS	13,000.00
	Incoming Freight	500.00
	Supplies	600.00
	Phone	950.00
	Audit	650.00
	Stockroom Salaries/ Mileage	2,000.00
	Payroll Taxes	300.00
	Miscellaneous	700.00
	Total Disbursements	240,700.00
	Transfer	59,800.00

Because of difficulties deciphering the records from 2005, we were unable to present a 2005 budget to actual in the state office funds. However, the state office purchased a new software system and will report in the budget to actual format in 2006.

This in no way affected the accuracy or integrity of the audit.

Cooperative Support



Cooperative Ministry Support for 2005

<u>Antioch Association</u>		<u>Southeast Association</u>		Pleasant Grove	59.50
Mt. Vernon.....	2,400.00	Southeast District.....	753.23	Pleasant Valley.....	4,240.28
New Life.....	591.70	<u>Northwest Association</u>		Rose Hill.....	4,673.61
<u>Central Association</u>		Moore.....	1,312.00	Springhill.....	84.00
Bethel.....	1,105.20	Oak Grove.....	1,075.57	Yorktown.....	870.93
Capital City.....	360.00	Trinity.....	654.46	Faith.....	1,664.88
Conway, First.....	3,173.40	Oak Lane.....	340.00	Landmark, Monroe, LA.....	840.00
Hot Springs, First.....	380.00	Eureka Springs.....	645.40	<u>Social Band Association</u>	
Jacksonville, First.....	2,922.50	<u>Old Mt. Zion Association</u>		Arbor Grove.....	2,669.51
Malvern, First.....	412.20	Calvary.....	9,441.53	Faith.....	8,400.00
N. Little Rock, First.....	9,853.58	Clifty Chapel.....	857.40	Jonesboro, First.....	9,999.96
Russellville, First.....	57,989.32	Eastgate.....	175.00	Pocahontas, First.....	10,427.94
Oak Park.....	5,533.17	Fayetteville, First.....	800.00	Walnut Ridge, First.....	8,269.69
<u>Fellowship Association</u>		New Sulphur.....	750.00	Old Reyno.....	3,835.41
Dardanelle, First.....	3,052.00	Phillips Chapel.....	16,831.40	Poplar Valley.....	2,136.73
Harmony, Russellville.....	3,938.00	Rogers, First.....	5,200.00	Sutton.....	14,262.75
Union Grove.....	17,191.00	Victory.....	2,000.00	United.....	8,862.16
Welcome Home.....	4,425.00	Westside.....	1,000.00	CornerStone.....	2,861.12
Woodlawn.....	7,037.00	Westridge.....	1,800.00	<u>Unity Association</u>	
Oak Grove.....	5,674.00	<u>Polk Bayou Association</u>		Bethlehem.....	12,513.60
<u>Harmony Association</u>		Allen Chapel.....	24,030.88	Cavanaugh.....	70,025.22
Danville, First.....	70.00	Ballews Chapel.....	6,958.00	Charleston, First.....	16,257.67
Corley.....	547.07	Cave City, First.....	350.00	Greenwood, First.....	8,943.30
Plainview.....	1,173.50	Batesville, First.....	14,052.76	Oliver Springs.....	3,807.40
Ranger.....	886.31	Newport, First.....	3,316.51	Ozark, First.....	11,694.15
Upper Spring Creek.....	1,373.29	Tuckerman, First.....	8,707.35	South Side.....	2,611.85
Wilson.....	712.39	Mt. Harmony.....	4,048.85	Vista.....	5,400.00
<u>Little Missouri River Association</u>		New Bethel.....	3,096.06	Central.....	4,327.02
Daisy.....	4,476.36	<u>Saline Association</u>		<u>Zion Hope #2 Association</u>	
Arkadelphia, First.....	656.80	Corbin Ferry.....	420.00	Catcher.....	490.34
Hatfield.....	778.41	Star City, First.....	7,818.20	Cottonwood, OK.....	32.93
Lodi.....	1,369.14	Warren, First.....	4,117.40	Kenner Chapel.....	1,015.00
Pleasant Grove.....	1,449.84	Free Hill.....	84.00	Locke.....	3,195.40
Lake Hills.....	9,808.05	Mt. Pleasant.....	17.50	Mulberry, First.....	1,435.70
<u>New Hope Association</u>		Harmony.....	6,688.96	Ft. Smith, First.....	420.08
Center Point.....	7,649.73	Hillview, Bastrop, LA.....	388.50	Enterprise, Charleston.....	420.06
Chapel Lane.....	2,018.14	Macedonia.....	386.13	<u>Other</u>	
Mt. Bethel.....	5,589.06	Mt. Pleasant.....	52.50	The Worship Center.....	3,289.80
Sharon.....	4,057.93	Crossett, First.....	2,049.79	Gospel Lighthouse, MO.....	150.00
South Heights.....	5,162.60	Oak Grove.....	1,233.68	Mt. Olivet, MO.....	62.00
Rolling Oaks.....	4,650.00	Pine Hill.....	581.00	TOTAL.....	548,853.97

2005 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	2,991.70	13,042.85		900.00				3,400.00	20,334.55
Antioch ARWAC		2,143.50			69.53				2,213.03
Arkansas		6,472.53			450.00			1,430.00	8,352.53
Central	81,799.37	77,617.95	887.50	22,076.79	13,563.89	13,842.69	3,340.76	3,160.55	216,289.50
Central ARWAC		2,411.80							2,411.80
Fellowship	41,317.00	31,569.00		5,398.00				3,218.27	81,502.27
Fellowship ARWAC		3,116.75			500.00				3,616.75
Harmony	4,762.56	15,211.59		2,633.00	900.00		1,238.00	2,894.00	27,639.15
Harmony ARWAC		280.00							280.00
Little MO River	20,513.40	24,092.71	1,628.40	3,355.00	560.00	3,056.59	1,000.00	7,310.69	61,516.79
Little MO River ARWAC		65.00							65.00
New Hope	31,697.39	28,885.66	808.28	5,687.75	557.57	600.00	3,081.24	3,430.00	74,747.89
New Hope ARWAC		600.00						170.00	770.00
Northwest	4,239.43	10,479.46		7,267.50			60.00	2,602.07	24,648.46
Old Mt. Zion	38,855.33	23,459.50		6,197.92	3,350.00			10,858.00	82,720.75
Old Mt. Zion ARWAC		600.00						413.50	1,013.50
Polk Bayou	68,066.41	47,100.60	600.00	5,187.83	5,455.38	1,680.00		14,634.61	142,724.83
Polk Bayou ARWAC		7,665.00							7,665.00
Saline	36,253.36	44,827.10	1,523.67	9,299.82			1,599.79	8,136.85	101,640.59
Saline ARWAC		902.55							902.55
Social Band	71,725.27	50,832.33	360.00	12,646.01	2,198.70	3,832.57	1,343.20	8,353.52	151,291.60
Social Band ARWAC		1,205.00						137.00	1,342.00
Southeast	753.23	1,576.62		376.61				1,270.00	3,976.46
Unity	135,580.21	38,542.25	456.85	10,077.00	17,990.00		21,484.36	3,120.00	227,250.67
Unity ARWAC		1,996.90						200.00	2,196.90
Zion Hope	7,009.51	7,814.50						2,180.00	17,004.01
Zion Hope ARWAC		556.00							556.00
Other	3,289.80	11,307.00	114,876.67	763.25	381.63			1,846.50	132,464.85
ARWAC			255.00		325.00			9,462.62	10,042.62
Totals	548,853.97	432,831.65	121,141.37	91,886.48	45,857.17	23,011.85	33,147.35	77,845.06	1,374,574.90
Totals ARWAC		21,542.50	255.00		894.53	-	-	9,769.62	32,461.65
Grand Totals	548,853.97	454,374.15	121,396.37	91,886.48	46,301.70	23,011.85	33,147.35	87,614.68	1,406,586.55
2004 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
\$ Increase or Decrease	(2,050.98)	(7,795.26)	93,299.60	20,730.55	451.32	(2,765.38)	(4,159.86)	22,169.47	119,879.46
% Increase or Decrease	-0.37%	-1.69%	332.07%	29.13%	0.98%	-10.73%	-11.15%	33.87%	9.32%

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 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, 2005 and 2004, 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, 2005 and 2004 and its results of operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Ricky J. Taylor CPA PA

Russellville, Arkansas
June 14, 2006

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2005 AND 2004

ASSETS

ASSETS:	<u>2005</u>	<u>2004</u>
Cash	\$ 181,617	\$ 133,447
Accounts Receivable	2,751	3,612
Inventory	2,551	4,361
Property, Plant & Equipment		
Less Accumulated Depreciation	<u>400,855</u>	<u>386,018</u>
 Total Assets	 <u>\$ 587,774</u>	 <u>\$ 527,438</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts Payable	\$ 8,471	\$ 5,680
Designated Contributions Payable	178,471	135,200
Sales Tax Payable	30	62
Payroll Taxes Payable	1,396	1,522
Notes Payable	<u>23,233</u>	<u>12,991</u>
 Total Liabilities	 211,601	 155,455
 NET ASSETS:		
Unrestricted	372,063	367,953
Permanently Restricted	<u>4,110</u>	<u>4,030</u>
 Total Net Assets	 <u>376,173</u>	 <u>371,983</u>
 Total Liabilities and Net Assets	 <u>\$ 587,774</u>	 <u>\$ 527,438</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, 2005 AND 2004**

	2005			2004	
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	TOTAL
REVENUE:					
Designated contributions- National Home Missions	\$	\$	\$ 91,866	\$ 91,866	\$ 71,106
Designated contributions- Foreign Missions			46,302	46,302	45,982
Designated contributions- Acts 1:8			454,374	454,374	461,886
Designated contributions- Free Will Baptist Bible College			23,012	23,012	25,777
Designated contributions- Hillsdale			33,147	33,147	37,307
Designated contributions-Other			40,306	40,306	42,613
Cooperative Contributions	548,854			548,854	550,905
Sunday school literature sales	299,893			299,893	269,928
Vision sales and advertising	10,157			10,157	10,455
National Association fees	20,400			20,400	16,300
State convention fees	6,130			6,130	9,933
Rental income	14,300			14,300	13,000
Interest income	6,785			6,785	1,621
State Cooperative income			135,851	135,851	134,226
Other income	16,460		80	16,540	19,392
Net Assets released from restrictions: Restrictions satisfied by payments	824,858		(824,858)	0	0
Total Revenue	1,747,837	0	80	1,747,917	1,710,431
EXPENSES:					
Designated contributions	689,007			689,007	684,671
Cooperative contributions	548,854			548,854	550,905
Cost of sales - S. S. literature	221,016			221,016	191,150
C.E. Scholarships	3,500			3,500	1,500
State convention expense	7,327			7,327	7,475
Interest expense	832			832	1,004
Gifts to Retiring Bookstore Manager	0			0	10,000
Property taxes	1,058			1,058	2,182
Payroll taxes	4,773			4,773	4,926
Health insurance & retirement	9,361			9,361	14,395
Property insurance	4,164			4,164	3,402
Website cost	259			259	534

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, 2005 AND 2004**

	2005			2004	
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	TOTAL
EXPENSES: (CONTINUED)					
Workman's comp insurance	\$ 600	\$	\$	\$ 600	\$ 805
Utilities	4,425			4,425	3,326
Janitor	1,715			1,715	1,550
Supplies	5,504			5,504	8,304
Miscellaneous	19,282			19,282	14,965
Salary, housing, retirement insurance & social security	61,068			61,068	56,940
Board mileage & meals	8,817			8,817	8,241
Auto & travel expenses	8,325			8,325	7,569
Repairs & maintenance	5,265			5,265	5,721
Telephone	3,424			3,424	3,922
Postage & printing	31,040			31,040	29,156
Computer expense	1,006			1,006	1,300
Secretary salaries	48,901			48,901	57,006
Stockroom expense	1,999			1,999	1,588
Professional fees	3,600			3,600	3,450
Retreat & conference expense	17,168			17,168	23,415
National Association fees	16,775			16,775	20,800
Ministers benevolence expenses	0			0	35
Office manager's retirement expense	4,255			4,255	0
Depreciation	10,407			10,407	10,539
Total Expenses	1,743,727	0	0	1,743,727	1,730,776
Increase (Decrease) In Net Assets	4,110	0	80	4,190	(20,345)
Net Assets - Beginning of Year	367,953	0	4,030	371,983	392,328
Net Assets - End of Year	\$ 372,063	\$ 0	\$ 4,110	\$ 376,173	\$ 371,983

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, 2005 AND 2004

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2005</u>	<u>2004</u>
Increase <Decrease> in net assets	\$ 4,190	\$ <20,345>
Depreciation	10,407	10,539
<Increase> decrease in:		
Accounts receivable	861	<1,121>
Inventory	1,810	<1,939>
Increase <decrease> in:		
Accounts payable	2,791	<2,742>
Payroll taxes payable	<126>	71
Sales tax payable	<32>	<123>
Designated contributions payable	<u>43,271</u>	<u>17,255</u>
Net Cash Provided by Operating Activities	63,172	1,595
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property & equipment	<u><25,245></u>	<u><4,344></u>
Net Cash Used by Investing Activities	<25,245>	<4,344>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt	25,243	0
Repayment of debt	<u><15,000></u>	<u><4,483></u>
Net Cash Provided by Financing Activities	10,243	<4,483>
Net Increase <Decrease> in Cash	48,170	<7,232>
Cash at Beginning of Year	<u>133,447</u>	<u>140,679</u>
Cash at End of Year	<u>\$ 181,617</u>	<u>\$ 133,447</u>
SUPPLEMENTAL DISCLOSURES:		
Cash Paid During the Year for Interest	<u>\$ 832</u>	<u>\$ 1,004</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, 2005 AND 2004

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, 2005 AND 2004

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>2005</u>	<u>2004</u>
Auto	\$ 29,158	\$ 23,314
Office Furniture & Equipment	57,963	52,552
Building Improvements	<u>25,247</u>	<u>25,247</u>
	112,368	101,113
Less Accumulated Depreciation	<u>66,513</u>	<u>70,095</u>
	45,855	31,018
Land and Building	<u>355,000</u>	<u>355,000</u>
Total Property and Equipment	<u>\$ 400,855</u>	<u>\$ 386,018</u>

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 2005 AND 2004

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, 2005 and 2004 was as follows:

	<u>2005</u>		<u>2004</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%	21.5%	21.5%
Christian Education Board	3%	3%	3%	3%
THE VISION	2%	2%	2%	2%
National Association	37.5%	30.5%	37.5%	30.5%
Hillsdale	0%	7%	0%	7%
TOTAL	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

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 2005 and 2004 are \$ 19 and \$ 1,598 and distributions from the fund were \$ 5,000 for 2005. 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>2005</u>	<u>2004</u>
Ministers Benevolent Fund	<u>\$ 4,110</u>	<u>\$ 4,030</u>
	<u>\$ 4,110</u>	<u>\$ 4,030</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, 2005 AND 2004

NOTE 7 - NOTES PAYABLE

	<u>2005</u>	<u>2004</u>
Note payable – Simmons First Bank, Conway, Arkansas, requires monthly installments of \$ 491, Including principal and interest at an annual percentage rate of 6.25%. Note is secured by vehicle.	\$ 23,233	\$ 0
 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.	 \$ 0	 \$ 12,991
 Total Debt	 <u>\$ 23,233</u>	 <u>\$ 12,991</u>

The aggregate maturities of these notes are as follows:

2006	\$ 4,572
2007	4,867
2008	5,178
2009	5,515
2010	3,101
	<u>\$ 23,233</u>

NOTE 8 - CONCENTRATION OF CREDIT RISK

The Board has an accounting risk of loss in the area of cash and cash equivalents to the extent cash funds are not insured by a governmental agency. The amount of accounting risk of loss on December 31, 2005 is \$ 32,320.

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.

CHRISTIAN Supply STORE

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, 2005 and 2004, 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, 2005 and 2004 and its results of the operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Ricky J Taylor CPA PA

Russellville, Arkansas
July 14, 2006

Member of:
Arkansas Society of Certified Public Accountants

CHRISTIAN SUPPLY STORE, INC.
BALANCE SHEETS
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
CURRENT ASSETS:		
Cash on hand	\$ 400	\$ 400
Cash in bank	9,475	23,730
Cash-contingency fund	689	686
Accounts receivable	11,379	9,706
Inventory	<u>173,149</u>	<u>186,665</u>
Total Current Assets	195,092	221,187
FIXED ASSETS:		
Equipment	36,114	36,114
Leasehold Improvements	8,661	8,661
Less: Accumulated Depreciation	<u><25,414></u>	<u><20,040></u>
Total Fixed Assets	<u>19,361</u>	<u>24,735</u>
TOTAL ASSETS	\$ <u>214,453</u>	\$ <u>245,922</u>
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES:		
Accounts payable	\$ 40,333	\$ 50,458
Current Portion of L-T Debt	10,817	8,007
Payroll taxes payable	1,889	2,407
Sales tax payable	<u>4,746</u>	<u>4,276</u>
Total Current Liabilities	57,785	65,148
LONG-TERM DEBT		
Notes Payable (less Current Portion)	<u>111,281</u>	<u>90,053</u>
Total Liabilities	169,066	155,201
FUND BALANCES:		
Fund balance, Beginning	90,721	156,773
Current year profit <loss>	<u><45,334></u>	<u><66,052></u>
Fund balance, Ending	<u>45,387</u>	<u>90,721</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>214,453</u>	\$ <u>245,922</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, 2005 AND 2004

	<u>2005</u>	<u>20034</u>
REVENUE:		
Sales	\$ 471,674	\$ 522,890
COST OF SALES:		
Merchandise purchases	252,672	331,216
Freight	10,626	7,357
Sales tax	35,339	37,126
Supplies	10,513	9,406
Commissions	<u>0</u>	<u>1,419</u>
Total cost of sales	309,150	386,524
GROSS PROFIT	162,524	136,366
OPERATING EXPENSES:		
Advertising	7,048	4,539
Auto expense	0	356
Insurance	5,343	14,379
Bank charges & credit card fees	3,603	4,009
Contract labor	2,067	1,263
Miscellaneous	3,153	3,005
Postage	1,785	3,652
Rent	52,800	52,800
Payroll taxes	4,039	5,630
Telephone	3,224	3,820
Travel	401	436
Salaries-other	50,874	52,662
Manager-salary & housing	40,355	29,697
Manager-insurance & retirement	5,169	4,152
Professional fees	3,900	5,230
Property tax	2,237	2,222
Returned checks	76	655
Repairs & Maintenance	864	2,060
Utilities	8,615	7,025
Depreciation	<u>5,374</u>	<u>2,758</u>
Total operating expenses	<u>200,927</u>	<u>200,350</u>
NET OPERATING PROFIT <LOSS>	<38,403>	<63,984>

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, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
NET OPERATING PROFIT <LOSS>	\$ <38,403>	\$ <63,984>
OTHER REVENUE AND EXPENSES		
Interest income	86	111
Interest expense	<u><7,017></u>	<u><2,179></u>
NET PROFIT <LOSS>	<u>\$ <45,334></u>	<u>\$ <66,052></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, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
CASH FROM OPERATING ACTIVITIES:		
Excess of revenues over expenses	\$ <45,334>	\$ <66,052>
Adjustments to reconcile excess to net cash provided by operating activities:		
Depreciation	5,374	2,758
(Increase)decrease in accounts receivable	<1,673>	8,451
(Increase)decrease in inventory	13,516	46,708
Increase(decrease) in accounts payable	<10,125>	<31,153>
Increase(decrease) in payroll taxes payable	<518>	1,056
Increase(decrease) in sales tax payable	<u>470</u>	<u><2,327></u>
Net cash provided by operating activities	<38,290>	<40,559>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	<u>0</u>	<u><20,531></u>
Net cash used in investing activities	0	<20,531>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt	25,000	119,916
Repayment of debt	<u><962></u>	<u><41,980></u>
Net cash used in financing activities	24,038	77,936
Net Increase (Decrease) in Cash	<14,252>	16,846
Cash at Beginning of Year	<u>24,816</u>	<u>7,970</u>
Cash at End of Year	\$ <u>10,564</u>	\$ <u>24,816</u>

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

CHRISTIAN SUPPLY STORE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

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, 2005 and 2004 are \$ 5,374 and \$ 2,758, 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 \$ 9,875 and cash in the contingency fund is \$ 689.

Cash paid for interest is as follows:

2005	\$ 7,017
2004	\$ 2,179

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, 2005 AND 2004

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>2005</u>	<u>2004</u>
Beginning Balance	\$ 686	\$ 682
Contributions	0	0
Disbursements	0	0
Interest earnings	<u>3</u>	<u>4</u>
Ending Balance	<u>\$ 689</u>	<u>\$ 686</u>

NOTE 3 - NOTES PAYABLE

Notes payable – Simmons First Bank, Conway, Arkansas. A one year note, including interest at an annual percentage rate of 8.5%. The note is secured by all furniture, fixtures, equipment, inventory and accounts receivable.	<u>2005</u>	<u>2004</u>
	\$ 25,000	\$ 0

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>97,098</u>	<u>98,060</u>
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Total Debt	122,098	98,060
Less: Current Portion of L-T Debt	<u>10,817</u>	<u>8,070</u>
Long Term Debt	<u>\$ 111,281</u>	<u>\$ 90,053</u>

CHRISTIAN SUPPLY STORE, INC.
NOTES TO FINANCIAL STATEMENTS-(CONTINUED)
DECEMBER 31, 2005 AND 2004

NOTE 3 - NOTES PAYABLE (CONTINUED)

The aggregate maturities of these notes are as follows:

2006	\$ 10,817
2007	11,237
2008	11,680
2009	12,147
2010 and thereafter	76,217

NOTE 4 - LONG-TERM LEASE

Christian Supply Store, Inc. entered into a long-term lease in September 1997. Scheduled minimum lease payments for the 3 subsequent years are as follows:

2006	\$52,800
2007	\$35,200

NOTE 5 - CONCENTRATION OF CREDIT RISK

The Corporation maintains cash deposits at a financial institution located in the United States. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$ 100,000. At December 31, 2005 all of the Corporation's deposits were insured.

2007 Proposed Christian Supply Store Budget		
Revenue:		
	Sales	470,000
Cost of Sales:		
	Merchandise purchases	267,900
	Freight	7,300
	Sales Tax	31,500
	Supplies	5,000
	Commissions	1,400
	Total Cost of Sales	313,100
	Gross Profit:	156,900
Operation Expenses:		
	Advertising	4,000
	Bank charges & credit card fees	4,500
	Miscellaneous	1,500
	Postage	3,500
	Rent	37,200
	Payroll taxes	5,000
	Telephone	3,600
	Travel	350
	Salaries (other)	49,290
	Manager's salary & housing	36,200
	Manager's insurance & retirement	8,400
	Professional fees	4,000
	Property tax	1,000
	Payment on Loan	12,792
	Returned checks	600
	Repairs & maintenance	1,000
	Utilities	5,900
	Workman's Comp & Liability	2,000
	Depreciation	2,800
	Total Operation Expenses:	183,632
		(26,732)

Christian Education Board Summaries
January 24-25, 2005 (All Board's Meeting)

The Christian Education Board met this date at the Ozark Conference Center near Morrilton, AR during the 2005 All Board's meeting. Members present were Chairman: Kendall Ross, Secretary: Leroy Scudder, Randy Scott, Vince Daniel, and Tim Harris.

Chairman Ross called the meeting to order with prayer. He introduced Brother Tim Harris, pastor of South Heights Free Will Baptist Church in Searcy, as the new board member. Brother Harris was appointed by the Executive Board to replace Brother Bob Brown who moved out of state.

The following agenda was presented:

1. 2005 Minister's Retreat

Brother Kendall reported that only 86 had reregistered. Lake DeGray lodge has accepted, without penalty, 43 room reservations instead of the original 50. The date and place for the retreat is February 21-13 at Lake DeGray State Resort near Arkadelphia. The speaker will be Rev. Matt Pinson, president of Free Will Baptist Bible College, Nashville, TN. Brother Levan Hubbard will handle the music. Sound recording and some special music will be handled by Brother Randall Lovelace and his group, New Creation. In addition, the program schedule was set and board members assigned to preside over each service.

M/S/C that a gift basket be provided for Brother Pinson.

2. Trailblazer's Retreat

The Trailblazer's Retreat has been tabled until further notice.

3. 2006 Minister's Retreat

The date and place for this retreat will be February 27-March 1, 2006 at Lake DeGray State Lodge. The speaker will be Dr. Steve Ashby, professor at Hillsdale Free Will Baptist College. M/S/C to pay his expenses, please an honorarium of \$350.00 per session. The worship leader is yet to be confirmed. M/S/C that the CE Board produce brochures and concentrate on promotion. The brochures should be ready to hand out at the state meeting in August. Announcements should be made at the October and January Quarterly meetings. In addition, a mailing to all ministers should be done through the state office early in 2006.

4. Women's Conference

Lisa Bowden has resigned as a member of the Women's Committee. Current members are Jennifer Daniel, Sheila Harris, Kay Brown, and Kim Landers. The committee will select members when vacancies exist. The committee is planning a Women's Conference in 2005 sometime in September. The date is yet to be confirmed and the tentative speaker is Kim Bolten.

5. Financial Report

The financial report was reviewed and approved.

6. 2005 Team Church Conference

This conference is a joint effort between the Arkansas Christian Education Board and Randall House Publications. The date for the conference will be April 16, 2005. The place will be First Free Will Baptist Church in Russellville, AR. The keynote speaker will be Dr. Bill Taylor of LifeWay Church Resources. The theme of the conference will be "Building Families of Faith." Various people were selected to promote and facilitate this conference. The final schedule of seminars and seminar leaders is to be printed by Randall House Publications and made available by mid-February.

7. 2005 Future Board Meetings

-February 21-23: Minister's Retreat

-March 31: First Free Will Baptist Church, Russellville at 10:30 am.

-April 16: Team Church Conference, Russellville

August 2: State Office

February 22, 2005

The Christian Education Board met this date, 8:15 p.m., at Lake DeGray Lodge near Arkadelphia. Board members present: Chairman Kendall Ross, Secretary Leroy Scudder, Randy Scott, Vince Daniel and Tim Harris.

Confirmed our next meeting to be on March 31, 10:30 am, at the First FWB in Russellville in order to finalize plans for the up-coming Team Church Conference scheduled for April 16, 2005. In addition, we are to meet with members of the Women's Conference Committee.

The 2005 Minister's Retreat was revised because speaker Rev. Matt Pinson had to cancel because of a death in the family. This was learned the day before the Retreat was to begin, immediately substitute plans were in motion. Four speakers were chosen: Kendall Ross, Monday Evening; Will Harmon, Tuesday Morning; David Taylor, Tuesday Evening; and Don Matchett, Wednesday Morning. The Lord greatly blessed each speaker. As per previous minutes: "...in the event where local speakers were chosen, each speaker would receive a \$350. Honorarium per session." The four sessions provided a less structured schedule and allowed for more free time. The total registration was 88, and because of various hindrances (sickness, surgeries, deaths) there were 10 who had preregistered and did not come. Also, Randall Lovelace with New Creation singing group had agreed to provide and operate the sound. Randall had the misfortune of an accident that crushed one of his legs; consequently, other arrangements had to be made. Vince Daniel brought sound equipment from his church and operated it. M/S/C that the Board pay \$300.00 for the use of the sound equipment. At the conclusion of the Retreat on

Wednesday Morning, five \$100.00 gift certificates, redeemable at Christian Supply Store, were given to five registrants.

March 31, 2005

The Christian Education Board met this date at the First Free Will Baptist Church, Russellville, AR. Those present for the meeting were Chairman Kendall Ross, Secretary Leroy Scudder, Vince Daniel, and Tim

Harris.

The meeting was called to order at 10:35 am by Chairman Ross who led in prayer and presented the agenda. The morning session involved making final plans for the upcoming Arkansas Christian Workers Conference on April 16th, co-sponsored by the Christian Education Board and Randall House Publications. Emphasis was given to each of the Teams: Prayer, Tim Harris; Promotion, Kendall Ross and Tim Campbell; Hospitality, Vince Daniel; Facilities, Robert and Judy Millsap. Considerable discussion centered with the Facilities Team and the Staff at the First Free Will Baptist Church in Russellville in making room assignments and providing the needed equipment for the presenters.

M/S/C to order and make available special T-shirts for the presenters and staff personnel. A suggestion was made to use the logo: Arkansas Christian Workers Conference.

The meeting was adjourned for lunch at Ryan's.

The meeting resumed at 1:30 p.m. with a discussion with Jennifer Daniel, a Sub-Committee member, regarding the Women's Conference. Plans are in motion for a 2005 Women's Conference to be held in Little Rock on September 9-10 this year. The location is at the Hilton Hotel (Metro Center) in Little Rock. The speaker is Kim Bolten and Debbie Stripling will be the worship leader. Pre-registration remains at \$35.00 (\$40.00 after August 15). A survey will be taken at the Conference to determine whether to continue with annual conferences or schedule them on alternate years.

July 12, 2005

The Christian Education Board met, this date, at the State Headquarters Conference Room. Members present were Chairman Kendall Ross, Secretary Leroy Scudder, Vince Daniel and Doug Jones. Executive Director Tim Campbell was also present. The meeting was called to order by the Chairman at 1:05 p.m.. After prayer, the following items were discussed:

1. A Proposed Budget for 2006.

M/S/C to present the attached Proposed Budget.

2. FYI

Chairman Ross stated that the brochures for the 2006 Ministers Retreat should be ready by the time of the State

Meeting in August.

Reviewed five scholarship applications from: Daniel Judkins, Lance Williams, James Judkins, Craig Edgmon, and Robert McClure. Others to be reviewed and approved at the next meeting

Tim Campbell stated that the rebate from Brotherhood Mutual Insurance to the State this year exceeds \$20,000. In his report to the State Association, he is recommending that the CE Board receive approximately \$5,000.00 of that rebate. By mutual consent, the CE Board agreed that we should begin an endowment fund through the Free Will Baptist Foundation and that we authorize the Executive Director to open an Endowment Fund with the FWB Foundation and labeling it Arkansas Christian Education Endowment Fund for Scholarships. The fund would be open for anyone to contribute.

3. Election of officers for the coming year: Chairman: Rev. Tim Harris, Vice-Chairman: Rev. Vince Daniel, and Secretary: Rev. Leroy Scudder.

4. Next meeting to be a luncheon at 11:30 am at the State Office.

August 2, 2005

The Christian Education Board met August 2, 2005, 11:30 am, in the Conference Room at the State Headquarters in Conway. The meeting was a luncheon and sandwiches were brought to the Conference Room. Present were Chairman Kendall Ross, Secretary Leroy Scudder, Vince Daniel, Doug Jones, and Tim Harris. Executive Director Tim Campbell was also present.

The only item on the agenda was to review applications for scholarship for five applicants: 1) Daniel Judkins, 2) James Judkins, 3) Robert McClure, 4) Lance Williams, 5) Craig Edgmon. M/S/C to grant \$400.00 scholarship per semester for each of the five applicants.

Some meeting dates were set for the coming year:

1. December 6, 2005, 10:00 am, State Headquarters, Conway
2. January 23,24, 2006, All Boards Meeting, Conway
3. February 27-March 1, 2006, Ministers Retreat, Arkadelphia

September 3, 2005 (Conference Call)

The Christian Education Board this week has been in telephone conversation with Chairman Tim Harris regarding a matter pertaining to the 2006 Ministers Retreat. By a majority approval, the CE Board agreed to ask the New Creation Singers from Melbourne to provide the sound, record the services, and make available CD's during the 2006 Minister's Retreat, February 27- March 1. The CE Board also agreed to provide free registration, free rooms, and

remunerate New Creation with \$300. New Creation agreed to sing three songs in each of the services and several songs during the Wednesday morning service.

December 6, 2005

The Christian Education Board met this date at the State Office building in Conway. Present were: Chairman: Tim Harris, Vice-Chairman: Vince Daniel, Secretary: Leroy Scudder, Randy Scott, Doug Jones, and

Kevin Jewel. Mrs. Kay Brown came to give an up-date report on the Women's Conference. Bro. Jackie Brown accompanied her.

Chairman Harris called the meeting to order with a devotion based on Luke 22:31 with the thought that Satan often attacks through attrition when we are emotionally drained. Randy Scott led in prayer Following is the agenda:

1. Minutes of previous meeting were approved.
2. 2005 Women's Conference up-date by Kay Brown.

Surveys by the attendees have shown that the Women's Conference is effective find a great blessing. The Women's Conference should be continued and scheduled annually, preferably the last week in October. The schedule should be approximately the same week each year.

Kay has resigned from the Women's Conference Committee and has listed several recommendations that are attached and become part of the minutes. These recommendations should be passed on to the Women's Conference Committee.

Kay wrote a check for \$9,241.06 and closed the account in Fort Smith. This check was handed Mrs. Pat Baze for deposit. The new committee may open another account where it is convenient.

M/S/C to accept Kay's report and to thank the committee for their effort and service.

M/S/C to give committee members a \$40.00 gift certificate from Colton's Restaurant in appreciation for their service. Those receiving the gift certificate are to be Mrs. Jennifer Daniel, Mrs. Sheila Harris, Mrs. Kim Landers, and Mrs. Kay Brown.

-M/S/C to ask Jennifer Daniel and Sheila Hams to review the response cards from the 2005 Women's Conference for the selection of new Committee members and give a report to the C E Board no later than the All Board's Meeting on January 30,31, 2006.

The C E Board recommends that an article be written and published in The VISION for the CE Board's appreciation for the work of the Women's Conference Committee and others who make the Women's Conference a success. Bro. Vince will contact Bro. Tim about the article.

3. 2006 Ministers Retreat, February 27-March 1

The place will be at Lake DeGray State Lodge near Arkadelphia. The confirmed speaker will be Dr. Steve Ashby of Hillsdale Free Will Baptist College. New Creation of Melbourne will handle the sound and provide some of the special music. Rev. Levan Hubbard will again lead the singing.

Bro. Tim Harris agreed to arrange for fruit basket he sent to the speaker's room during the Minister's Retreat.

Rev. David Taylor is to coordinate the Golf Tournament.

4. 2007 Minister's Retreat, February 19-21 (tentative).

It is recommended that Rev. Mall Pinson, president of Free Will Baptist Bible College be the speaker and that Bro. Tim Campbell arrange the retreat at Lake DeGray State Lodge.

Recorded and Reported by:
Secretary Leroy Scudder

CE Board Proposed Budget	
Receipts:	2007
Coop	16,245.00
Minister's Retreat	7,500.00
Women's Conference	9,500.00
CE Workshops	3,000.00
Total Receipts:	36,245.00
Disbursements:	
Minister's Retreat	10,215.00
Board Mileage and Meals	3,500.00
Phone	350.00
Printing and Postage	1,000.00
Secretarial Expense	1,200.00
Computer	480.00
Audit	500.00
Women's Conference	9,500.00
Miscellaneous	500.00
CE Workshops	3,000.00
Scholarships	6,000.00
Total Disbursements:	36,245.00

Chairman: Tim Harris
Secretary: Leroy Scudder
Vince Daniel
Kevin Jewel
Doug Jones
Randy Scott

State Mission Board Summaries

January 24-25, 2005 (All Board's Meeting)

The State Mission Board met at the Ozark Conference Center north of Morrilton, Arkansas in conjunction with the All-Boards meeting. Board members Randy Burris, Kerry Gandy, Dwayne Roper, David Taylor, Gerald Thomas, and Ken Winningham were present. Mission Director Don Matchett was also present.

Monday night session

Randy Burris opened in prayer. Minutes of the November 3, 2004 regular meeting were read and reviewed, and approved. Financial statements for November and December were distributed. A motion carried to accept the financial statements as printed.

Don Matchett gave the Director's report that included his December, January, and February itinerate, a monthly report, and status on the Cabot construction loan and construction progress. The lease with the Community Baptist Church was reviewed. Rent has been received and the church is doing well—running about 50 at the present. About \$2,500.00 remains uncommitted from the Worship Center construction budget. Motion carried that the Board pay for a church software program for the Worship Center Church (\$329.00). Still awaiting the City of Cabot to give the specifications for the hose fitting for the fire hydrant. Sale of the corner of the property to Arlon Guess is still pending. Jim Fairchild will be getting quotes on church building and property insurance. Motion carried to release Don from the commitment to relocate from Atkins to Conway.

Kerry Gandy dismissed in prayer.

Tuesday morning session

David Taylor opened in prayer. All board members and Mission Director were present. Nelson Henderson, ACTS 1:8 Task Force chairman was also present. Nelson presented both ideas and information from the Task Force.

-Re-emphasize the individual donor—the shares program. The share will be set at \$20 per month.

-Reconnect the missionary with the individual donor.

-New idea: target two associations each year to thank and challenge them in their ACTS 1:8 giving. The idea is to schedule an association meeting (Friday night, Saturday morning) and have a missions emphasis service geared to that association. Old Mount Zion (April 22-23) and Saline (May 6-7) associations are the target associations for 2005.

After discussion, a motion carried that the Mission Board set aside \$6,000.00 to underwrite these ACTS 1:8 promotional services. Motion carried that \$500 each month be earmarked for similar ACTS 1:8 promotions in the future.

Don continued his report by sharing information regarding the updating and revising the Board's contracts made with missionaries. Don will present a rough draft after consulting further with a lawyer. Discussion was also made on establishing a periodic missionary evaluation program. The contract between the State Mission Board and the Mission Director was presented to the Board, and signed by all members and the Director. A motion carried that the Board give Jim and Kim Fairchild a three-day/night getaway trip as a thank you for all the work done in getting the Worship Center Church built.

No missionaries were present to give reports. (Following the meeting, Jim Fairchild gave each member a financial statement and 2005 budget proposal packet.)

Board members agreed to try bi-monthly meetings in 2005, or until more meetings were necessary. The Board tentatively scheduled meetings for the third Tuesday of March, May, July, September, and November for 2005. The next meeting will be Tuesday, March 15th, 10:00 am at the State Office.

Motion carried to adjourn. Dwayne Roper dismissed in prayer.

March 15, 2005

The State Mission Board met at the State Office in Conway. Board members Randy Burris, Kerry Gandy, Dwayne Roper, David Taylor, Gerald Thomas, Ken Winningham and Mission Director Don Matchett were present. Randy Ledbetter was also in the meeting. After taking prayer requests, Kerry Gandy opened the meeting with prayer.

A motion carried to accept the January 24-25, 2005 minutes. A motion carried to accept the January and February financial reports. Don Matchett gave his report. The Landmark FWB Church in Monroe, Louisiana is doing well. The Community Baptist Church (Wynne) lease/purchase is doing well. Attendance is 65-70. A rough draft revision of the Board/missionary employment agreement was given to the board members. A second draft will be made to incorporate some of the ideas shared in discussion of the document. Don is still working on an evaluation program. A lawyer is still reviewing the Mission Director's contract for the Board's review. Don and Randy met with the interim pastor at Eastgate FWB Church, but no action is recommended.

The Worship Center FWB Mission Church construction budget (3/14/05) was distributed to board members. We are still waiting on the city of Cabot to supply specifications regarding fire hydrant installation. Cabinets have been installed; counter tops previously thought to be donated, will now have to be purchased. Sale of a corner of the Cabot property to Arlon Guess is still pending. Changing the construction loan to a fixed long-term loan is to be done as soon as possible.

No missionaries attended the meeting. No reports were re-

ceived from Jim Fairchild, Paul Hammons, or John Reed. A motion carried that the Board approves paying Kim Fairchild's expenses to the National WNAC Retreat (\$157.32). A motion carried that the Worship Center FWB Mission Church obtain insurance coverage (liability and replacement costs) satisfactory to the mortgage company. Monthly premiums are to be sent to the State Mission Board and the State Office will forward premiums to the insurance company.

The Board met with Randy Ledbetter. He and Scott Warren have been approved by the National Home Missions Board to plant a new church in Salt Lake City, Utah. Upon referral by the A.C.T.S. 1:8 Task Force and after discussion with Randy about the projected work, a motion carried that Randy and Scott be included in the 2006 A.C.T.S. 1:8 budget for one-half their support.

The next Board meeting was set for Tuesday, May 17, 2005 (10:00 am) at Cabot. Motion carried to adjourn.

Gerald Thomas offered closing prayer.

May 3, 2005

The State Mission Board met at the State Office in Conway. Board members Randy Burris, Kerry Gandy, Dwayne Roper, David Taylor, Gerald Thomas, Ken Winningham were present, along with Don Matchett, Tim Campbell and Nelson Henderson (A.C.T.S. 1:8 Task Force). After prayer requests, Kerry Gandy opened the meeting with prayer.

Doug Little, Director of Stateside Development from Free Will Baptist International Missions met with the Board. The purpose of the meeting was to discuss how International Missions and the Arkansas State Mission Board could better work together in the process of getting missionaries to their appointed fields of service.

The meeting closed in prayer.

May 10, 2005 (Conference Call)

The State Mission Board conducted a conference call with Board members Randy Burris, Kerry Gandy, Dwayne Roper, David Taylor, Gerald Thomas, Ken Winningham present, along with Don Matchett, Tim Campbell and Nelson Henderson (A.C.T.S. 1:8 Task Force).

Don informed the Board that a meeting has been set up with Steve and Donna Olson (First FWB Church, Russellville) for May 17 at the State Office. We will hear about their plans for missionary service in France. The Board will also consider their request for being included in the 2006 A.C.T.S. 1:8 budget.

May 17, 2005

The State Mission Board met at the State Office in Conway. Board members Randy Burris, Kerry Gandy, Dwayne Roper, David Taylor, Gerald Thomas, Ken Winningham were present, along with Don Matchett, Tim Campbell and

Nelson Henderson (A.C.T.S. 1:8 Task Force). After prayer, requests Steve Olson opened the meeting with prayer.

Steve and Donna Olson from First FWB Church in Russellville met with the Board to share their ministry in France. The couple plans to be career missionaries in France. Their burden for France is to establish a Ministry-Outreach Center for the purpose of evangelism, discipleship and leadership development. Veteran missionaries Ledge and Sharon Ferguson are coming out of retirement to partner with the Olsons in this endeavor. The budget set by the FWBIM department for the Olsons is \$113,000.00 per year.

Jim Fairchild shared his financial and attendance information, along with some upcoming plans for the church. The board decided to withdraw the offer to sell a corner portion of the Cabot property to Arlon Guess due to lack of action on his part. The Cabot construction loan has been changed over to a long-term note (one payment has been made).

Don Matchett shared bimonthly financial information with the Board, along with his May and June itinerate schedule.

The next Board meeting was set for June 14, 2005 at Cabot (10:00 am). Randy Burns closed the meeting in prayer.

June 16, 2005

The State Missions Board met at the Worship Center Free Will Baptist church in Cabot. Board Members Randy Burris, Kerry Gandy, Dwayne Roper, Gerald Thomas, Ken Winningham, Executive Director Tim Campbell, and Missions Director Don Matchett were present. David Taylor was not present due to illness. Don Matchett took the minutes. Prayer requests were taken and Kerry Gandy offered a prayer.

Dwayne Roper read the minutes from the May 17, 2005 board meeting. A motion carried to accept the May 17 minutes. Don Matchett gave his report. Don's July schedule was distributed. He gave a report concerning the Tri-State meeting with Missouri and Oklahoma. Notable items were, 1) Missouri stated that all missionaries supported by there program are required to spend equal time in their local churches. If the missionary's budget is being compensated 25% from Missouri, they must spend 25% of their furlough in Missouri. 2) Oklahoma requires every home mission church to pay into their plan from day one.

Tim Crowson had contacted Don by phone and by e-mail. He and his wife are planning to go to Japan in summer of 2006 for a 2-year term. Katrina his wife will be teaching English. Tim will be producing videos for the state supporters and for the Japanese people.

Discussion was re-opened concerning whether the Olsen's should be supported by A.C.T.S. 1:8. Randy Burris made the motion to table the Olson's for one year and ask the International Mission Board and International administration to examine some areas of concerns. Ken Winningham

seconded. The motion carried. A motion by Gerald Thomas also carried, seconded by Kerry Gandy, to send a letter to the International Missions Administration and International Missions.

A sub-committee consisting of Tim Campbell, Don Matchett, Dwayne Roper, and Nelson Henderson was appointed to draft new guidelines for eligibility for A.C.T.S. 1:8.

Motion carried to give Jim Fairchild \$1,500 for expenses for the national. Motion made by Ken Winningham and Seconded by Kerry Gandy. As the part of the Motion, the \$1,500 will be given to Jim as part of his 2005 salary. He was advised that he would need to claim this as income, and he could claim the expenses as a deduction.

Jim Fairchild gave his report. He gave handouts on the Boy Scouts of America and a financial sheet on debit/credits for the Worship Center Free Will Baptist church. There was discussion on how he might move money away from A.C.T.S. 1:8 and into the APPLE Fund. It was suggested that this might lower his payment when he goes self-supporting.

Jim read excerpts from the Boy Scouts of America. Motion Carried to allow Jim to decide whether The Worship Center Free Will Baptist church would host The Boy Scouts of America.

Motion carried to add Don Matchett's name on the bank account of The Worship Center Free Will Baptist church in case of emergencies. Motion made by Kerry Gandy, seconded by Randy Burns.

October 4, 2005

The State Mission Board met at the State Office in Conway. Board members Randy Burns, Jackie Brown, Kerry Gandy, David Taylor, Gerald Thomas, and Ken Winningham were present, along with Tim Campbell. After prayer, requests Gerald Thomas opened the meeting with prayer.

The Board discussed, formulated, and established employee performance reviews for the Missions Director and missionaries. Individual meetings will be set up to review with each employee.

Motion carried that Don Matchett be allowed to keep any compensation from the State of Arkansas as a result of his work with the evacuees at Camp Beaverfork.

Motion carried that the \$1,000 given to David and Debe Taylor for their Kazakhstan mission trip remain with the mission account established at the Lake Hills Church for future mission trips/projects consideration.

The next Board meeting was set for Tuesday, November 15, 2005 at the State Office (10:00 am). Ken Winningham closed the meeting in prayer

December 13, 2005

The State Mission Board met at the State Office in Conway. Board members Randy Burns, Jackie Brown, Kerry Gandy, David Taylor, and Ken Winningham were present, along with Tim Campbell and Don Matchett. After prayer, requests Jackie Brown opened the meeting with prayer.

Motion carried to accept the November 15, 2005 Mission Board minutes. No monthly financial reports were available. A motion carried to give the director and missionary a Christmas bonus. Kerry shared the results of the yearly employee performance review with missionary Jim Fairchild.

A November financial report was given by Jim Fairchild, along with a 2006 budget proposal for the Cabot Church. Jim reviewed his two-year contract and it was signed. The fire hydrant installation approval process at The Worship Center FWB Church is complete. We are waiting on contractor Arlon Guess to install.

Questions for the meeting with Free Will Baptist International Missions representatives were reviewed. The meeting dismissed to join the A.C.T.S. 1:8 Committee and FWBIM representatives at First FWB Church.

The next Board meeting was set for Monday and Tuesday, January 30-31, 2006 at First FWB Church, Conway as part of the All-Boards meeting. Ken Winningham closed the meeting in prayer.

Respectfully Submitted:

David Taylor (Clerk)

Kerry Gandy (Chairman)

Kenneth Winningham (Vice Chairman)

David Taylor (Clerk)

Jackie Brown

Randy Burris

Gerald Thomas

2007 Proposed State Missions Budget

Receipts	2007
Cooperative Receipts	116,423.00
A.C.T.S. 1:8 Receipts for Cabot Missionary	52,150.00
Cabot Insurance Payment	3,000.00
Payment on Bank Note from Cabot	8,400.00
Interest Income	2,223.00
Conway Property Receipts	5,850.00
Grace FWB Church payment on loan	2,400.00
Total Receipts:	<u>190,446.00</u>
Disbursements	
Phone	2,254.00
Secretarial Expense	3,900.00
Computer	500.00
Board Mileage / Meals	4,000.00
Audit	2,200.00
Miscellaneous	1,500.00
State Mission's payment on Cabot note	34,416.96
Payment on note from Cabot	8,400.00
Cabot Missionary Salary	40,150.00
Cabot Housing Allowance	12,000.00
Cabot Missionary travel expense to Nationals	500.00
Payment for Cabot Property Insurance	3,000.00
Conway Property Payment to Apple	5,850.00
Cabot Property Payment to Apple	
Missions Director's Salary	26,600.00
Missions Director's Housing	18,000.00
Missions Director's Retirement	1,200.00
Mission's Director Insurance	6,852.00
Missions Director's Social Security	6,800.00
Missions Director's expense to Nationals	883.04
Auto Payment and Insurance	500.00
Auto Maintenance and repair	1,000.00
Missions Director's Travel	6,500.00
Office Expense	500.00
Postage	800.00
Printing	1,600.00
Utilities	540.00
Total Disbursements	<u>190,446.00</u>

ACTS 1:8 2007 Budget

	IM Budget	ACTS 1:8 %	ACTS 1:\$		
Bobby Aycock	98,646.00	25.00%	24,661.50	3.65%	15,429.26
David Aycock	130,172.00	25.00%	32,543.00	4.81%	20,360.25
Bishop	141,682.00	50.00%	70,841.00	10.48%	44,321.07
Bowerman	113,228.00	100.00%	113,228.00	16.75%	70,840.14
Bunch	137,498.00	50.00%	68,749.00	10.17%	43,012.23
Davison	103,290.00	50.00%	51,645.00	7.64%	32,311.26
Edgmon	123,724.00	25.00%	30,931.00	4.57%	19,351.72
Lancaster	121,478.00	50.00%	60,739.00	8.98%	38,000.84
McDonald	146,080.00	25.00%	36,520.00	5.40%	22,848.43
Vanhook	87,455.00	100.00%	<u>87,455.00</u>	12.94%	<u>54,715.48</u>
Total IM ACTS 1:8 Budget			577,312.50		361,190.68
HM Budgets					
Reed	48,600.00	50.00%	24,300.00	3.59%	15,203.09
Hammond	48,987.00	50.00%	24,493.50	3.62%	15,324.15
Warren/ Ledbetter	100,000.00	50.00%	<u>50,000.00</u>	7.40%	<u>31,282.08</u>
Total HM 2006 ACTS 1:8 budget			676,106.00		61,809.32
Cabot Missionary			52,000.00		<u>52,000.00</u>
Total 2007 ACTS 1:8 Budget					475,000.00

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

March 10, 2005

The A.C.T.S. 1:8 Task Force met on March 10, 2005. Nelson Henderson, A.C.T.S. 1:8 Task Force Chairman presided over the meeting.

Don Matchett brought those present up to date on giving and promotion. The Task Force discussed various ways to bolster giving and increase awareness about mission needs.

The meeting adjourned.

November 3, 2005

A.C.T.S. 1:8 Task Force met on November 3, 2005. The meeting was called to order by Nelson Henderson, A.C.T.S. 1:8 Task Force Chairman.

Don Matchett reviewed the 2005 giving. He also reviewed communications with Steve and Donna Olson who are seeking to go to France as missionaries to establish an outreach center. Brother Matchett also offered information about Tim and Katrina Crowson who inquired about A.C.T.S. 1:8 support to be missionaries to Japan. Tim is seeking to be a multi-media missionary and Katrina is seeking to be an English teacher.

The Task Force discussed the possibility of having a Task Force Retreat.

Task Force Officers were elected for the coming year:

Chairman:	Nelson Henderson
Vice Chairman:	Jim Walker
Secretary:	Mark Stripling

Meeting was adjourned.

December 13, 2005

A.C.T.S. 1:8 Task Force met on December 13, 2005 with the State Mission Board and members of the FWB International Missions. Nelson Henderson, A.C.T.S. 1:8 Task Force Chairman, opened in prayer.

Don Matchett, State Missions Director stated the purpose for the meeting (gaining information regarding questions in a letter to the International Missions Department) and then introduced James Forlines, Director of International Missions.

James introduced Steve Lytle, Director of Field Operations and Clint Morgan, Regional Director of Europe and Africa.

James addressed concerns sent to him by letter from the Arkansas Mission Board regarding funding for missionaries, challenges of the ACTS 1:8 budget with new missionaries coming on the field, prospects of the Ministry Center in France, and general communication between the national and state offices.

Many ideas were discussed regarding the Ministry Center in France including a suggestion to do a feasibility study before planting missionaries in the Brittany area.

Jackie Brown led dismissal prayer.

2005 A.C.T.S. 1:8 Support

<u>Antioch Association</u>	Fellowship District.....	3,490.00	South Heights.....	4,300.50
First, Atkins.....	First, Dardanelle.....	2,375.00	Rolling Oaks.....	3,400.00
First, Benton.....	Harmony.....	2,649.00	Individual.....	130.00
First, Clarksville.....	Union Grove.....	15,407.00	Total New Hope.....	28,885.66
Clarksville, Youth.....	Welcome Home.....	2,211.00	<u>Southeast Association</u>	
Dover.....	Woodlawn.....	3,327.00	Southeast District.....	376.62
Hector.....	Oak Grove.....	1,560.00	Grace.....	1,200.00
Johnson.....	Individual.....	550.00	Total Southeast.....	1,576.62
First, Morrilton.....	Total Fellowship.....	31,569.00	<u>Northwest Association</u>	
Mt. Vernon.....	<u>Harmony Association</u>		Northwest District.....	3,000.00
New Life.....	Harmony District.....	1,057.60	Moore.....	3,852.33
Slaty Crossing.....	Danville.....	40.50	Trinity.....	498.42
Smith Springs.....	Corley.....	150.00	Oak Lane.....	600.00
Sweet Home.....	Plainview.....	7,228.00	Eureka Springs.....	900.00
Individual.....	Ranger.....	1,353.00	First, Mt. Home.....	1,628.71
Antioch Total.....	Upper Spring Creek.....	3,657.71	Total Northwest.....	10,479.46
<u>Arkansas Association</u>	Wilson.....	1,424.78	<u>Old Mt. Zion Association</u>	
Arkansas District.....	Individual.....	300.00	Old Mt. Zion District.....	55.00
Boles.....	Total Harmony.....	15,211.59	First, Bentonville.....	607.73
Harmony, Waldron.....	<u>Little Missouri River Association</u>		Calvary.....	2,400.00
Keener.....	Little Missouri District.....	10,775.30	Clifty Chapel.....	1,200.00
Mulberry.....	Daisy.....	4,894.23	Faith, Springdale.....	700.00
Hosanna.....	First, Arkadelphia.....	345.00	First, Fayetteville.....	800.00
Freedom.....	Glenwood.....	921.43	Huntsville.....	846.93
Total Arkansas.....	Lodi.....	3,450.00	Freedom.....	793.89
<u>Central Association</u>	Pleasant Grove.....	1,400.00	Hope.....	1,200.00
Central District.....	Lake Hills.....	2,306.75	Mt. Zion.....	1,100.00
Bethel.....	Total Little Missouri River.....	24,092.71	New Sulphur.....	600.00
Capitol City.....	<u>New Hope Association</u>		Pea Ridge.....	400.00
First, Conway.....	New Hope District.....	955.00	Phillips Chapel.....	3,335.00
First, Hot Springs.....	Cedar Heights.....	809.16	Rogers.....	932.02
First, Jacksonville.....	Center Point.....	4,628.30	Victory.....	1,123.93
First, Malvern.....	Chapel Lane.....	3,858.55	West Ridge.....	2,520.00
First, N. Little Rock.....	18th Street.....	658.28	Durham.....	300.00
First, Russellville.....	Friendship.....	719.25	Individuals.....	4,545.00
Oak Park.....	Mt. Bethel.....	3,686.00	Total Old Mt. Zion.....	23,459.50
Total Central.....	Sharon.....	3,990.00	<u>Polk Bayou Association</u>	
<u>Fellowship Association</u>	Soda Valley.....	1,750.62	Polk Bayou District.....	669.00

Allen Chapel	15,035.39	Total Unity	38,542.25	Old Mt. Zion WAC	
Ballew's Chapel.....	4,684.75	<u>Zion Hope # 2 Association</u>		New Sulphur WAC	300.00
Blackland Chapel.....	1,700.00	Catcher	700.48	Rogers WAC	300.00
Cave City.....	450.00	Chester	900.00	Total Mt. Zion WAC	600.00
First, Batesville	3,839.27	Cottonwood	76.23	<u>Polk Bayou WAC</u>	
First, Newpoint.....	1,929.79	Independence.....	1,500.00	Polk Bayou District WAC	100.00
First, Tuckerman.....	12,204.54	Kenner Chapel	405.00	Allen Chapel WAC	4,700.00
Mt. Harmony	1,243.00	Locke	1,500.00	Ballew's Chapel WAC.....	605.00
Oakland.....	240.00	88.....	50.00	Blackland Chapel WAC.....	480.00
Pool's Chapel.....	300.00	First, Mulberry.....	375.00	Cave City WAC.....	600.00
Weaver's Chapel.....	600.00	Riverdale.....	851.08	First, Batesville WAC	220.00
Oak Grove, Lynn.....	651.50	First, Ft. Smith.....	658.06	First, Newport WAC.....	180.00
New Bethel.....	3,553.36	Cornerstone, Charleston.....	798.65	First, Tuckerman WAC.....	200.00
Total Polk Bayou.....	47,100.60	Total Zion Hope #2	7,814.50	Mt Harmony WAC	360.00
<u>Saline Association</u>		<u>Other</u>		Weaver's Chapel WAC.....	220.00
Saline District	5,229.05	The Worship Center, Cabot.....	1,705.00	Total Polk Bayou WAC.....	7,665.00
First, Star City.....	19,339.68	Crosspoint, Utah.....	120.00	<u>Saline WAC</u>	
First, Warren.....	1,000.00	First Church Mission Vision.....	966.00	Saline District WAC	8.00
Harmony.....	3,118.64	Green Forrest United Baptists ...	1,200.00	First, Warren WAC.....	414.55
Hillview, LA.....	300.00	Individuals	820.00	First, Crossett WAC.....	240.00
Macedonia.....	811.75	Grace, Green Bay	250.00	Pleasant Valley WAC	240.00
First, Crossett.....	3,349.04	Lafferty Community	300.00	Total Saline WAC.....	902.55
Oak Grove, Monticello	204.00	Total Other.....	5,361.00	<u>Social Band WAC</u>	
Pleasant Valley	3,369.91	<u>AR Women Active for Christ</u>		First, Jonesboro WAC	240.00
Rose Hill.....	4,450.88	<u>Antioch WAC</u>		First, Pocahontas WAC	300.00
Spring Hill.....	300.00	Antioch District	556.50	First, Walnut Ridge WAC.....	140.00
Trinity.....	250.00	Mt. Vernon WAC	195.00	Pioneer WAC	75.00
Willoughby.....	270.00	Slaty Crossing WAC.....	416.00	Sutton WAC	450.00
Yorktown.....	1,384.15	Smith Springs WAC.....	430.00	Total Social Band WAC	1,205.00
Faith, Warren	960.00	Ola WAC.....	270.00	<u>Unity WAC</u>	
Individual	490.00	New Life WAC	156.00	First, Charleston WAC.....	430.00
Total Saline.....	44,827.10	Mt. Home, Lamar	120.00	Oliver Springs WAC	550.00
<u>Social Band Association</u>		Total Antioch WAC.....	2,143.50	Central WAC.....	70.00
Social Band District.....	3,670.00	<u>Central WAC</u>		Riverview WAC	946.90
Sharum	920.00	First, Conway.....	170.00	Total Unity WAC	1,996.90
Arbor Grove.....	940.10	First, Hot Springs WAC	300.00	Zion Hope # 2 WAC	
First, Corning.....	54.00	First, Jacksonville WAC.....	275.00	Centerpoint	25.00
Faith, Jonesboro.....	10,195.50	First, Malvern WAC.....	15.80	Kenner Chapel WAC	171.00
First, Jonesboro	4,392.77	First, N. Little Rock WAC.....	681.00	First, Mulberry WAC.....	270.00
Harmony, Mt. Home	1,500.00	First, Russellville WAC.....	520.00	Riverdale WAC.....	30.00
First, Pocahontas	7,737.80	Oak Park WAC	450.00	First, Ft. Smith WAC.....	60.00
Grandview	2,400.00	Total Central WAC	2,411.80	Total Zion Hope #2 WAC	556.00
First, Walnut Ridge.....	3,583.00	<u>Fellowship WAC</u>		Total Women Active for Christ..	21,542.50
Northside	1,463.39	First, Dardanelle	254.75	<u>Other</u>	
Okean.....	560.00	Harmony WAC.....	325.00	Arkansas Master's Men.....	300.00
Old Reyno.....	4,164.21	Welcome Home WAC	264.00	Cave City Master's Men	300.00
First, Paragould.....	900.00	Union Grove WAC	1,150.00	Polk Bayou Master's Men.....	100.00
Sutton	6,685.10	Union Grove Actionettes.....	650.00	Brotherhood Mutual Dividend ..	5,246.00
United	1,100.00	Woodlawn WAC	323.00	Total Other	5,946.00
CornerStone	566.46	Oak Grove WAC.....	150.00	Grand Total.....	454,374.15
Total Social Band	50,832.33	Total Fellowship WAC.....	3,116.75		
<u>Unity Association</u>		<u>Harmony WAC</u>			
Unity District.....	70.00	Upper Spring Creek WAC	280.00		
Bethlehem	810.65	Total Harmony WAC	280.00		
Cavanaugh.....	15,366.33	Little Missouri River WAC			
First, Charleston	9,482.77	Daisy WAC.....	65.00		
First, Greenwood	5,742.03	Total Little Missouri River WAC	65.00		
Oliver Springs	2,088.97	<u>New Hope WAC</u>			
Ozark	1,575.00				

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Certified Public Accountant
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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, 2005 and 2004, 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, 2005 and 2004 and its results of operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Russellville, Arkansas
July 7, 2006

Ricky J. Taylor CPAA

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, 2005 AND 2004

ASSETS:	<u>2005</u>	<u>2004</u>
Cash	\$ 137,346	\$ 90,285
Cash - Savings Accounts	3,427	2,308
Cash - Trust Account	335,079	276,776
Property	667,478	760,461
Auto, Equipment & Leasehold Improvements	12,880	16,376
Mortgage/Notes Receivable	<u>177,801</u>	<u>179,045</u>
Total Assets	<u>\$ 1,334,011</u>	<u>\$ 1,325,251</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
LIABILITIES:		
Bonus Payable	\$ 3,427	\$ 2,308
Escrow Payable	2,375	1,675
Mortgage/Notes Payable	<u>498,036</u>	<u>448,653</u>
Total Liabilities	<u>503,838</u>	<u>452,636</u>
NET ASSETS:		
Unrestricted	815,855	857,470
Temporarily Restricted	<u>14,318</u>	<u>15,145</u>
Total Net Assets	<u>830,173</u>	<u>872,615</u>
Total Liabilities and Net Assets	<u>\$ 1,334,011</u>	<u>\$ 1,325,251</u>

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

**ARKANSAS STATE MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

	2005			2004	
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	TOTAL
REVENUE:					
General Fund Income	\$ 122,113			\$ 122,113	\$ 116,341
Designated Income			461	461	0
Missionary Income-Hispanic Mission				0	0
Missionary Income-Maumelle				0	0
Missionary Income-Cabot		39,384		39,384	49,850
Missionary Income-LR Inner City				0	1,522
Rental Income				0	3,600
Wynn Income				0	3,720
Interest Income	22,120	13		22,133	16,842
Gain (loss) on Disposition of Assets	(37,815)			(37,815)	0
Gain (loss) on Transfer of Assets To Self-Support Churches				0	0
Net Assets released from restrictions: Restrictions satisfied by payments	40,685	(40,224)	(461)	0	0
Total Revenue	147,103	(827)	0	146,276	191,875
EXPENSES:					
Board Mileage & Meals	9,938			9,938	10,511
Telephone	2,107			2,107	2,750
Printing	1,408			1,406	2,039
Postage	727			727	560
Office Supplies	427			427	695
Secretarial Expense	4,875			4,875	3,900
Computer Expense	1,824			1,824	1,141
Professional Fees	2,200			2,200	2,100
Designated Contributions	481			461	0
Workman's Comp Insurance	(160)			(160)	237
Miscellaneous	5,361			5,361	5,847
Auto & Travel Expenses	12,521			12,521	3,586
Repairs & Maintenance	637			637	0
Missionary Expenses-Cabot	48,778			48,776	47,636
Missionary Expenses-Inner City Mission	0			0	1,522
Contributions to Cabot Mission	4,251			4,251	0
Contributions to Hot Springs Mission	0			0	9,000
Expense for Contributed Property	(471)			(471)	588
Directors Salary, Housing & Social Sec.	50,198			50,198	26,982
Directors Insurance & Retirement	7,543			7,543	4,373
National Association Expenses	1,234			1,234	1,055
Depreciation Expense	3,497			3,497	2,207
Interest Expense	31,366			31,366	12,197
Total Expenses	188,718	0	0	188,718	138,926
Increase (Decrease) In Net Assets	(41,615)	(827)	0	(42,442)	52,949
Net Assets - Beginning of Year	857,470	15,145	0	872,615	819,666
Net Assets - End of Year	\$ 815,855	\$ 14,318	\$ 0	\$ 830,173	\$ 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, 2005 AND 2004

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2005</u>	<u>2004</u>
Increase <decrease> in net assets	\$ <42,442>	\$ 52,949
Add: Loss on disposition of property	37,815	0
Depreciation	3,497	2,207
Increase <Decrease> in:		
Bonus payable	1,119	1,011
Escrow payable	<u>700</u>	<u>500</u>
Net Cash Provided by Operating Activities	689	56,667
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property	<42,017>	<278,330>
Proceeds from collection from Mortgage Receivable	5,244	6,313
Sales proceeds from property	97,184	0
Mortgage Advance	<u><4,000></u>	<u><110,000></u>
Net Cash Provided <Used> from Investing Activities	56,411	<382,017>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loan Proceeds	61,700	222,626
Repayment of Debt	<u><12,317></u>	<u><2,291></u>
Net Cash Provided by Financing Activities	<u>49,383</u>	<u>220,335</u>
Net Increase <Decrease> in Cash	106,483	<105,015>
Cash at Beginning of Year	<u>369,369</u>	<u>474,384</u>
Cash at End of Year	\$ <u>475,852</u>	\$ <u>369,369</u>
SUPPLEMENTAL DISCLOSURES:		
Cash Paid During the Year for Interest	\$ <u>31,366</u>	\$ <u>12,197</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, 2005 AND 2004

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, 2005 AND 2004

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>2005</u>	<u>2004</u>
Land & building - Wynne, Arkansas	\$ 0	\$ 135,000
Land & construction in progress - Cabot, Arkansas	0	625,461
Land & building - Cabot, Arkansas	<u>667,478</u>	<u>0</u>
	<u>\$ 667,478</u>	<u>\$ 760,461</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:

	<u>2005</u>	<u>2004</u>
Auto	\$ 12,564	\$ 12,564
Office furniture & equipment	3,821	3,821
Leasehold improvements	<u>2,198</u>	<u>2,198</u>
	18,583	18,583
Less Accumulated Depreciation	<u>5,703</u>	<u>2,207</u>
Total Property, Equipment & Leasehold Improvements	<u>\$ 12,880</u>	<u>\$ 16,376</u>

ARKANSAS STATE HOME MISSION BOARD OF THE
 ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
 DECEMBER 31, 2005 AND 2004

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>2005</u>	<u>2004</u>
Missionary - Cabot	\$ <u>14,318</u>	\$ <u>15,145</u>
	\$ <u>14,318</u>	\$ <u>15,145</u>

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

NOTE 7 - NOTES PAYABLE

	<u>2005</u>	<u>2004</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.	\$ 0	\$ 438,318

ARKANSAS STATE HOME MISSION BOARD OF THE
 ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
 DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<u>NOTE 7 - NOTES PAYABLE (CONTINUED)</u>		
Mortgage payable - Simmons First National Bank, Conway, Arkansas, requires monthly installments of \$ 3,568, including principal and interest at floating prime rate. The note is secured by real estate.	\$ 491,810	\$ 0
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>6,226</u>	<u>10,335</u>
	<u>\$ 498,036</u>	<u>\$ 448,653</u>

The aggregate maturities of the notes are as follows:

2006	\$ 6,680
2007	4,402
2008	2,745
2009	2,980
2010 and thereafter	481,229

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, 2005 is \$ 359,681.



ARKANSAS STATE YOUTH BOARD

150 BEAVERFORK ROAD • CONYERS, AR 72032
501-329-6794

April 12, 2005

Opened in prayer by Johnny Miller

Financial Report read by Pat Baze and John Gilliland made a motion that we accept it as read, and there was a second from Johnny Miller motion carried.

The camp is in need of a new vehicle Pat Baze would like to get a Honda CRV it will cost about \$22,500 and payments will be about \$400.00 per month. There was a motion made by Ken Brown to do this and a second by Darren Walker motion carried.

Motion to adjourn by Darren Walker and there was a second by Johnny Miller.

July 14, 2005

Opened in prayer by Johnny Miller

Auditor Report was read and a motion made by John Gilliland to accept it as read, and there was a second by Lynn Crawford motion carried.

Minutes read by Ken Brown and a motion was made by Darren Walker to accept it as read, and there was a second by Tim Landers motion carried.

Financial Report read by Pat Bare and a motion was made to accept it as read by Johnny Miller, and there was a second made by Lynn Crawford motion carried.

The Report on the Camp was read and there was a motion to accept it by Darren Walker, and a second by Lynn Crawford motion carried.

Motion by Tim Landers to accept the 2006 Budget, and there was a second by Johnny Miller motion carried.

Motion made to fix the trailer that is located at the camp by Tim Landers, and there was a second by Darren Walker motion carried.

Motion made to adjourn by Tim Landers and there was a second by Lynn Crawford motion carried.

September 24, 2005

Opened in prayer by Johnny Miller

Minutes read by Ken Brown and a motion was made by Tim Landers to accept it as read, and there was a second by John Gilliland motion carried.

Financial Report read by Pat Bare and a motion was made to accept it as read by John Gilliland, and there was a second by Ken Brown motion carried.

Motion made by Ken Brown and a second by John Gilliland that we have John Locklear preach and Kendall Ross do music for Teen Retreat, and Joe Tolbert preach and Johnny Miller do music for Kids Retreat motion carried.

There was motion by Darren Walker and a second by Johnny Miller that we have Tim

York preach and the Bible College do music for Teen Camp, and Joe Tolbert preach and

Hillsdale do music for Junior Camp, and Steve Greenwood preach and Karen Brown do

music for Kids Camp motion carried.

Motion by Tim Landers and a second by Johnny Miller that we send Pat Bare on a 7-day paid vacation motion carried.

Motion by Ken Brown and a second by Darren Walker that we pay the preacher

\$1,250.00 for Kids Camp, and \$1,000.00 for Junior Camp and Teen Camp, and for

Retreats we pay \$500.00 and add travel expenses for out of state preachers motion carried.

Motion to adjourn by Tim Landers and there was a second by John Gilliland motion carried.

October 31, 2005

Opened in prayer by Johnny Miller

Motion by Tim Landers and there was a second by Ken Brown to let Pat Baze put figures together to charge the State of Arkansas for the use of the Camp for the Hurricane evacuees motion carried.

Motion by Tim Landers and there was a second by Ken Brown to print and send Campaign 87 brochure to all churches motion carried

Motion by Tim Landers and there was a second by Ken Brown to adjourn motion carried.

Respectfully Submitted:
Ken Brown (Clerk)

Johnny Miller (Chairman)
Lynn Crawford
Tim Landers

Ken Brown (Clerk)
John Gilliland
Darren Walker

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, 2005 and 2004, 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, 2005 and 2004, and its results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

Russellville, Arkansas
July 19, 2006

Member of:
Arkansas Society of Certified Public Accountants

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
BALANCE SHEETS
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
CURRENT ASSETS:		
Cash in bank	\$ 58,582	\$ 37,263
Cash-contingency fund	1,227	1,219
Cash-capital improvements fund	2,212	2,201
Cash-Arkansas Youth Scholarship fund	596	1,086
Accounts receivable	<u>11,097</u>	<u>15,638</u>
Total Current Assets	73,714	57,407
 FIXED ASSETS:		
Land and buildings	333,760	333,760
Auto	19,973	21,517
Equipment	71,222	71,222
Camp improvements	209,626	204,114
Less: accumulated depreciation	<u><162,858></u>	<u><157,810></u>
Total Fixed Assets	<u>471,723</u>	<u>472,803</u>
TOTAL ASSETS	<u>\$ 545,437</u>	<u>\$ 530,210</u>
 LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES:		
Current portion of L-T debt	\$ 10,154	\$ 6,802
Accounts payable	2,022	1,802
Payroll taxes payable	1,061	1,483
Designated contributions payable	<u>1,296</u>	<u>1,296</u>
Total Current Liabilities	14,533	11,383
 LONG-TERM DEBT:		
Notes payable (Less: current portion of L-T debt)	<u>100,971</u>	<u>96,114</u>
TOTAL LIABILITIES	115,504	107,497
FUND BALANCE:		
Fund balance, Beginning of Year	422,713	432,363
Excess revenue over expenses	<u>7,220</u>	<u><9,650></u>
Fund balance, End of Year	<u>429,933</u>	<u>422,713</u>
 TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 545,437</u>	<u>\$ 530,210</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, 2005 AND 2004**

	<u>2005</u>	<u>2004</u>
REVENUE:		
COOP	\$ 88,315	\$ 86,831
Camp rentals	27,775	39,348
Registration & concessions	46,748	45,928
CTS rally	7,470	7,169
Gifts and contributions	16,356	5,493
Interest income	309	293
Hurricane relief income	<u>42,405</u>	<u>0</u>
 Total Revenues	 229,378	 185,062
EXPENSES:		
Salaries-director	36,383	35,317
Auto expense	5,089	3,736
Utilities	25,880	21,644
Insurance-camp	13,869	12,866
Insurance and retirement-director	8,000	7,500
Payroll taxes	4,768	4,991
Office supplies	23	192
Professional fees	2,300	2,200
CTS rally	4,991	4,912
Meetings & conventions	1,227	822
Interest expense	6,219	5,305
Miscellaneous	4,340	2,282
Scholarships	1,000	1,000
Pool upkeep	2,150	1,316
Food service	14,859	16,998
Food service-labor	1,500	2,065
Supplies	7,839	8,999
Repairs & maintenance	11,266	10,886
Postage	201	222
Camp labor	25,706	21,520
Guest speakers	5,847	2,850
Board mileage & meals	3,326	3,094
Printing	1,653	1,041
Hurricane relief cost	10,385	0
Depreciation	<u>23,337</u>	<u>22,954</u>
 Total Expenses	 <u>222,158</u>	 <u>194,712</u>
 Excess Revenues Over Expenses	 <u>\$ 7,220</u>	 <u>\$ <9,650></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, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
CASH FROM OPERATING ACTIVITIES:		
Net revenue <loss> over expenses	\$ 7,220	\$ <9,650>
Adjustments to reconcile net revenue over expenses to net cash provided by operations:		
Depreciation	23,337	22,954
(Increase)decrease in accounts receivable	4,541	<4,824>
Increase(decrease) in accounts payable	220	69
Increase(decrease) in payroll tax payable	<u><422></u>	<u>176</u>
Net Cash Provided by Operating Activities	34,896	8,725
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	<u><22,257></u>	<u><10,684></u>
Net cash used in investing activities	<22,257>	<10,684>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	<8,537>	<6,147>
Proceeds from debt	<u>16,746</u>	<u>8,725</u>
Net cash used by financing activities	<u>8,209</u>	<u>2,578</u>
Net increase (decrease) in cash	20,848	619
Cash at beginning of year	<u>41,769</u>	<u>41,150</u>
Cash at end of year	\$ <u>62,617</u>	\$ <u>41,769</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, 2005 AND 2004**

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 \$ 23,337 and \$ 22,954 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:

2005	\$ 6,219
2004	\$ 5,305

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, 2005 AND 2004

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, 2005 and 2004, due payable to Camp Beaverfork, Arkansas Free Will Baptist Youth Camp, Inc.

NOTE 2 - NOTES PAYABLE

	<u>2005</u>	<u>2004</u>
Note payable-Simmons First Bank, Conway, Arkansas, requires monthly installments of \$ 804, including principal and interest at an annual percentage rate of 5.50%. This note is secured by property & equipment.	\$ 90,764	\$ 95,295
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.	5,547	7,621
Note payable-Simmons First Bank, Conway, Arkansas, requires monthly installments of \$ 328, including principal and interest at an annual percentage rate of 6.50%. This note is secured by a vehicle.	<u>14,814</u>	<u>0</u>
	111,125	102,916
Less: Current portion L-T Debt	<u>10,154</u>	<u>6,802</u>
Long-term Debt	\$ <u>100,971</u>	\$ <u>96,114</u>

Scheduled minimum maturities of long-term debt over the years subsequent to December 31, 2005, are as follows:

2006	\$ 10,154
2007	10,771
2008	9,950
2009	9,484
2010 and thereafter	70,766

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
NOTES TO FINANCIAL STATEMENTS-(CONTINUED)
DECEMBER 31, 2005 AND 2004

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>2005</u>	<u>2004</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, 2005 all of the corporation's money was insured.

2007 Proposed Youth Board Budget

Receipts

Cooperative Plan (17.5% of 543,350)	94,762.50
Camp Registration and Concession	55,000.00
Camp Rentals	33,000.00
Interest Income	400.00
CTS Rally	7,000.00
Gifts and Contributions	7,500.00
Total Receipts	197,662.50

Disbursements

Directors Salary	37,563.00
Maintenance Caretaker Salary	15,500.00
Clerical Salary	3,000.00
Auto Payment	3,932.40
Director Home Equity	900.00
Car Expense	3,000.00
Utilities - Camp and Director	22,000.00
Camp Insurance	13,000.00
Director Insurance	8,000.00
Payroll Taxes	5,300.00
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	18,917.10
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 and Meals	3,000.00
Loan Payment	12,000.00
Printing	1,250.00
Camp Games and Recreation	3,000.00
T-shirts	2,500.00
Total Disbursements	197,662.50

2006 Nomination Committee Report

(Nominees are underlined)

EXECUTIVE BOARD:

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

Recommendation

Nomination

- Bobby Shepherd
- Mark Stripling

STATE MISSION BOARD:

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

- Ken Winningham
- Gerald Thomas

YOUTH BOARD:

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

- Ken Brown
- Johnny Miller

CHRISTIAN EDUCATION BOARD:

- 2006 Leroy Scudder *
- 2006 Doug Jones
- 2007 Randy Scott
- 2007 Tim Harris
- 2008 Kevin Jewell
- 2008 Vince Daniel

- Clark Snow
- Doug Jones

MODERATOR: Nelson Henderson

Nelson Henderson

ASSISTANT MODERATOR: David Harper

David Harper

CLERK: Wendell Leckbee

Wendell Leckbee

ASSISTANT CLERK: Keith Bowden

Keith Bowden

HILLSDALE FREE WILL BAPTIST COLLEGE TRUSTEE:

David Copeland David Copeland

David Copeland

FWB FAMILY MINISTRIES BOARD MEMBER:

Johnny Miller Johnny Miller

Johnny Miller

* Not Re-electable

** Chose not to be re-elected

Nominations may also be made from the floor.

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

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.