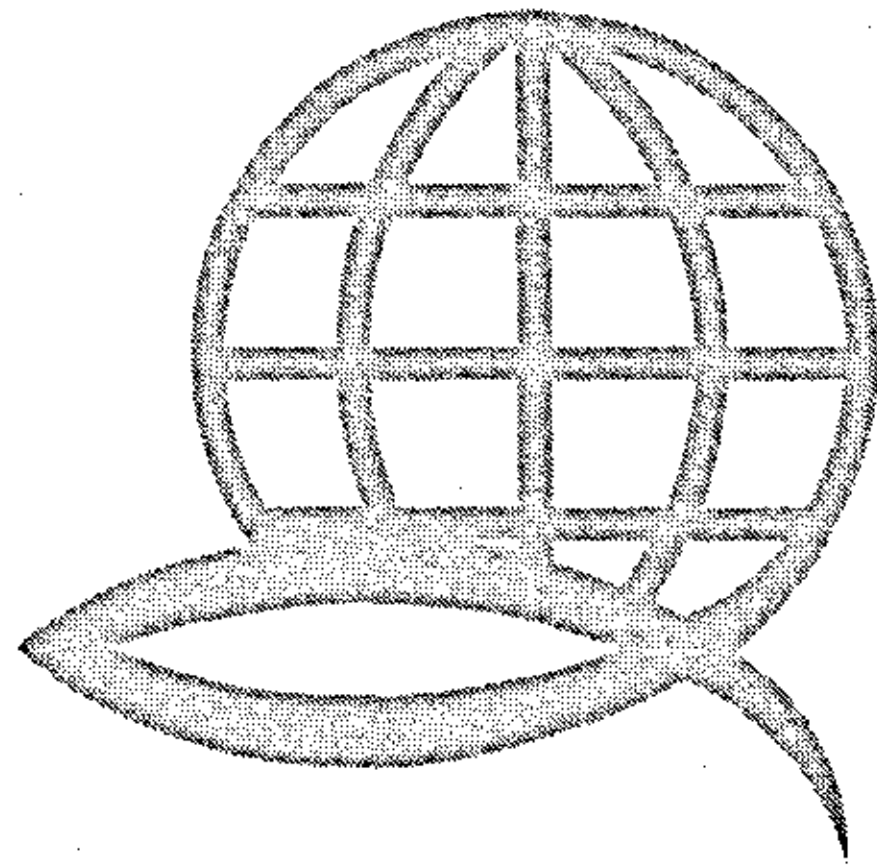


Minutes
of the
One-Hundred Tenth Annual Session
of the
Arkansas State Association
of
Free Will Baptists

James H. Clark Auditorium
Conway, Arkansas
August 7-8, 2007



Moderator of the 110th Session
Nelson Henderson
2819 Highway 62 West
Pocahontas, Arkansas 72455

Clerk for the 110th Session
Wendell Leckbee
3731 Lakeshore Drive
North Little Rock, Arkansas 72116

MINUTES
Of the
110th Annual Session
of the
ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS

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OFFICERS AND STANDING BOARDS

2007-2008

EXECUTIVE BOARD

Paul Payne.....	2008
David Copeland	2008
Bobby Shepherd.....	2009
Mark Stripling.....	2009
Tommy Tims	2010
Jim Walker	2010

MISSIONS BOARD

Jackie Brown.....	2008
Kerry Gandy.....	2008
Ken Winningham	2009
Gerald Thomas.....	2009
Joe Ray Short	2010
Jason Scott	2010

YOUTH BOARD

Tim Landers	2008
Joey Postlewaite.....	2008
Ken Brown.....	2009
Johnny Miller.....	2009
Cody Alley	2010
John Gilliland.....	2010

CHRISTIAN EDUCATION BOARD

Kevin Jewell.....	2008
Vince Daniels	2008
Clark Snow.....	2009
Doug Jones.....	2009
Randy Scott.....	2010
Greig Caswell.....	2010

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

OFFICERS OF DISTRICT ASSOCIATIONS

NTIOCH

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kins, AR 72823
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ARKANSAS

Moderator-Bobby Richey
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ainview, AR 72857
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ZION HOPE #2

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Clerk-Gary O'Kelley
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(479)632-3612

PROCEEDINGS

Tuesday Evening, August 7, 2007

The 110th annual session of the Arkansas State Association of Free Will Baptists met at the James H. Clark Auditorium in Conway, Arkansas, August 7-8, 2007. The convention theme was **"A Ministry of Heritage & Hope"**. The theme verse was I Peter 1:3-5.

The Tuesday evening service opened with congregational singing led by Jeremy Raines, song director, *"Heavens Jubilee."* David Winfrey served as pianist.

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

The Committee on Committees was elected as follows: Tommy Tims, Randy Scott, John High, Jackie Brown, and Greig Caswell.

The congregation sang *"Just a Little Talk with Jesus"* and *"Majesty"*.

Offertory prayer was by Randy Ledbetter, Missionary to Salt Lake City. Offertory music was by David Winfry.

The offerings were divided between National Home and International missionaries who were present at the state meeting.

Nelson Henderson introduced the evening speaker, Steve Sawrie, Pastor, First Free Will Baptist Church; Ozark, AR. Special music was presented by Don Matchett who sang *"How Great Thou Art."* Brother Sawrie preached from I Peter 1: 3-5 and Matthew 16:13-17 "Who Jesus Is," and II Timothy 3:16 "The Bible is the Word of God."

Report of the Committee on Committees was given (page 7). Nelson Henderson dismissed in Prayer.

Wednesday Morning, August 8, 2007

The service opened with Nelson Henderson reading the theme Scripture I Peter 1:3-5. He presented the Moderator's Message regarding "Heritage of Our Faith" and led in prayer.

The Credentials Committee Report was read by the Clerk, Wendell Leckbee (page 7). Motion passed to accept the report and seat the delegates. Visitors were recognized and welcomed.

Roy Harris brought words of greeting from the Executive Office and commented on Arkansas's excellent hosting of the 2007 National Association in Little Rock. He presented banners from the meeting to Nelson Henderson and Tim Campbell.

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

Report of the Executive Director was given by Tim Campbell. Financial and Audit reports were given by Ricky Taylor, C.P.A. Tim Campbell reported on his itinerary for the year and the positive financial reports. He also commented on the success of the National Association and the support of Linda Whitten and Sheryl Baze. He reported that a plaque will be presented to Will Harmon for his service on the Executive Board. Motion approved to accept the report and adopt the budgets. (Pages 13-30)

Report of the Christian Supply Store was given by Tim Campbell. The Audit Report was given by Ricky Taylor, C. P. A. Motion passed to accept the report. (Pages 31-38)

Report of the Executive Board (pages 14-15) was presented by Jim Walker. A recommendation was presented that the Brotherhood Mutual check would go toward the Line of Credit for the Christian Supply Store. The report and the recommendation were approved. Curt Hetherington, of James Green and Associates, presented a check for \$18,969. Tommy Tims and Jim Walker were elected to the Executive Board.

Report of the Nominating Committee was read by the Clerk (page 68). Motion passed to accept the report.

A report from Hillsdale Free Will Baptist College was given by Bob Thompson. David Taylor was elected to the Board of Trustees.

Representatives from the Board of Retirement, Free Will Baptist Foundation, Randall House, Youth Ministries, Free Will Baptist Bible College, Free Will Baptist Family Ministries (James Kilgore was presented an Arkansas Traveler Certificate by Debbie Stripling) and Alabama Children's Home reported on their ministries. Eldon Bagwell dismissed the meeting in prayer.

Wednesday Morning Worship Service August 8, 2007

The service opened with congregational singing "*What a Day that Will Be*" and "*Jesus is All the World To Me.*" David Cronecker led in prayer.

Tim Campbell introduced Kevin Riggs, Pastor, Franklin Community Church, Franklin, TN who spoke on the theme "A Ministry of Heritage and Hope – The Distinction." He issued a challenge to move forward while staying on the narrow road. After announcements by Nelson Henderson, the meeting was adjourned.

Wednesday Afternoon Business Session August 8, 2007

Jeremy Raines led the congregation in singing "*Tell It To Jesus.*" Jackie Brown led in prayer. Gerald Thomas gave a devotion illustrating the comparison of a magnet to the Trinity, the power of God and the connection in our Christian life.

Report of the Youth Board was given by Johnny Miller (pages 59-60). He presented Pat Baze with a Taylor Guitar and Sheryl Baze with a gift card for a computer as parting gifts from the board.

Report of Camp Beaverfork was given by Pat Baze, Camp Director. (pages 61-67) After expressing his appreciation to everyone for their support, he stressed the importance of Camp Beaverfork as an influence on the lives of young people. Ricky Taylor, C. P. A. gave the Audit Report. Motion to accept the report and adopt the budget passed.

Report of the Christian Education Board was given by Tim Harris. (pages 39-40). Motion adopted to accept the report and adopt the budget. Randy Scott and Greig Caswell were elected to the board.

Report of the Mission Board was given by Don Matchett. (pages 41-46). Ricky Taylor, C. P. A. discussed the board's Audit Report. Motion was adopted to accept the report and adopt the budget. Joe Ray Short and Jason Scott were elected to the Board.

Report of the Missions Director was given by Don Matchett (pages 47-58). He discussed the Pastor's Pack for Acts 1:8. He stressed the importance of individual giving. A challenge was issued for 75 groups, churches or individuals to give \$1,000 each to Acts 1:8. The new plan will be the "2008 Initiative."

Report of the Resolutions Committee was adopted (page 11).

Representatives from International Missions and Home Missions reported on their respective ministries.

Report of the Obituary Committee was read by Keith Bowden, Assistant Clerk (page 8). The congregation was led in prayer by Greig Caswell. Motion passed to accept the report.

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

Delegates to the 2008 National Association in Charleston, West Virginia were as follows: Brenda Housley, Lisa Bowden, Chris Brown, Judy Payne and Carolyn Winfrey.

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. Johnny Miller was re-elected to the Free Will Baptist Family Ministries Board.

Mark Stripling, Pastor, First Free Will Baptist of North Little Rock, was asked to report on the fire which destroyed the sanctuary and educational building.

Tim Campbell complemented David and Carolyn Winfrey on their work at Christian Supply Store. A standing ovation was awarded by the State Association.

Report of the Registration Committee (page 11) was adopted. After announcements the meeting was adjourned.

Wednesday Evening Worship Service August 8, 2007

Pre-service music was presented by Hillsdale Free Will Baptist College Quartet. The service opened with the congregation singing "*Send the Light.*" 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 "*Jesus Saves.*" Pat Baze (with his new guitar), Jeremy Raines (soprano saxophone) and David Winfrey (piano) played "*I'd Rather Have Jesus.*"

Don Matchett led in prayer as the ushers prepared for the missionary offering. Offertory music was presented by Jeremy Raines playing his soprano saxophone. Special music was provided by the Hillsdale Free Will Baptist College Trio.

Tim Landers introduced Pat Baze, Youth and Camp Director, who spoke on the theme "*A Ministry of Heritage & Hope – The Destiny.*" Text was taken from 1 Peter 1:3-5.

Nelson Henderson thanked those attending for a successful State Meeting. The 110th session was adjourned in prayer by Tim Campbell.

REPORTS

REPORT OF THE COMMITTEE ON COMMITTEES

Credentials: Billy Wilson, Dwayne Roper, Bobby Shepherd, Cody Alley, Larry Little

Nominating: Randy Burris, Dale Blackwell, Ronnie Whitten, Kevin Jewell, Mark Stripling

Obituary: Paul Payne, Kerry Gandy, Keith Johnson, O. D. Winfrey, Victor Hunter

Resolutions: David Taylor, Cody Williams, Jason Scott, Randall Ray, Jim Walker

Committee on Committees:

Tommy Tims, Randy Scott, Greig Caswell, Jackie Brown, and John High

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: Two churches did not pay: Vista, Riverview Fellowship.

Zion Hope: Five churches did not pay: Barling, Booneville, Chester, Heritage Oaks, Van Buren.

Respectfully submitted: Credentials Committee

David Copeland

Cody Ally

Paul Payne

Joe Short

Jim Walker

OBITUARY COMMITTEE REPORT

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

ANTIOCH

Darlene Snyder
Kneada Brown
Kutie Dodson
Jewell Crawford
Diane Keeif
Hays Calvin
Ruth (Daniel) Cowell
Jettie Smith
Delora Heflin
Hoyt Johnston
Matt Tanner
Viva Chance
Evelyn Thompson

ARKANSAS

Doris Bruton
Marie Rogers
Earnestine Fletcher
Patricia Milliard
Syble Slater
Willo Owens

CENTRAL

Ruby Jewell
Henderson

FELLOWSHIP

Maurice Fink
Ardie Farnam
William Taylor
Burlin "Buck"
Hamilton
Hoyt Johnston
Johnnie Loveless
Maxine Stagge
Ruth Scott
David Johnson
Geraldine Hill
Bonnie Doggett
Elbert Hinchcliff
Myrtle Browning
(non-member)
David Singleton

HARMONY

Modean Derrick
Norma Jean Ferguson

LITTLE MISSOURI RIVER

Jason Jewell
Roger Lambert
Keene Margrave
C.J. Moore
Ova Hammock
Rose Ann Carey

NEW HOPE

Syble Walls
Lucille Hartwick
Carl Henderson
Sam Guzzo
Thelia Holliman
Curtis Dixon (Deacon)
Mamie Rickett

NORTHWEST

Anna McKinney
Geraldine (Geri) Porter
Patty Jo (Davis) High

OLD MT. ZION

Ralph Uher
Elsie Beatrice "Bea"
Vansandt
Michelle Houpt
(Request)
Patricia Ann Boen
Flora Irene Woodward
Naomi Elizabeth
Spurlock
Virgil Troy Jones
Warren Clinton Yohn
Opal Jene Ward
Hubbard
Mary M. Howell
George Hubert Long
Ed Tannehill
Kenneth Ray McKee
Louise Combs
Ruby Ellen Gibney
Anetia Parson
James Smith (Request)
William Daniel (Bill)
Robinson
Thelma McKinney
Lela Knapp
Debbie Sue Watson
Hager
Milba Kathleen Parker
John Paul Nicherson
C.B. Woodring
Karlene Eaton (Request)
Chester Dean Todd
Clyde McClelland

POLK BAYOU

James Allen
Betty Dale
Velda Tucker
Milton William
Schuman
Ralph Huckaba
Max French
Garron Crafton
Mae Odglen
Kenneth Ervin
Robert Parnell
Joycie Fay Lee
Bob Parker
Zelma Roach
Cleburn Hastings
Ed Thompson
Bobby Boozer
Roe Ann Victory
Arbey Ferguson
John Henry Wilson
Eula Faye Jones
Zela Hawkins Frazier
Sue Ann Hightower
James Stroud
Ann Reddell
Mary Horn
Faye Hines

SALINE

Mary Lavon Oden
Clyde Lowry, Jr.
Jackie Carolyn Jordan
Verna Mae Rallinson
Alvin Seagers
Jewel Couch
Danny Korjan
Daniel "Sonny" Rawls
Armetta Holland
Helen Meeks
J. B. Beard
Lizzie Jane Franklin
Mary Esther Gates
Houston Owen
Wayne McGriff
Hattie Mae Greenwood
B. J. Mize
Johnnie B. Webb

SOCIAL BAND

Adeline Reynolds
Ellen Belk
Imogene Oliver
Albert Lance
Darrell Holloway
Laura Saller
John Smith

SOCIAL BAND

(Cont.)
Perry Porter
Bobby Ray (Bob)
Crowe
Drexell Keech
Albert Cox (Deacon)
John Edington Jr.
(Deacon)
Billie Russell
Bill Taylor
Beulah Grove
John Hart, Jr.
Bud Hunt
J. F. Graham
Olivee Williams
Glenda McGinty
Linda Cox
Phala Smith
Iris Hudson

SOUTHEAST ARKANSAS

George Rauls
Dustin Horn
Hayley Horn
Emmett Schuk

UNITY

Patty L. House

ZION HOPE #2

Floyd "Doc" Peoples
Lennox Harold Nichols
Helen Robertson
Rev. Gilbert Pixley
Andrea Watts
Marlin Coble
G.R. Taylor
Jimmy Lou Rose
Barbara Jean Garner
Bob Frisbie
Brittie Martin
Pauline Sampson

Respectfully submitted:

OBITUARY COMMITTEE

Paul Payne
Kerry Gandy
Keith Johnson
O.D. Winfrey
Victor Hunter

REPORT OF THE ARKANSAS WOMEN ACTIVE FOR CHRIST

The 53rd Annual session of the Arkansas Women Active for Christ met August 7, 2007 at James H. Clark Auditorium. The theme was "Here, I Am Lord." The theme scripture was 1 Samuel 3:4. The speaker was Joe Tolbert, Missionary to Cabot Arkansas. Tracy Gilliland directed the singing with Jayne Hannah as the pianist.

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

Celebration and presentations were given in honor of the women who helped with Arkansas WAC's opportunity to host the WNAC National Convention in Little Rock, AR in July 2007.

11 Districts reported with 66 Locals and membership of 697. A total of 131 registered, including 5 International Missionaries, and 5 Home Missionaries.

Total receipts for 2006 were \$76,812.07. Our giving to International Missions was \$22,062.56 (Acts 1:8 receiving \$18,173.75 of this amount), National Home Missions \$6,364.00, Children's Home \$1,583.97 and our 2006 State Project was Florence Crittenton Home in Little Rock with a total of \$11,143.23.

The following resolutions were adopted. (Page 10)

The 40th Annual Banquet was held at the Woodland Heights Baptist Church in Conway, August 7, 2007 at 5:00 P.M. with 138 in attendance. Pam Jones, Missionary to Pennsylvania, spoke from the theme "I Will Follow." Special music was by Tracy Gilliland of the New Hope District. Old Mt. Zion District did the banquet decorations.

The Annual Retreat was held on May 4-5, 2007, at Camp Beaverfork with 133 registered. The theme was "Check In, Check Out" taken from Matthew 11:28-30. The speaker was Debe Taylor, WNAC President. Special music was by Suzanne Graham and Leona Gurley.

Respectfully Submitted,
Lisa Bowden
Arkansas WAC President

Women Active For Christ
August 7, 2007

We, the Resolutions Committee, submit the following recommendations:

- 1.) Accept the 2007 WNAC resolutions as printed.
- 2.) Give a rising vote of thanks to New Hope for the decorations and door prizes at the 2007 State Retreat and to Old Mt. Zion for the decorations and door prizes at the 2007 State Banquet.
- 3.) For each local WAC to send a list of WAC members who are deceased on their report to the District who will in turn list these on their annual report to the State to be read at our State meeting and to have a moment of silence in honor of their memory.

Flora Leckbee, Lisa Harris
Marianne Smart, Luella Scudder
Dora Vandergrift

We, the WAC Executive Committee, submit the following recommendations:

- 1.) We recommend Brenda Housley to replace Judy Trail as Secretary for a one-year term effective upon election.
- 2.) We recommend Sandy Forman from the Saline District to replace Brenda Housley as Member at Large for a one-year term effective upon election.
- 3.) We recommend Belinda Adaire to be placed in nomination for the National Nominating Committee Member.
- 4.) We recommend the National 2007 Trust be renamed the Velda Tucker Trust Fund in honor of a wonderful woman who gave so much of her life to Arkansas WAC. The funds would be disbursed by the Arkansas WAC convention at the annual meeting or by the Arkansas WAC Executive Committee when the convention is not in session. Since our organization is founded upon missions and service, we recommend the funds be disbursed for Missionary support, Missionary Children Scholarships to Bible College and Missionary Projects. We also recommend that a minimum balance of \$1,000 be maintained before funds can be disbursed.
- 5.) We recommend our State Project for 2008 be a split project between Acts 1:8 and Tom and Pam Jones, Missionaries to Pennsylvania.
- 6.) We recommend the following be added to Article II of the WAC State Constitution: Officers should be members of a Free Will Baptist church in good standing with the National Association of Free will Baptist.

Lisa Bowden, Brenda Housley
Belinda Adaire, Jayne Hannah
Judy Short, Pat Hunnicutt
Kim Landers, Janie Campbell

REPORT OF ARKANSAS MASTER'S MEN

On March 16 and 17, 2007 Free Will Baptist Men met at Camp Beaverfork.

On Friday evening, the Mercy River Boys presented a concert of Southern Gospel Music. Bobby Jackson, leader of the quartet, presented the program.

On Saturday morning, the men heard a devotional from John Fowlkes, National Master's Men board member. After breakfast, the installation of the metal doors began. All doors were not finished that day, but other men from across the state came later and finished the installation.

Donations of tools and equipment for the Disaster Response Unit were also received. Plans are to continue 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 8. A drawing for the door prize was won by Jared Fowlkes.

The treasurer's report and the minutes were read and approved. The goal of \$9,000 to purchase new metal doors for the cabins at Camp Beaverfork was exceeded with \$9,284.00 total received. An additional \$245 was received in donations for the Disaster Relief Unit.

Officers elected for a two year term were President-Wendell Leckbee, Membership-Carmen Rushing, Activities-Jared Fowlkes, Program-Ken Nabors, Secretary/Treasurer-Jerry Lewis and Chorister-Richard Dennis.

The body adopted a recommendation to make the 2007-2008 Project the resurfacing of the Camp Beaverfork pool-\$9,000 to repair and replace skimmers-\$6,000 and purchase a sign/repair pool house-\$5,000 for a total project cost of \$20,000. Forty groups or individuals will be encouraged to raise \$500 each. Fifteen of the forty slots were filled at the meeting. Special music was provided by Jeremy Raines.

Joe Tolbert, Missionary to Cabot, AR spoke from Philemon 1-7, "A Man's Reputation Glorifies God." The meeting was adjourned in prayer by Delbert Hughes.

Respectfully submitted, Wendell M. Leckbee, President

RESOLUTIONS COMMITTEE REPORT

Be it resolved we give a standing vote of thanks to the Executive Committee for their efforts in putting together this 110th Annual Session of the Arkansas State Association.

Respectfully Submitted: Resolutions Committee

David Taylor, Cody Williams, Jason Scott, Randall Ray and Jim Walker

REGISTRATION COMMITTEE REPORT

The following have registered during the 110th Annual Session of the Arkansas State Association of Free Will Baptists, held at the Conway High School Public Auditorium in Conway, Arkansas, August 7-8, 2007: Ministers 79, Deacons 16, Delegates 33, Missionaries 5, Visitors 77 for a grand total of 210 registered.

Respectfully Submitted: Registration Committee:

David Copeland, Greig Caswell, Ronnie Whitten, and Michael Morrison

STATISTICS REPORT

The Arkansas State Association of Free Will Baptists reports 15 associations comprised of 211 churches. The statistics for membership, baptism, etc., are based on the 189 churches who reported.

There are 98 churches located in a city/town; 106 churches in rural, 90 with full-time pastors, and 90 part-time pastors. There are 317 ordained ministers, 43 licensed ministers, and 440 ordained deacons.

The churches reported 451 baptisms with 824 members added, 441 members lost, with a total membership of 18,305.

Sunday school enrollment was 9,912; CTS enrollment was 1,837; Women Active for Christ membership was 1,004 and Master's Men enrollment was 225.

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

The total income of all churches reporting was \$13,127,082.19 and 45 churches with budgets.

There were 54 churches with parsonages, and a total value of all church property, including parsonages, of \$63,849,382.72.

ARKANSAS FREE WILL BAPTISTS				
Comparative Receipts - January-December 2006				
STATE ASSOCIATION				
			\$ Increase	% Gain
	2006	2005	(\$ Decrease)	(% Loss)
General Fund	99,697	102,008	(2,311)	(2.31%)
Operational Fund	19,313	14,300	5,013	25.95%
State Missions	178,379	146,276	32,103	17.99%
SM Property	5,824	103,008	(97,184)	(1668.68%)
Sunday School Literature	306,305	299,893	6,412	2.09%
State Association Fees	6,150	6,130	20	.32%
National Association Fees	20,400	20,400	0	0%
THE VISION	20,353	20,507	(154)	(.75%)
Christian Education Board	28,397	31,795	(3,398)	(11.96%)
Miscellaneous Accounts	73,566	40,306	33,260	45.21%
Christian Supply Store	463,502	471,674	(8,172)	(1.76%)
Camp Beaverfork	237,725	229,378	8,347	3.51%
TOTALS (Note 1)	1,459,611	1,530,132	(7,052)	(4.83%)
A.C.T.S. 1:8 (Note 2)	489,584	454,374	35,210	7.19%
COOP (Note 3)	548,997	519,859	29,138	5.30%
HILLSDALE	35,796	33,147	2,649	7.40%
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
	2006	2005	(\$ Decrease)	(% Loss)
Executive Office	91,107	91,552	(445)	(.48%)
International Missions	582,386	572,698	9,688	1.66%
National Home Missions	293,247	255,903	37,344	12.73%
FWBBC	58,630	72,573	(13,943)	(23.78%)
Bd. Of Retirement & Insurance	15,648	15,664	(16)	(.10%)
Master's Men	15,758	16,740	(982)	(6.23%)
WNAC	15,428	12,718	2,710	17.56%
FWB Foundation	6,681	6,713	(32)	(.47%)
Theological-Integrity Commission	557	560	(3)	(.53%)
Media Commission	557	560	(3)	(.53%)
Music Commission	557	560	(3)	(.53%)
Historical Commission	557	560	(3)	(.53%)
TOTALS	1,081,115	1,046,798	34,317	3.17%
GRAND TOTALS (State, National, Hillsdale)	2,576,522	2,610,007	(33,485)	(1.29%)

EXECUTIVE COMMITTEE SUMMARIES
February 23, 2006

The Executive committee met February 23, 2006 with all members present to plan the 2006 state meeting. The theme will be "Take Me To The Cross," based on Luke 14:27. Bible Conference speakers will be Rev. Roy Harris and Rev. Keith Burden from the Executive Office of the National Association of Free Will Baptists. The Tuesday evening speaker will be Rev. David Taylor of the Lake Hills Free Will Baptist Church in Hot Springs, AR. The Wednesday morning speaker will be Rev. Jackie Brown of First Free Will Baptist Church of Charleston, AR and the evening speaker will be Rev. Keith Burden of the Executive Office in Nashville, TN. Music is to be led by Rev. Phil Whiteaker. Special Music arrangements were also planned. Meeting adjourned.

July 21, 2006

The Executive Committee convened at 1:00 p.m. at the state office in Conway. Members present were Tim Campbell, Nelson Henderson, Keith Bowden, Wendell Leckbee and Ricky Taylor. (Bro. Campbell had to leave early to attend a funeral).

Moderator Nelson Henderson opened the meeting and introduced Ricky Taylor who reviewed the financial statements for the year 2005. M/S/C to accept the reports and to retain Brother Taylor as the state auditor.

The meeting was adjourned and the members were dismissed in prayer by Wendell Leckbee.

Respectfully Submitted

Wendell Leckbee (Clerk)

Nelson Henderson (Moderator)

David Harper (Assistant Moderator)

Wendell Leckbee (Clerk)

Keith Bowden (Assistant Clerk)

Executive Board Summaries
January 30-31, 2005 (All Board's Meeting)

Monday

The Executive Board met for the annual All Board's Meeting at the First Free Will Baptist Church in Conway, AR. Members present were: Will Harmon, David Copeland, David Watson, Dale Blackwell, Jim Walker and Joe Buttgen. State Moderator, Nelson Henderson, Assistant Moderator, David Harper, and Executive Director Tim Campbell were also in attendance.

The tentative dates for the state meeting were announced as August 8-9, 2006 and the 2005 coop figures were reviewed.

The state's divorce resolution was reviewed.

Tuesday

A motion passed stating: The Executive Board of Arkansas Free Will Baptists shall draft a letter to be sent to all local associations to inform them that churches who do not pay state and national dues will not be listed as churches in good standing with the state and national associations. This exclusion from the Free Will Baptist yearbook will negate their non-profit status with the Internal Revenue Service.

A report was submitted from Christian Supply Store. Possible long range plans were discussed. Also, current sales strategies were presented and the profit and loss figures were examined.

Contracts for David Winfrey and Tim Campbell were signed.

Meeting adjourned.

April 25, 2006

Members Present: Nelson Henderson, David Harper, Dale Blackwell, Tim Campbell, Will Harmon and David Copeland. David Winfrey was also present.

Items of Business:

1. Board received the report from the state office from Tim Campbell
2. MSC to authorize maintenance on the state office building as funds are available.
3. MSC to give Arkansas Faith and Ethics Council \$1,000.00 to help combat the lottery issue in Arkansas.
4. The Board heard and received a report from David Winfrey concerning the bookstore.

June 22, 2006

The Executive Board met on Thursday, June 22, 2006 with the following people present: Will Harmon, Jim Walker, Dale Blackwell, David Copeland, David Harper and Tim Campbell.

The following business was conducted:

- 1. MSC to approve financial report from the state office given by Tim Campbell
 - 2. MSC to give Tim Campbell a 5% raise.
 - 3. MSC to adopt the proposed 2007 budget with adjustments (Executive Director's raise) for presentation to the state association.
 - 4. MSC to adopt the proposed 2007 Christian Supply Store budget for presentation to the state association.
 - 5. MSC to replace the carpet and tile in the state office.
 - 6. MSC to recommend the state association that the Brotherhood Mutual Dividend be dispersed as follows:
\$5,000.00 to Camp Beaverfork
\$5,000.00 to Christian Education Board
Remaining balance to the state office for renovations.
- Meeting adjourned.

June 29, 2006

The Executive Director contacted board members via email and recommended that the Brotherhood Mutual dividend also include \$5,000.00 to A.C.T.S. 1:8 Missions. The motion passed.

October 5, 2006

The Executive Board met with all members present. The state office report was given and accepted and a Christian Supply Store update was presented with lengthy discussion following.

Meeting adjourned.

Respectfully Submitted,

Joe Buttgen (Clerk)]

Will Harmon (Chairman)

Jim Walker (Vice Chairman)

David Copeland (Clerk)

Bobby Shepherd

Mark Stripling

David Watson

Nelson Henderson (Moderator)

David Harper (Assistant Moderator)

2008 Proposed Cooperative Budget				
	Plan A		Plan B	
Agency	%	\$	%	\$
Minister's Retirement		16,000		16,000
General Fund & Vision	20.50%	112,750	18.50%	112,750
State Missions	21.50%	118,250	21.50%	118,250
Youth Board	17.50%	96,250	17.50%	96,250
Christian Education Board	3.00%	16,500	3.00%	16,500
In State Total	62.50%	343,750	62.50%	343,750
National Association	37.50%	206,250	30.50%	191,812.50
Hillsdale			*7.00%	14,437.50
Total	100.00%	566,000.00	100.00%	566,000.00

* = 7% of \$206,250

State Office Budgets to Actual

2006 General Fund Budget To Actual

Receipts:	Budget	Actual	\$ + or -
Cooperative Plan (18.5% of \$551,600)	102,046.00	99,696.61	(2,349.39)
Fund Transfers	57,050.00	51,014.83	(6,035.17)
Secretarial Transfers	6,600.00	6,300.00	(300.00)
Total Receipts	165,696.00	157,011.44	(8,684.56)
Disbursements:			-
Director's Salary	31,700.00	31,700.24	0.24
Director's Housing	14,100.00	14,100.00	-
Director's Insurance	4,700.00	9,144.06	4,444.06
Director's Retirement	1,200.00	1,200.00	-
Director's Social Security	7,100.00	8,631.67	1,531.67
Travel & Auto	5,000.00	6,371.58	1,371.58
Vehicle Payment	6,000.00	5,525.86	(474.14)
Auto Insurance	1,000.00	760.66	(239.34)
National	1,200.00	1,451.97	251.97
Board Mileage and Meals	3,000.00	3,290.03	290.03
Phone	2,500.00	1,917.23	(582.77)
Postage	600.00	364.15	(235.85)
Dinners	1,200.00	1,337.26	137.26
All Board's Mtg. Expense	750.00	944.61	194.61
Postage Meter Rental	165.00	912.19	747.19
Office Supplies and Printing	1,000.00	2,762.65	1,762.65
Web Site and Internet	600.00	549.25	(50.75)
Audit	2,500.00	2,000.00	(500.00)
Computer and Peripherals	500.00	1,050.00	550.00
Contingency	31,081.00	15,000.00	(16,081.00)
Vehicle Contingency	2,200.00	802.92	(1,397.08)
Staff Salaries	36,800.00	41,217.94	4,417.94
Staff Insurance	4,100.00	-	(4,100.00)
Payroll Taxes	3,500.00	8,143.39	4,643.39
Workman's Compensation	200.00		(200.00)
Miscellaneous	3,000.00	6,884.59	3,884.59
Total Disbursements	165,696.00	166,062.25	366.25

2006 Operational Fund Budget to Actual

Receipts:	Budget	Actual	\$ + or -
Rental Income	15,600.00	19,313.41	3,713.41
Total Receipts	15,600.00	19,313.41	3,713.41
Disbursements:			
Utilities	3,500.00	8,349.32	4,849.32
Pest and Dust Control	500.00	500.38	0.38
Janitor and Yard	1,500.00	1,943.68	443.68
Property Insurance	3,500.00	3,208.00	(292.00)
Property Taxes	800.00	1,163.76	363.76
Supplies	200.00	660.40	460.40
Repairs and Maintenance	2,450.00	8,047.62	5,597.62
Audit	1,000.00	1,500.00	500.00
Miscellaneous	500.00	552.91	52.91
Computer/Office Equipment	500.00	2,178.64	1,678.64
Payroll Taxes	150.00	734.00	584.00
Improvements	1,000.00	1,095.21	95.21
Contract Labor		150.00	150.00
Postage		196.52	196.52
Total Disbursements	15,600.00	30,280.44	14,680.44

2006 Sunday School Fund Budget to Actual

Receipts:	Budget	Actual	\$ + or -
Sale of Literature	285,000.00	306,304.77	21,304.77
Sales Tax		25,543.44	25,543.44
Total Receipts	285,000.00	331,848.21	46,848.21
Disbursements:			
Literature for Resale	185,500.00	218,329.93	32,829.93
Postage/UPS	11,200.00	7,985.45	(3,214.55)
Incoming Freight	1,600.00	4,018.33	2,418.33
Sales Tax	21,500.00	24,781.00	3,281.00
Supplies	2,500.00	909.30	(1,590.70)
Phone	1,250.00	767.44	(482.56)
Audit	500.00	650.00	150.00
Miscellaneous	1,200.00	1,195.56	(4.44)
Stockroom Salaries/Mileage	2,500.00	1,167.48	(1,332.52)
Payroll Taxes	750.00		(750.00)
Transfers	56,500.00	46,200.00	(10,300.00)
Computer		149.85	149.85
Sunday School Literature (Other)		132.19	132.19
Total Disbursements	285,000.00	306,286.53	21,286.53

2006 VISION Fund Budget to Actual

Receipts:			
Coop Receipts (2%)	10,867.00	10,776.95	(90.05)
Subscriptions	10,600.00	9,575.90	(1,024.10)
Advertisements	100.00	0	(100.00)
Total Receipts	21,567.00	20,352.85	(1,214.15)
Disbursements:			
Printing	11,067.00	8,419.82	(2,647.18)
Postage	7,000.00	4,761.96	(2,238.04)
Supplies	500.00	440.78	(59.22)
Computer Fund	500.00	849.85	349.85
Audit	600.00	600.00	-
Secretarial	1,200.00	1,200.00	-
Miscellaneous	700.00	2,142.58	1,442.58
Payroll Taxes		16.00	16.00
Mailing Clerk		1,746.65	1,746.65
Total Disbursements	21,567.00	20,177.64	(1,389.36)

Contingency Savings

Beginning Balance	1,162.13
Transfers (from GF)	15,000.00
Interest	159.66
2006 Ending Balance	16,321.79

Proposed 2008 State Office Budget**Receipts:**

Rental	21,000.00
Coop	112,750.00
Secretarial Transfers	5,100.00
VISION Subscriptions	10,000.00
Sunday School Receipts	305,000.00
Computer Transfers	980.00
Utility Transfers	3,000.00
Operational Transfers	3,600.00
Sales Tax	25,400.00
State Association Fees	6,180.00
National Association Fees	20,600.00
<i>Total Receipts</i>	<i>513,610.00</i>

Disbursements

Director's Salary	33,682.32
Director's Housing	15,600.00
Director's Insurance	8,000.00
Director's Retirement	2,400.00
Director's Social Security	8,734.00
Travel	7,926.00
Vehicle Payment	5,900.00
Vehicle Contingency	2,000.00
National Association	1,500.00
Board Mileage and Meals	3,200.00
Phone	3,500.00

Postage/UPS/Meter Rent/Freight	20,950.00
Dinners and Promotions	1,500.00
All Board's Meeting	1,000.00
Printing	11,130.00
Web Site and Internet	1,000.00
Audit	4,750.00
Computer and Office Equipment	3,000.00
Contingency Transfer	9,505.76
Miscellaneous	2,000.00
Utilities	9,000.00
Pest and Dust Control	500.00
Yard Maintenance	500.00
Property Insurance	3,400.00
Property Taxes	1,200.00
Sunday School Stockroom Expense	500.00
Supplies	500.00
Repairs and Maintenance	1,000.00
Improvements	1,000.00
Literature for Resale	220,000.00
Workman's Comp Insurance	800.00
Sales Tax	25,400.00
Payroll Expenses	53,424.00
Bookstore Payment (Apple)	12,727.92
Bookstore Payment (Simmons)	9,600.00
State Association Fees	6,180.00
National Association Fees	20,600.00
<i>Total Disbursements</i>	<i>513,610.00</i>

Staff Salary Breakdown

Sunday School Secretary/Receptionist:

\$22,380.00 (32 Hours Per Week)

Administrative Assistant:

\$26,312.00 (40 Hours Per Week)

Cooperative Ministry Support for 2006

<u>Antioch Association</u>	
New Life.....	698.26
Ola.....	194.58
<u>Central Association</u>	
Bethel.....	1,148.94
Capital City.....	360.00
Conway, First.....	3,929.40
Hot Springs, First.....	415.00
Jacksonville, First.....	3,548.63
Malvern, First.....	1,720.20
N. Little Rock, First.....	12,154.86
Russellville, First.....	34,740.65
Oak Park.....	6,789.57
<u>Fellowship Association</u>	
Dardanelle, First.....	3,282.00
Harmony, Russellville.....	3,192.00
Mt.. Vernon.....	2,200.00
Union Grove.....	17,419.00
Welcome Home.....	4,375.00
Woodlawn.....	6,711.00
Oak Grove.....	5,028.00
<u>Harmony Association</u>	
Danville, First.....	225.00
Corley.....	559.00
Plainview.....	1,459.00
Ranger.....	398.61
Upper Spring Creek.....	1,396.90
Wilson.....	692.02
<u>Little Missouri River Association</u>	
Little Missouri River Assoc.....	1,247.70
Daisy.....	3,970.07
Arkadelphia, First.....	988.80
First, Glenwood.....	2,660.00
Hatfield.....	880.67
Lodi.....	1,954.97
Pleasant Grove.....	1,389.05
Lake Hills.....	10,444.59
Heritage (LA).....	40.00
<u>New Hope Association</u>	
Center Point.....	7,834.00
Chapel Lane.....	1,307.53
Friendship.....	5,011.88
Mt.. Bethel.....	7,370.26
Sharon.....	3,908.60
South Heights.....	4,941.01
Rolling Oaks.....	3,900.00
<u>Southeast Association</u>	
Southeast District.....	932.15
<u>Northwest Association</u>	
Moore.....	2,671.20
Oak Grove.....	1,118.43
Trinity.....	640.60
Oak Lane.....	420.00
Eureka Springs.....	662.48
<u>Old Mt. Zion Association</u>	
Calvary.....	11,037.20
Clifty Chapel.....	894.30
Eastgate.....	300.00
Fayetteville, First.....	480.00

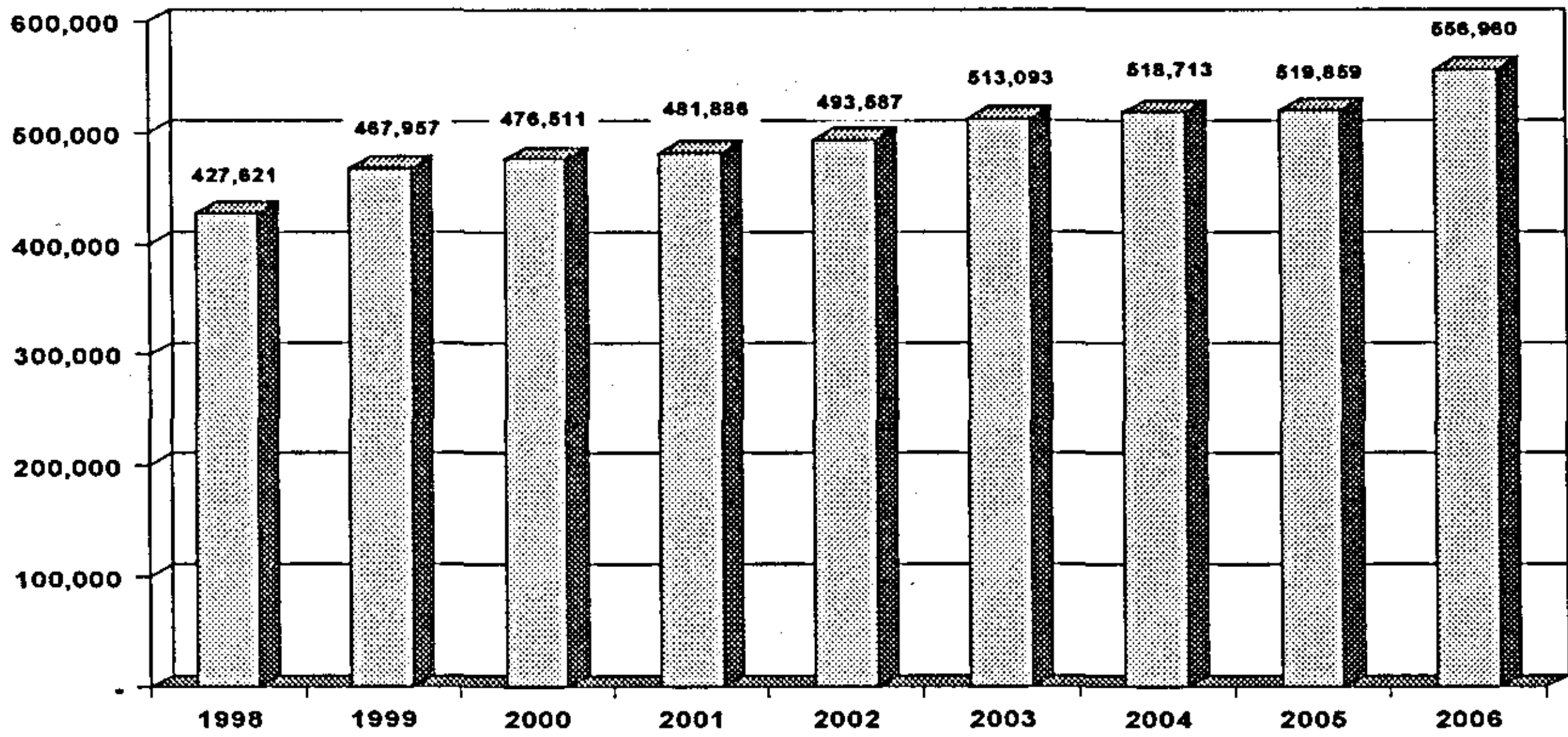
New Sulphur.....	600.00
Phillips Chapel.....	14,874.30
Rogers, First.....	3,600.00
Victory.....	2,000.34
Westside.....	1,500.00
Westridge.....	1,800.00
<u>Polk Bayou Association</u>	
Allen Chapel.....	22,498.76
Ballews Chapel.....	7,430.00
Blackland Chapel.....	5,048.00
Cave City, First.....	.600.00
Batesville, First.....	15,978.51
Newport, First.....	1,977.00
Tuckerman, First.....	10,666.76
Mt.. Harmony.....	5,615.55
New Bethel.....	2,861.37
Weaver's Chapel.....	291.18
<u>Saline Association</u>	
Corbin Ferry.....	420.00
Monticello, First.....	226.80
Star City, First.....	10,125.29
Warren, First.....	5,230.40
Mt.. Pleasant.....	70.00
Harmony.....	6,416.16
Hillview, Bastrop, LA.....	518.00
Macedonia.....	437.01
Crossett, First.....	469.03
Oak Grove.....	1,778.25
Pine Hill.....	962.50
Pleasant Grove.....	56.00
Pleasant Valley.....	3,411.90
Rose Hill.....	7,994.97
Springhill.....	140.00
Willougyby.....	210.00
Yorktown.....	1,726.79
Faith.....	2,449.59

Landmark, Monroe, LA	840.00
Grace (WI)	472.50
<u>Social Band Association</u>	
Arbor Grove.....	1,770.16
Faith	8,400.00
Jonesboro, First.....	9,999.96
Pocahontas, First	11,438.82
Walnut Ridge, First.....	8,520.65
Old Reyno.....	4,361.75
Poplar Valley	2,556.05
Sutton	18,071.26
United	8,637.00
CornerStone.....	3,538.46
<u>Unity Association</u>	
Bethlehem	13,048.95
Cavanaugh	75,305.66
Charleston, First.....	17,576.63
Greenwood, First.....	10,240.44
Oliver Springs	2,744.68
Ozark, First	12,347.46
South Side.....	3,445.70
Vista	4,050.00
Central.....	2,442.31
<u>Zion Hope #2 Association</u>	
Catcher	712.35
Cottonwood, OK.....	55.58
Kenner Chapel	451.54
Locke	1,370.84
Mulberry, First.....	817.60
Ft. Smith, First	498.78
Enterprise, Charleston	420.06
Cornerstone Charleston	1,345.55
<u>Other</u>	
The Worship Center.....	1,972.14
Total	556,960.39

Coop Participants & Non-Participants		
Association	Coop	Non-Participating
Antioch	2	20
Arkansas	0	11
Central	9	1
Fellowship	7	0
Harmony	6	0
Little MO River	8	0
New Hope	7	5
Northwest	5	4
Old Mt. Zion	10	13
Polk Bayou	10	7
Saline	21	3
Social Band	10	13
Southeast	3	0
Unlty	9	4
Zion Hope #2	8	9
Other	1	0
	115	91

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%

Coop Support 1998 - 2006



Note: These receipts will not match the numbers in previous digests. The reason is that we discovered this year that money that had designated for the National Association had been counted in with the Cooperative Receipts since the mid-nineties. The above numbers reflect the corrected numbers for Cooperative Giving.



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A PROFESSIONAL ASSOCIATION
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

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

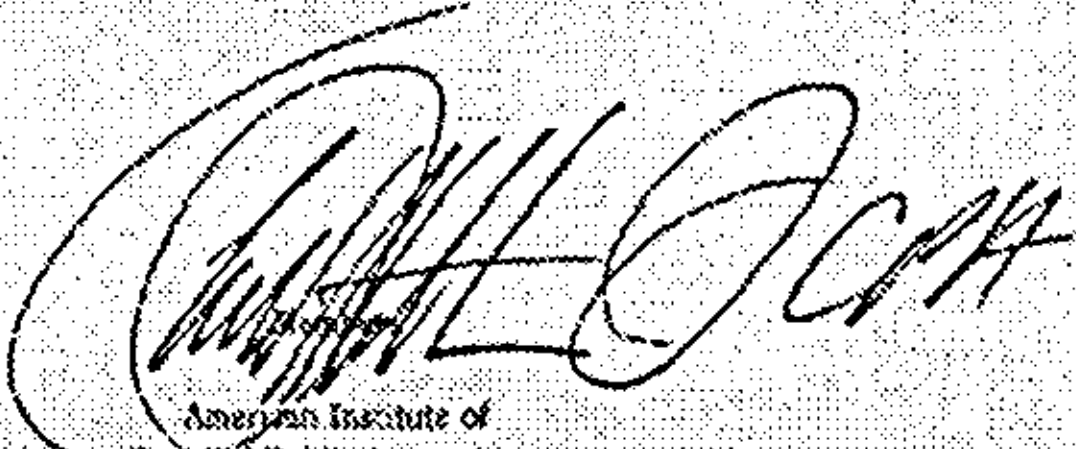
I have audited the accompanying statements of financial position of Arkansas State Association of Free Will Baptists, Inc. (a nonprofit Corporation) as of December 31, 2006 and 2005, and the related statements of activities, and cash flows for the years then ended. The financial statements are the responsibility 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, 2006 and 2005 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
June 27, 2007



American Institute of
Certified Public Accountants
Arkansas Society of
Certified Public Accountants

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2006 AND 2005

ASSETS

ASSETS:	<u>2006</u>	<u>2005</u>
Cash	\$ 222,248	\$ 181,617
Accounts Receivable	1,438	2,751
Inventory	2,082	2,551
Property, Plant & Equipment		
Less Accumulated Depreciation	<u>399,788</u>	<u>400,855</u>
 Total Assets	 <u>\$ 625,556</u>	 <u>\$ 587,774</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts Payable	\$ 2,532	\$ 8,471
Designated Contributions Payable	215,662	178,471
Sales Tax Payable	74	30
Payroll Taxes Payable	1,639	1,396
Notes Payable	<u>18,269</u>	<u>23,233</u>
 Total Liabilities	 238,176	 211,601
 NET ASSETS:		
Unrestricted	383,766	372,063
Permanently Restricted	<u>3,614</u>	<u>4,110</u>
 Total Net Assets	 <u>387,380</u>	 <u>376,173</u>
 Total Liabilities and Net Assets	 <u>\$ 625,556</u>	 <u>\$ 587,774</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, 2006 AND 2005**

	2006			2005	
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	TOTAL
REVENUE:					
Designated contributions-					
National Home Missions	\$	\$	\$ 121,831	\$ 121,831	\$ 91,866
Designated contributions-					
Foreign Missions			56,533	56,533	46,302
Designated contributions-					
Acts 1:8			489,564	489,564	454,374
Designated contributions-					
Free Will Baptist Bible College			26,245	26,245	23,012
Designated contributions-					
Hillsdale			35,796	35,796	33,147
Designated contributions-Other			73,566	73,566	40,306
Cooperative Contributions	591,701			591,701	548,854
Sunday school literature sales	280,105			280,105	299,893
Vision sales and advertising	9,556			9,556	10,157
National Association fees	20,400			20,400	20,400
State convention fees	6,150			6,150	6,130
Rental income	19,313			19,313	14,300
Interest income	921			921	6,785
State Cooperative income			126,659	126,659	118,595
Other income	85,136		10,280	95,416	33,796
Net Assets released from restrictions-					
Restrictions satisfied by payments	940,990		(940,990)	0	0
Total Revenue	1,934,272	0	(496)	1,933,776	1,747,917
EXPENSES:					
Designated contributions	803,555			803,555	689,007
Cooperative contributions	591,701			591,701	548,854
Cost of sales - S. S. literature	217,014			217,014	221,016
C.E. Scholarships	1,925			1,925	3,500
State convention expense	9,027			9,027	7,327
Interest expense	1,303			1,303	832
Bookstore debt relief	10,000			10,000	0
Property taxes	1,164			1,164	1,058
Payroll taxes	4,555			4,555	4,773
Health insurance & retirement	0			0	9,361
Property insurance	3,208			3,208	4,164
Website cost	549			549	259

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, 2006 AND 2005

	2006			2005	
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	TOTAL
EXPENSES: (CONTINUED)					
Workman's comp insurance	\$ 734	\$	\$	\$ 734	\$ 600
Utilities	7,822			7,822	4,425
Janitor	1,680			1,680	1,715
Supplies	5,912			5,912	5,504
Miscellaneous	13,996			13,996	19,282
Salary, housing, retirement insurance & social security	64,776			64,776	61,068
Board mileage & meals	6,639			6,639	8,817
Auto & travel expenses	9,461			9,461	8,325
Repairs & maintenance	8,194			8,194	5,265
Telephone	3,068			3,068	3,424
Postage & printing	26,870			26,870	31,040
Computer expense	4,788			4,788	1,006
Secretary salaries	50,877			50,877	48,901
Stockroom expense	302			302	1,999
Professional fees	4,750			4,750	3,600
Retreat & conference expense	24,870			24,870	17,168
National Association fees	20,400			20,400	16,775
Ministers benevolence expenses	10,678			10,678	0
Office manager's retirement expense	0			0	4,255
Depreciation	12,751			12,751	10,407
Total Expenses	1,922,569	0	0	1,922,569	1,743,727
Increase (Decrease) in Net Assets	11,703	0	(496)	11,207	4,190
Net Assets - Beginning of Year	372,063	0	4,110	376,173	371,983
Net Assets - End of Year	\$ 383,766	\$ 0	\$ 3,614	\$ 387,380	\$ 376,173

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, 2006 AND 2005

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2006</u>	<u>2005</u>
Increase <Decrease> in net assets	\$ 11,207	\$ 4,190
Depreciation	12,751	10,407
<Increase> decrease in:		
Accounts receivable	1,313	861
Inventory	469	1,810
Increase <decrease> in:		
Accounts payable	<5,939>	2,791
Payroll taxes payable	243	<126>
Sales tax payable	44	<32>
Designated contributions payable	<u>37,191</u>	<u>43,271</u>
Net Cash Provided by Operating Activities	57,279	63,172
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property & equipment	<u><11,684></u>	<u><25,245></u>
Net Cash Used by Investing Activities	<11,684>	<25,245>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt	0	25,243
Repayment of debt	<u><4,964></u>	<u><15,000></u>
Net Cash Provided by Financing Activities	<4,964>	10,243
Net Increase <Decrease> in Cash	40,631	48,170
Cash at Beginning of Year	<u>181,617</u>	<u>133,447</u>
Cash at End of Year	<u>\$ 222,248</u>	<u>\$ 181,617</u>
SUPPLEMENTAL DISCLOSURES:		
Cash Paid During the Year for Interest	<u>\$ 1,303</u>	<u>\$ 832</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, 2006 AND 2005

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, 2006 AND 2005

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>2006</u>	<u>2005</u>
Auto	\$ 29,158	\$ 29,158
Office Furniture & Equipment	61,157	57,963
Building Improvements	<u>33,737</u>	<u>25,247</u>
	124,052	112,368
Less Accumulated Depreciation	<u>79,264</u>	<u>66,513</u>
	44,788	45,855
Land and Building	<u>355,000</u>	<u>355,000</u>
Total Property and Equipment	<u>\$ 399,788</u>	<u>\$ 400,855</u>

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 2006 AND 2005

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, 2006 and 2005 was as follows:

	<u>2006</u>		<u>2005</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	100%	100%	100%	100%

NOTE 4 - DESIGNATED CONTRIBUTIONS PAYABLE

The Corporation receives designated contributions from churches and individuals that are to be forwarded to the appropriate organization or individual. The Corporation is to remit these contributions in the following month after collection.

NOTE 5 - 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. 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>2006</u>	<u>2005</u>
Ministers Benevolent Fund	<u>\$ 3,614</u>	<u>\$ 4,110</u>
	<u>\$ 3,614</u>	<u>\$ 4,110</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, 2006 AND 2005

NOTE 7 - NOTES PAYABLE

	<u>2006</u>	<u>2005</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.	\$ <u>18,269</u>	\$ <u>23,233</u>
Total Debt	\$ <u>18,269</u>	\$ <u>23,233</u>

The aggregate maturities of these notes are as follows:

2007	4,890
2008	5,205
2009	5,540
2010	2,634
	<u>\$ 18,269</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, 2006 is \$ 36,387.

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.

NOTE 10 -- SUBSEQUENT EVENTS

The Executive Board of the Arkansas State Association of Free Will Baptists, Inc. voted to close the Christian Supply Store, Inc. Christian Supply Store, Inc. will close by September, 2007. The Arkansas State Association of Free Will Baptists, Inc. will be liable for all debts not covered from the liquidation of Christian Supply Store, Inc.

CHRISTIAN Supply STORE



JOHN W. STOTTMAN, JR., CPA PA

A PROFESSIONAL ASSOCIATION
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying balance sheets of Christian Supply Store, Inc. (a nonprofit corporation) as of December 31, 2006 and 2005, 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, 2006 and 2005 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.

Russellville, Arkansas

July 11, 2007

Members

American Institute of
Certified Public Accountants
Arkansas Society of
Certified Public Accountants

CHRISTIAN SUPPLY STORE, INC.
BALANCE SHEETS
 DECEMBER 31, 2006 AND 2005

ASSETS		<u>2006</u>	<u>2005</u>
CURRENT ASSETS:			
Cash on hand	\$	400	\$ 400
Cash in bank		923	9,475
Cash-contingency fund		693	689
Accounts receivable		17,737	11,379
Inventory		<u>154,163</u>	<u>173,149</u>
Total Current Assets		173,916	195,092
FIXED ASSETS:			
Equipment		36,114	36,114
Leasehold Improvements		8,661	8,661
Less: Accumulated Depreciation		<u><30,271></u>	<u><25,414></u>
Total Fixed Assets		<u>14,504</u>	<u>19,361</u>
TOTAL ASSETS		<u>\$ 188,420</u>	<u>\$ 214,453</u>
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES:			
Accounts payable	\$	49,974	\$ 40,333
Current Portion of L-T Debt		12,817	10,817
Payroll taxes payable		2,026	1,889
Sales tax payable		<u>4,901</u>	<u>4,746</u>
Total Current Liabilities		69,718	57,785
LONG-TERM DEBT			
Notes Payable (less Current Portion)		<u>134,281</u>	<u>111,281</u>
Total Liabilities		203,999	169,066
FUND BALANCES:			
Fund balance, Beginning		45,387	90,721
Current year profit <loss>		<u><60,966></u>	<u><45,334></u>
Fund balance, Ending		<u><15,579></u>	<u>45,387</u>
TOTAL LIABILITIES AND FUND BALANCES		<u>\$ 188,420</u>	<u>\$ 214,453</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, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
REVENUE:		
Sales	\$ 463,502	\$ 471,674
COST OF SALES:		
Merchandise purchases	268,609	252,672
Freight	10,990	10,626
Sales tax	34,635	35,339
Supplies	<u>6,026</u>	<u>10,513</u>
Total cost of sales	320,260	309,150
GROSS PROFIT	143,242	162,524
OPERATING EXPENSES:		
Advertising	2,965	7,048
Insurance	2,447	5,343
Bank charges & credit card fees	3,937	3,603
Contract labor	28	2,067
Miscellaneous	2,788	3,153
Postage	2,057	1,785
Rent	52,800	52,800
Payroll taxes	4,394	4,039
Telephone	2,933	3,224
Travel	239	401
Salaries-other	49,942	50,874
Manager-salary & housing	40,355	40,355
Manager-insurance & retirement	7,075	5,169
Professional fees	3,900	3,900
Property tax	2,448	2,237
Returned checks	337	76
Repairs & Maintenance	2,940	864
Utilities	8,421	8,615
Depreciation	<u>4,857</u>	<u>5,374</u>
Total operating expenses	<u>194,863</u>	<u>200,927</u>
NET OPERATING PROFIT <LOSS>	<51,621>	<38,403>

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, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
NET OPERATING PROFIT <LOSS>	\$ <51,621>	\$ <38,403>
OTHER REVENUE AND EXPENSES		
Interest income	54	86
Interest expense	<u><9,399></u>	<u><7,017></u>
NET PROFIT <LOSS>	<u>\$ <60,966></u>	<u>\$ <45,334></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, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
CASH FROM OPERATING ACTIVITIES:		
Excess of revenues over expenses	\$ <60,966>	\$ <45,334>
Adjustments to reconcile excess to net cash provided by operating activities:		
Depreciation	4,857	5,374
(Increase)decrease in accounts receivable	<6,358>	<1,673>
(Increase)decrease in inventory	18,986	13,516
Increase(decrease) in accounts payable	9,641	<10,125>
Increase(decrease) in payroll taxes payable	137	<518>
Increase(decrease) in sales tax payable	<u>155</u>	<u>470</u>
Net cash provided by operating activities	<33,548>	<38,290>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	<u>0</u>	<u>0</u>
Net cash used in investing activities	0	0
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt	25,000	25,000
Repayment of debt	<u>0</u>	<u><962></u>
Net cash used in financing activities	25,000	24,038
Net Increase (Decrease) in Cash	<8,548>	<14,252>
Cash at Beginning of Year	<u>10,564</u>	<u>24,816</u>
Cash at End of Year	\$ <u>2,016</u>	\$ <u>10,564</u>

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

CHRISTIAN SUPPLY STORE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005

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, 2006 and 2005 are \$ 4,857 and \$ 5,374, 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 \$ 1,323 and cash in the contingency fund is \$ 694.

Cash paid for interest is as follows:

2006	\$ 9,399
2005	\$ 7,017

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, 2006 AND 2005

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>2006</u>	<u>2005</u>
Beginning Balance	\$ 689	\$ 686
Contributions	0	0
Disbursements	0	0
Interest earnings	<u>4</u>	<u>3</u>
Ending Balance	<u>\$ 693</u>	<u>\$ 689</u>

NOTE 3 - NOTES PAYABLE

Notes payable -- Simmons First Bank, Conway, Arkansas.	<u>2006</u>	<u>2005</u>
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.	\$ 40,000	\$ 25,000

Notes payable -- Arkansas State Association of Free Will Baptists, Inc., Conway, Arkansas.		
The note is due on demand.	10,000	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>97,098</u>
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Total Debt	147,098	122,098
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Less: Current Portion of L-T Debt	<u>12,817</u>	<u>10,817</u>
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Long Term Debt	<u>\$ 134,281</u>	<u>\$ 111,281</u>
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CHRISTIAN SUPPLY STORE, INC.
NOTES TO FINANCIAL STATEMENTS-(CONTINUED)
DECEMBER 31, 2006 AND 2005

NOTE 3 - NOTES PAYABLE (CONTINUED)

The aggregate maturities of these notes are as follows:

2007	\$ 12,817
2008	13,237
2009	13,680
2010	14,146
2011 and thereafter	93,218

NOTE 4 - LONG-TERM LEASE

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

2007	\$35,200
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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, 2006 all of the Corporation's deposits were insured.

NOTE 6 - SUBSEQUENT EVENTS

The Executive Board of the Arkansas State Association of Free Will Baptists, Inc., voted to cease operations of the Christian Supply Store, Inc. This will coincide with the end of the long-term lease of the property. The Arkansas State Association of Free Will Baptist, Inc. will be liable for any unpaid debts not paid by Christian Supply Store, Inc.

Christian Education Board Summaries
January 30-31, 2006 (All Boards Meeting)

The Christian Education Board met during the All Boards Meeting at the First Free Will Baptist Church in Conway. All board members were present. Women's Conference Committee Chairperson, Mrs. Jennifer Daniel was also present for the Monday night session.

The meeting was called to order at 6:30 PM by Chairman Tim Harris. Leroy Scudder to led the opening prayer. The following items on the agenda were discussed and acted upon.

1. 2006 Minister's Retreat, February 27 - March 1. Place: Lake DeGray Lodge, Arkadelphia -Speaker: Dr. Stephen Ashby, Hillsdale College, Oklahoma -Worship Music: Rev. Levan Hubbard -Sound Equipment: New Creation, Melbourne -Registration: Randy Scott, Vince Daniel, Kevin Jewell

M/S/C that we provide five (5) \$100. Pastor Appreciation Gift Certificates redeemable at Christian Supply Store. The drawing of names will be at the conclusion of the Wednesday morning session, and the recipients must be present.

Also, we agreed that a "hospitality basket be placed in the room of the speaker.

Chairman Harris appointed four Board members to preside during the four sessions: Monday - 7:00 PM - Rev. Vince Daniel Tuesday - 9:00 am - Rev. Doug Jones Tuesday -7:00 PM - Rev. Kevin Jewell Wednesday - 9:00 am - Rev. Randy Scott

2. 2007 Minister's Retreat, February 19-21.

Place confirmed: Lake DeGray Lodge, Arkadelphia Speaker confirmed: Rev. Matt Pinson, Free Will Baptist Bible College, Nashville. M/S/C that we provide for Bro. Pinson an honorarium plus room and travel expenses.

3. Women's Conference Committee Report.

The report was given by Mrs. Jennifer Daniel, Chairperson.

The 2005 Women's Conference was a tremendous success and many of the attendees requested that speaker Kim Bolten return for another Conference. The attendance was down to approximately 240 for various reasons. Three new committee members have been selected: Judy Brasuel from the Cavanaugh Church, Cindy Ellis from the Russellville Church, and Sue Alexander from the Mountain Home Church. The women enjoyed Kim Bolten so much that she has asked to be the speaker for the 2006 Women's Conference. The date is set for October 20, 21 most likely in Little Rock. The location is currently being negotiated.

4. Teacher Development Conference.

The Tuesday morning session was devoted to the discussion regarding the Christian Education Board sponsoring a

Teacher Development Conference in the Fall of 2006. The Spring of 2006 was ruled out because of time constraints for planning. A part of the agenda for our February meeting should be to continue discussing the possibilities.

During our discussion, a problem surfaced regarding the 2005 Team Church Conference held in Russellville. The CE Board assumed that Randall House, since they received all the registration fees, would cover the expenses for the use of the facilities at the Russellville Church and give honorariums to the workshop leaders. We discovered that these items have been neglected. By mutual consent, we concluded that a letter should be sent to Randall House expressing our displeasure for their lack of consideration and that they should rectify the situation by sending a payment to the Russellville Church for the use of their facilities and sending honorariums to the workshop leaders in appreciation for their efforts. Also, Randall House should extend a letter of apology.

5. Future Meeting Dates:

February 28, 7:00 am, Breakfast, Lake DeGray Restaurant
May 30, 10:00 am, State Office, Conway - August 8, 11:30 am, Market Place Restaurant, Conway

February 28, 2006

The Christian Education Board met this date at 7:00 am for breakfast in Lake DeGray Lodge Restaurant. Present were: Chairman Tim Harris, Vice-Chairman Vince Daniel, Secretary Leroy Scudder, Randy Scott, and Kevin Jewell. Executive Director Tim Campbell was also present.

Following is the agenda for discussion:

1. 2007 Ministers Retreat, February 19-21. -Confirmed location: Lake DeGray Lodge, Arkadelphia -Confirmed Speaker: Rev. Matt Pinson, Free Will Baptist Bible College, Nashville, TN. -Worship music to be confirmed later. Two possibilities are: Kendall Ross or Jeremy Thomas.

2. 2008 Ministers Retreat, February 18-20.

- Location: Lake DeGray Lodge has the date open and Tim Campbell is to complete the contract and confirmation.

-M/S/C to pursue the possibility of securing Rev. Squire Parsons for both the music and the preaching.

-FYI: Initial contact has been made with Squire Parsons and he has the date open. Squire is to make contact back whether he is interested in a Retreat situation.

3. 2006 Teacher Development Seminar.

Date: Tentatively scheduled for September 23. Location: The N.E. Quadrant of Arkansas was selected and convening with the Sutton Free Will Baptist Church in Pocahontas. M/S/C to obtain Rev. Terry Forrest as keynote speaker.

-Workshops to be offered and workshop leaders are to be assigned during our next meeting in May.

4. Teacher Certification Program was discussed.

Each Board member was challenged to give serious thought as to the requirements for such a program and be prepared for discussion at our May meeting.

5. Next Meeting: May 30, 2006, 10:00 am at the State Office in Conway.

June 6, 2006

The Christian Education Board met at 10:00 am, this date, in the Conference Room at the State Office in Conway. Present were: Chairman Tim Harris, Vice-Chairman Vince Daniel, Secretary Leroy Scudder, and Kevin Jewell. Executive Director Tim Campbell was also present.

The meeting was called to order and prayer was led by Kevin Jewell. Chairman Harris presented the following agenda:

1. Naming the Workers' Conference.

After considerable discussion, M/S/C to name the Workers' Conference: Arkansas Christian Workers' Conference.
- Date scheduled: September 23, 2006
- Location: Sutton Free Will Baptist Church, Pocahontas -Keynote Speaker: Rev. Terry Forrest (Confirmed) -Other Speakers Confirmed -Workshop Leaders: (To be Confirmed) -M/S/C to give honoraria and expenses to the speakers.
-M/S/C to charge \$10. for each one registering.

2. M/S/C to approve the 2007 Proposed Budget:

3. 2008 Minister's Retreat.

- Date: February 18-20 - Location: Lake DeGray Lodge (Reserved) - Speaker/Musician: Rev. Squire Parsons (Confirmed) -M/S/C to give honorarium plus expenses (mileage, meals 2 rooms). -His office has requested assistance in securing three (3) appointments (Saturday and Sunday) prior to the Retreat.

4. 2007 Minister's Retreat.

Brochure is being prepared by Tim Campbell and is expected to be ready

by the State Meeting in August.

5. Next Meeting:

- Date: Tuesday, August 8, 11:30 am - Location: Market Place Restaurant, Conway. -Agenda: -Approve Scholarship Applications -Confirmation of plans for Arkansas Christian Workers' Conference.

August 8, 2006

The Christian Education Board met at Market Place Restaurant in Conway.

The Arkansas Christian Workers Conference details were finalized and roles assigned to the board for the conference.

The applications for scholarships were reviewed and scholarships awarded.

Respectfully submitted:

Tim Harris (Chairman) Vince Daniel (Vice Chairman)

Randy Scott (Secretary) Kevin Jewell

Doug Jones Clark Snow

2006 CE Board Budget to Actual & 2008 Proposed Budget

Receipts:	Budget	Actual	\$ + or -	2008 Proposed
Coop	16,548.00	16,165.38	(382.62)	16,500.00
Minister's Retreat	7,500.00	6,750.00	(750.00)	7,500.00
Women's Conference	9,500.00	7,680.00	(1,820.00)	9,500.00
CE Workshops	3,000.00	470.00	(2,530.00)	3,000.00
Other Income		5,012.00	5,012.00	-
Total Receipts:	36,548.00	36,077.38	(470.62)	36,500.00
Disbursements:				
Minister's Retreat	12,500.00	13,423.83	923.83	12,500.00
Board Mileage and Meals	3,000.00	1,131.07	(1,868.93)	2,000.00
Phone	350.00	413.70	63.70	450.00
Printing and Postage	1,000.00	211.74	(788.26)	1,000.00
Secretarial Expense	1,200.00	1,200.00	-	1,200.00
Computer	480.00	480.00	-	480.00
Audit	500.00	500.00	-	500.00
Women's Conference	9,500.00	8,179.51	(1,320.49)	9,500.00
Miscellaneous	1,018.00	500.83	(517.17)	1,720.00
CE Workshops	3,000.00	3,266.92	266.92	3,000.00
Scholarships	4,000.00	1,925.00	(2,075.00)	4,000.00
Web Site	-	129.90	129.90	150.00
Total Disbursements:	36,548.00	31,362.50	(5,185.50)	36,500.00

State Mission Board Summaries

January 11, 2006 (Conference Call)

The State Mission Board held a conference call with all members present, along with Tim Campbell and Don Matchett. The conference call was a preview of Don Matchett and Kerry Gandy's meeting scheduled on Thursday, January 12, 2006 in Cabot with Jim Fairchild. Several needful items at Cabot were reviewed and a consensus of action was agreed upon.

January 30-31, 2006 (All Boards Meeting)

The State Mission Board at First Free Will Baptist Church in Conway during the All Boards meeting.

Monday (PM), January 30, 2006

Board members Jackie Brown, Randy Burris, Kerry Gandy, David Taylor, Gerald Thomas and Ken Winningham were present, along with Mission Director Don Matchett. Don opened in prayer.

Minutes of the December 13, 2005 Board meeting and the January 11, 2006 conference call were distributed and reviewed. A motion carried to accept the minutes of both meetings. No financial reports were available.

Jim Fairchild met with the Board and distributed a written annual report for 2005 at the Worship Center FWB Church. Goals and projects for 2006 were included in the report. A motion carried that Don Matchett (state office staff) serve as the bookkeeper for the Cabot Church until a qualified church member can assume this responsibility. A motion carried that we apply for a credit card for the Worship Center FWB Church to allow Jim to handle necessary every-day church needs.

Don Matchett distributed copies of his February-March itinerate. Copies of church/district association A.C.T.S. 1:8 giving totals for 2002 through 2005 were handed out. Gifts for 2005 decreased by \$17,969.63 for 2005 versus 2004. A WAC gifts to A.C.T.S. 1:8 increased by \$7,521.42 for the same period. Total gifts to A.C.T.S. 1:8 for 2005 were \$454,032.15, a decrease of \$8,137.26 from 2004. Don's 2006 contract was not ready to be signed.

2006 Board meetings were set for the third Tuesday of each month. Kerry Gandy closed in prayer.

Tuesday (am), January 31, 2006

Board members Randy Burris, Kerry Gandy, David Taylor, and Gerald Thomas were present, along with

Mission Director Don Matchett. Randy opened in prayer.

Don Matchett shared updates from A.C.T.S. 1:8 missionaries Randy Ledbetter (Salt Lake City, UT), John Reed (Green Bay, WI), and Paul Hammons (Flagstaff, AZ). It was noted that Randy Ledbetter and John Reed are already sending offerings in to A.C.T.S. 1:8.

By a 4-0 vote, a motion carried to approve the merger of the Arkansas State Mission Board with the Arkansas State Association. Chairman Kerry Gandy asked the members to think of five (5) goals for the Board to accomplish in 2006.

The next scheduled meeting is February 21, 2006 (10:00 am) at the State Office. Gerald Thomas closed in prayer.

February 21, 2006

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

Minutes of the January 30-31, 2006 meeting were reviewed. A motion carried to accept the printed minutes. No financial reports were available.

Don Matchett reviewed his calendar schedule for February and March. Application has been made for the credit card for the Worship Center FWB Church. Waiting for receipt of the card to make the change in bookkeeping. Don's 2006 contract was signed. A motion carried that Don draft a letter to a missionary who had inquired about beginning a mission work in NW Arkansas, thanking him for his inquiry and explaining that the Board was not in a position to go in that direction at the present time.

Three items of business were discussed: the December 13, 2001/ meeting with FWBIM representatives, 2006 goals for the State Mission Board, and A.C.T.S. 1:8 missionary budgets.

December 13, 2005 meeting with FWBIM representatives. Don reported that there has been no follow up from the FWBIM administration regarding the meeting. Board Chairman Kerry Gandy instructed Don to write a letter to both the administration and Board of Trustees of International Missions restating both the concerns and position of Arkansas Free Will Baptists as expressed in the meeting.

2006 Goals for the State Mission Board. Each board member present, along with Tim Campbell and Don Matchett, shared what they believed were the top five goals the board ought to strive to accomplish in 2006. From that discussion, the following two subcommittees were appointed by the chairman. They are to present the rough draft of their findings at the March 21, 2006 Board meeting.

Don Matchett and David Taylor are to meet and assemble a rough draft for an A.C.T.S. 1:8 Emphasis Month missions promotional packet.

Kerry Gandy, Tim Campbell and Don Matchett are to meet and begin work on a missions handbook for Arkansas State Missions.

A.C.T.S. 1:8 Missionary Budgets. The Board began preliminary work on the A.C.T.S. 1:8 budget proposal for 2007 to be presented to at the State meeting in August. Don Matchett will assemble the information into a rough draft proposal to be considered at the Board meeting in March.

The next scheduled meeting is March 21, 2006 (10:00 am) at the State Office. David Taylor closed in prayer.

April 4, 2006

The State Mission Board met at the State Office in Conway. Board members Jackie Brown, Randy Burris, Kerry Gandy, David Taylor, and Gerald Thomas were present, along with Mission Director Don Matchett and Executive Director Tim Campbell. After prayer requests, Don opened in prayer.

Printed minutes of the February 21, 2006 meeting were reviewed. A motion carried to accept the minutes. Financial reports for January-March, 2006 were distributed. A motion carried to accept the financial reports.

Don Matchett gave his report and reviewed his calendar schedule for March and April. Signatures are being secured for The Worship Center credit card. The transfer in bookkeeping to the State Office will take place upon receipt of the card.

Jim Fairchild (Cabot) gave a financial (January-March) and attendance/progress report. No other missionary reports were received or given.

Copies of the rough draft letter addressed to FWBIM pertaining to the December 2005 meeting with FWBIM representatives was distributed. After discussion approval was given to send. Preliminary material and pricing was presented for a missions emphasis pro-

motion packet. After review, a motion carried for the committee to move forward with the project. A motion carried to have Logo Loft submit six design concepts for an ACTS. 1:8 logo (\$249). The first section rough draft for a State Missions Handbook were distributed and reviewed. The remaining two sections are to be ready for consideration at our next meeting.

Don presented a rough draft ACTS. 1:8 missionary budgets proposal for 2007. The information will be shared with the ACTS 1:8 Task force before the next board meeting.

The next board meeting was scheduled for Tuesday, May 16, 2006 at the State Office. The meeting will begin at 9:00 am. Jackie Brown closed in prayer.

April 25, 2006 (Conference Call)

The State Mission Board held a conference call with Board members Jackie Brown, Randy Burris, Kerry Gandy, David Taylor, Gerald Thomas and Ken Winningham present, along with Mission Director Don Matchett and Executive Director Tim Campbell.

The conference call was held because of numerous calls received at the State Office from people attending the Cabot mission work. After considerable discussion, it was agreed by all Board members that the Board would arbitrate a meeting between Jim Fairchild and two concerned attendees. The meeting was set for Thursday evening, April 12th at 7:00 PM. Jim Fairchild had advised Don Matchett that he might not be at any meeting the Board set up.

A 2:00 PM Board meeting was also scheduled for that Thursday (4/27) with a two-fold purpose. First the Board would meet with Jim Fairchild and talk about the situation. Second, the Board would establish the ground rules for conducting the meeting. It was unanimously voiced by the Board that our role was to mediate with the hope of resolving the issues.

Gerald Thomas closed in prayer.

April, 27, 2006

The State Mission Board met at the State Office with Board members Jackie Brown, Randy Burris, Kerry Gandy, David Taylor and Ken Winningham present, along with Mission Director Don Matchett and Executive Director Tim Campbell. Ken Winningham opened in prayer.

At 2:00 PM Don Matchett reviewed with the Board the recent events that had led up to today. Kerry Gandy reviewed the events of an earlier telephone conver-

sation that day he had with Jim Fairchild. At 2:30 PM Jim Fairchild met with the Board. A lengthy discussion reviewed the recent events, i.e., the telephone calls received by Don Matchett from the congregation at the Worship Center. The planned 7:00 PM meeting at the Cabot Church with concerned member and Jim and Kim Fairchild, and the Mission Board was reviewed. When given an opportunity to share regarding the events, Jim submitted his written resignation as missionary pastor at Cabot to Don Matchett, citing that the meeting was wrong and he would not attend.

Before reading Jim's resignation letter, the Board met in executive session. When completed, Jim was invited to again meet with the Board. It was again emphasized that the Board's involvement was by request, and that their only interest was to mediate and help resolve the issues to be discussed. Jim was asked if he would reconsider his refusal to meet with the two congregants later that evening. He said he would attend the meeting. The Board decided to not address Jim's resignation letter until after the 7:00 PM meeting.

Randy Burris closed in prayer.

April 27, 2006

The State Mission Board met at the Worship Center Free Will Baptist Church at 7:00 PM with Board members Jackie Brown, Randy Burris, Kerry Gandy, David Taylor, Gerald Thomas and Ken Winningham present, along with Mission Director Don Matchett and Executive Director Tim Campbell. Don Hannah and Neal Blanford from the Worship Center FWB Church were in attendance. Jackie Brown opened in prayer.

Jim Fairchild called Don Matchett during the supper break to say that he would not be attending the meeting and that his resignation stood. The members present expressed shock and surprise at Jim's resignation. The Board listened to the concerns of the two people. Organization, follow up, meetings and plans made but not followed through, upkeep and cleanliness of the church and grounds, and the number of people leaving the church were the issues on their heart. Both people expressed their commitment to the church and were asked to compile a list of church needs for the Board to address.

Gerald Thomas closed in prayer.

The Mission Board then met without the congregants at Cabot. Don Matchett was asked to revamp his schedule to be at the Cabot Church through the end of May. It was agreed to ask Ronnie and Linda Whitten

to assist Don during this period. A motion carried that the Whittens be compensated for their help.

Jim Fairchild's resignation letter was read. A motion carried that his resignation be accepted. A motion carried that the Board give Jim a sixty-day severance pay (or through the end of June). This is contingent upon Jim not returning to the church and that he and Kim not contact the congregation.

A motion carried that Don Matchett be authorized to make any and all necessary decisions and/or changes, as well as give direction to the Worship Center FWB Church during the transition. The Board members were asked to begin praying about the selection of a man to assume the work at Cabot.

Tim Campbell closed in prayer.

May 16, 2006

The State Mission Board met at the State Office with Board members Jackie Brown, Randy Burris, Kerry Gandy, David Taylor, and Ken Winningham present, along with Mission Director Don Matchett and Executive Director Tim Campbell. Following prayer requests, Don Matchett opened in prayer.

The April 25 and 27, 2006 Mission Board meeting printed minutes were distributed and read. After each of the minutes was read, a motion carried to accept them. April financial reports were distributed and reviewed: ACTS 1:8 (income & expenses), State Mission Board receipts, State Mission Board checking account. A motion carried that the monies previously placed into Jim Fairchild's self-supporting bonus be returned to the General Fund.

Don gave a report on the status of the Cabot work. A motion carried to purchase a pulpit, altars, communion table, portable baptistery, and to have the rest rooms repaired (monies to come from the construction account). An April financial report for the Cabot Church was distributed. A pizza get reacquainted gathering was set for Tuesday, May 23, 2006 (6:30 PM) at the Cabot Church between the Board members, State Office directors, and the Cabot congregation. Preliminary discussion was held on the process of securing a new missionary to assume the work at Cabot. It was agreed that the replacement process begin immediately.

Don advised that no written response has yet been received from Free Will Baptist International Missions Department regarding our follow up letter concerning the December 2005 meeting held in Conway between the IM representatives and the State Mission Board,

ACTS 1:8 Task Force, and concerned pastors. Don shared a verbal report about the status of the works in Salt Lake, UT, Flagstaff, AZ, and Green Bay, WI.

Ken Winningham closed in prayer.

June 27, 2006

The State Mission Board met at the State Office with Board members Jackie Brown, Randy Burris, Kerry Gandy, David Taylor, Gerald Thomas and Ken Winningham present, along with Mission Director Don Matchett and Executive Director Tim Campbell. Following prayer requests, Randy Burris opened in prayer.

The printed minutes of the May 16, 2006 Mission Board meeting were read. A motion carried to accept them with corrections. May financial reports were distributed and reviewed. A motion carried to accept the financial reports.

Don Matchett gave his report. The A.C.T.S. 1:8 Task Force minutes were read and the 2007 budget of \$475,000.00 was presented. A motion carried to send the proposal on to the State Association annual meeting in August for adoption. The 2007 State Mission Board budget was presented. A motion carried to pay-off the Mission Director's car (\$4,081.00). A motion carried to send the revised \$190,446.00 budget to the State Association for adoption.

The Mission Director gave an update report on the work at Cabot. A May 2006 financial report was distributed. No attendance figures were available. Various building and property improvements and needs were discussed. The Board met with a candidate for the Cabot pastorate. His resume was distributed and questions were asked and fielded between the Board and the candidate. Gerald Thomas dismissed in prayer for lunch.

Kerry Gandy opened the afternoon session in prayer. The Board met with a second candidate for the Cabot pastorate. His resume was distributed and questions were asked and fielded between the Board and the candidate. At the completion of the interviews, Board members agreed to spend the next seven days praying about the candidates. A conference call will be held Wednesday evening, July 5, 2006 at 9:00 p.m.

The next Mission Board meeting was set for Tuesday, August 15, 2006 (9:00 am) at the State Office. Ken Winningham closed in prayer.

July 5, 2006 (Conference Call)

The State Mission Board held a conference call with Board members Jackie Brown, Randy Burris, Kerry Gandy, David Taylor, Gerald Thomas and Ken Winningham present, along with Mission Director Don Matchett and Executive Director Tim Campbell. Don Matchett reviewed the reason for the conference call: to decide on the direction to take in the search for a new missionary for the Cabot work.

By a four to one vote the Board agreed to continue the search process. No consensus was reached on any potential candidate. Names and resumes will continue to be solicited by the Board. It was agreed to continue making this a matter of priority in prayer.

The next Mission Board meeting was reconfirmed for Tuesday, August 15, 2006 (9:00 am) at the State Office.

August 15, 2006

The State Mission Board met at the State Office with Board members Jackie Brown, Randy Burris, Kerry Gandy, David Taylor, and Gerald Thomas present, along with Mission Director Don Matchett. Following prayer requests, Randy Burris opened in prayer.

A motion carried to receive the June 27th and July 5th Mission Board minutes as printed, distributed, and read. A motion carried that the current officers be retained for the next year.

Chairman Kerry Gandy

V. Chairman Ken Winningham

Secretary David Taylor

Don Matchett gave the Mission Director's report. A motion carried to receive the State Mission Board financial report for July as printed and reviewed. Don's August and September itinerate was shared. The Board agreed that plans for Don and Kerry to visit the mission works in Salt Lake City, Utah (Ledbetter & Warren) and Prescott, Arizona (Hammons) proceed as previously discussed.

July financial and attendance information pertaining to the Cabot work was reviewed. A motion carried that the Worship Center FWB Church be authorized to purchase a used (60 hours) John Deere mower (60" cut) for \$7,000.00. The monies will come from the church treasury, pledges from the Cabot members, and the building fund. The search continues for a missionary pastor for the Cabot work.

John Reed (Green Bay, WI) reports that an acre of land adjacent to their property has come available

(\$100,000.00). The church needs the additional land. John is trying to find the monies to purchase the property. Don shared a printout showing those international missionaries currently on state-side assignment. An update on the A.C.T.S. 1:8 Emphasis Month promotional packet and State Mission Handbook was also received.

The Board reviewed with Don Matchett the responsibilities and duties of the Mission Director, his activities, and the progress of the office and State Mission Board work. Time was spent sharing how the roles of the Board and Director had interacted during the past year in the state mission work.

The Mission Board agreed to meet with the A.C.T.S. 1:8 Task Force in September (5th) and forgo the scheduled September Mission Board meeting.

The next regular Mission Board meeting was set for Tuesday, October 17, 2006 (9:00 am) at the State Office. Jackie Brown closed in prayer.

September 5, 2006

The State Mission Board met at First FWB Church (Conway) with the A.C.T.S. 1:8 Task Force. Board members Jackie Brown, Randy Burris, Kerry Gandy, David Taylor, Gerald Thomas and Ken Winningham were present, along with Mission Director Don Matchett. Along with Task Force members, missionaries Jaimie Lancaster, Shane Davidson, Dale Bishop and Eddie Bowerman were present. Following prayer requests, Ken Winningham opened in prayer.

Nelson Henderson, Task Force Chairman, shared the purpose for the meeting: to explore for workable solutions to the crisis of deficit A.C.T.S. 1:8 missionaries accounts. With Nelson's letter of August 15, 2006 as background, it was explained that 2007 budgets totaling approximately \$800,000.00 were set by International Missions for our missionaries, while the 2007 A.C.T.S. 1:8 budget adopted at our recent state meeting was \$475,000.00. With A.C.T.S. 1:8 receipts not exceeding \$489,000.00 over the past six years and the addition of new missionaries over the same period of time, surpluses in missionary accounts have been depleted. With no significant increase in A.C.T.S. 1:8 giving, a large difference in the budgets established and those adopted, we now face a crisis of missionaries not being able to return to the field and maybe those on the field returning home-all to raise monies to bolster their accounts.

Workable solutions centered around four areas:

What can the Task Force do?

What can the missionary do?

What can the Mission Board and Director do?

What can the State Office do?

Discussion offered some positive ideas that included:

Plan for a Sunday in October to be set aside in our churches for fasting and prayer for the crisis facing our missionaries.

Ask pastors and churches to set aside a Sunday in January for receiving commitments from people to give to missions through the A.C.T.S. 1:8 Plan.

Divide up the churches in the state by the number of missionaries, and have each missionary keep special contact with their assigned churches and visit them during their furlough time.

Ask churches to give extra during the last four months of 2006 to help erase the deficit accounts.

Discussion was also made regarding developing some clear guidelines of the roles and responsibilities of the Mission Board and Director and the Task Force regarding the

A.C.T.S. 1:8 program. It was also discussed about developing a format or application process for future missionary candidates to apply for A.C.T.S. 1:8 financial funding.

Following an altar of prayer, the meeting dismissed.

After lunch the Mission Board met back at the State Office with all members present except Randy Burris.

The Board discussed possible steps to take as a Mission Board to help meet the crisis in A.C.T.S. 1:8 funding. An update was given by Don Matchett on the status at the Cabot mission, followed by discussion.

The next scheduled Mission Board meeting is set for Tuesday, October 17, 2006 (9:00 am) at the State Office. Don Matchett closed the meeting in prayer.

September 27, 2006 (Conference Call)

The State Mission Board held a conference call with board members Jackie Brown, Randy Burris, Kerry Gandy, David Taylor, Gerald Thomas and Ken Winningham present, along with Mission Director Don Matchett and Executive Director Tim Campbell.

After discussion, a motion carried that the Mission Board is open to considering a bi-vocational pastor at Cabot. A motion carried to adjourn.

October 24, 2006 (Conference Call)

The State Mission Board held a conference call with all board members on line. Mission Director Don Matchett and Executive Director Tim Campbell also took part in the conference call.

Chairman Kerry Gandy asked for a roll-call of the Board members and it was unanimously agreed to extend a second interview to Joe Tolbert. This interview was tentatively set for 10:00 a.m. Tuesday, October 31, 2006 at the State Office. Don Matchett will contact Joe about the interview and request that his wife accompany him, if possible.

Don Matchett closed the meeting in prayer.

October 31, 2006

The State Mission Board met at the State Office with all Board members present. Mission Director Don Matchett and Executive Director Tim Campbell were also in attendance. Randy Burris opened in prayer.

A motion carried to accept the minutes of the October 24, 2006 conference call. A motion carried to accept the October 17, 2006 minutes with their corrections.

Chairman Kerry Gandy reviewed the business of the day: to interview Reverend Joseph Tolbert for the position of Missionary Pastor at the Cabot Church. Questions to be asked were reviewed. It was agreed that the Board would make a decision whether to extend a call to the candidate, or not, at the end of our interview.

A motion carried to offer a salary benefit package to the missionary. A motion carried that the mission work/missionary would be a state project only. A motion carried that the Board secretary review the offer of employment agreement between the missionary and the Mission Board and email the revised version to the Board members ASAP for their review and approval.

At 10:00 am the Board met with Joe Tolbert. His wife Mandy was not able to attend due to work obligations. Gerald Thomas led in prayer. The Board members asked the candidate questions regarding ministry concepts, worship, plans, goals, problem solving, etc. Don Matchett dismissed the morning session in prayer. The Board and guests went to lunch.

Kerry Gandy opened the afternoon session in prayer. After discussion, a motion carried (unanimously) to extend a call to Joe Tolbert to be the Missionary Pastor of the Cabot work. The Board reconvened its meeting with the candidate and shared the salary benefit package being offered and extended the invitation to the

Cabot work to him. Joe said that he would be able to give an answer within a week's time.

A conference call will be set up by Don Matchett to advise the Board of Joe's decision. Jackie Brown closed the meeting in prayer.

November 21, 2006

The State Mission Board held a conference call with all Board members present. Mission Director Don Matchett and Executive Director Tim Campbell were also a part of the call.

Don Matchett informed the Board that Joe Tolbert would accept the position of missionary pastor at the Cabot work. A motion carried to hire Joe Tolbert.

Plans are for Joe's first Sunday at Cabot to be December 17, 2006. Don will be looking into a wording question on the employment agreement between the missionary and the Mission Board.

Respectfully Submitted:

Kerry Gandy (Chairman)

Ken Winningham (Vice-Chairman)

David Taylor (Secretary)

Jackie Brown

Randy Burris

Gerald Thomas

Arkansas Free Will Baptist Mission Budget 2008

Income

Variable Income Account

Co-op	\$118,250.00
Designated SM General Fund	\$270.00
Designated Cabot	\$912.00
Misc. Income Interest & Reimbursements	\$2,200.00
Transfer Income Accounts	
A.C.T.S. 1:8 Receipts for Cabot Missionary	\$51,200.00
Cabot Insurance Payment	\$3,000.00
Payment on Bank Note from Cabot	\$20,000.00
Mt. Calvary Property Receipts	\$5,850.00
Book Store Payment	\$12,727.92
Total Receipts:	\$214,409.92

Expenses

Variable Expense Accounts

Phone	\$1,500.00
Computer	\$1,000.00
Utilities	\$2,000.00
Board Mileage / Meals	\$5,000.00
Miscellaneous & Audit	\$3,000.00
Cabot Missionary travel exp to Nationals	\$1,500.00
Missions Director's Nationals, Retreats, Meetings etc	\$1,500.00
Missions Director's Travel	\$6,000.00
Cabot Missionary Travel	\$500.00
Auto Maintenance & Repair	\$400.00
Office Expense	\$700.00
Postage	\$400.00
Printing	\$1,500.00
Transfer Expense Accounts	
Cabot Missionary Salary	\$38,200.00
Cabot Housing Allowance	\$13,000.00
Payment for Cabot Property Insurance	\$3,000.00
Conway Property Payment to Apple	\$5,850.00
Bookstore payment back to Apple	\$12,727.92
Fixed Expense Accounts	
Cabot Missionary bonus	\$750.00
Rent	\$3,600.00
Missions Director's Salary	\$27,800.00
Missions Director's Housing	\$18,000.00
Missions Director's Retirement	\$1,200.00
Missions Director's Insurance	\$7,690.04
Missions Director's Social Security	\$7,000.00
Director's Bonus	\$850.00
Secretarial Expense	\$6,500.00
50402a BK \$3900 50402b Secretarial \$2600	
Simmons Bank Loan - Cabot	\$42,816.96
50242a SM - \$22,816.96 50242b Cabot \$20,000	
Auto Payment/Insurance	\$425.00
	\$214,409.92

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

June 20, 2006

The A.C.T.S. 1:8 Task Force met at the Conway First FWB Church in Conway with 13 people in attendance. Nelson Henderson, Task Force Chairman opened in prayer.

Don Matchett, State Mission Director discussed the year-to-date totals for the A.C.T.S. 1:8 program. He explained the formula currently in use was not keeping all of the missionary accounts in good standing. He also discussed the goal for 2007.

Nelson then had a discussion time with the Task Force members regarding the yearly goal and a proposal to revise the current method of fund allocation.

Motion passed to set \$475,000 as the 2007 A.C.T.S. 1:8 goal.

Motion passed to revise the current method of dispersing monies with the funds being managed on a month by month basis by the Missions Director, in conjunction with the Mission Board Chairman and Task Force Chairman. The funds reallocated to a missionary account would not exceed the original percentage of allocation to date. This proposal will supersede any previous proposal for allocation.

We recommend these two items be presented to the State Mission Board and the Arkansas State Association.

Kevin Jewell dismissed the meeting in prayer.

September 5, 2006

(Included with the State Mission Board Summaries on the corresponding date) (The Board and the Task Force met together)

ACTS 1:8 2008 Budget

International Missionaries

David Aycock	\$23,198.65
Edgmon	\$22,152.04
McDonald	\$27,048.05
Lancaster	\$47,120.04
Davidson	\$43,424.26
Bishop	\$45,828.64
Bunch	\$45,566.36
Vanhook	\$77,300.90
Bowerman	\$114,000.00
	\$445,638.94

Home Missionaries

Reed	\$17,076.07
Hammond	\$17,076.07
Warren/ Ledbetter	\$34,008.92
	\$68,161.06

State Missionaries

Joe Tolbert	\$51,200.00
Total	\$565,000.00

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

<u>Antioch Association</u>			Daisy 5,242.00			First, Newport 1,476.50		
Ben Hur	200.00		Grace	595.00		First, Tuckerman	13,962.47	
Cherry Hill	100.00		First, Glenwood	2,412.29		Mt. Harmony	2,715.62	
First, Clarksville	655.89		Hatfield	750.00		Oakland	240.00	
First, Atkins	600.00		Lodi	6,631.00		Pools Chapel	300.00	
Johnson	900.00		Pleasant Grove	2,015.00		Weavers Chapel	600.00	
First, Morrilton	411.75		Individuals	160.00		Oak Grove, Lynn	640.72	
Pine Ridge	325.00		Total Little MO River	27,620.05		New Bethel	3,024.57	
Slaty Crossing	1,050.00		<u>New Hope Association</u>			Total Polk Bayou	48,419.41	
Smith Springs	3,420.00		New Hope District	1,240.00		<u>Saline Association</u>		
Sweet Home	239.45		Cedar Heights	1,122.42		Saline District	6,250.16	
First, Dover	297.12		Center Point	4,086.00		First, Monticello	390.00	
New Life	698.26		Chapel Lane	2,264.22		First, Star City	21,783.54	
Individual	35.00		Friendship	1,363.88		First, Warren	2,026.60	
Antioch Total	8,932.47		Mt. Bethel	3,750.95		Harmony, Warren	2,999.78	
<u>Arkansas Association</u>			Sharon	3,380.00		Hillview	400.00	
Arkansas District	1,000.00		South Heights	3,854.26		Macedonia	480.00	
Boles	1,300.00		Rolling Oaks	2,700.00		First, Crossett	1,138.75	
Harmony, Waldron	630.31		Individuals	1,035.00		Oak Grove, Wilmar	204	
Keener	500.00		Total New Hope	24,816.73		Pleasant Valley	4,024.62	
Mulberry	2,320.77		<u>Southeast Association</u>			Rose Hill	4,290.58	
Pleasant Grove	400.00		Grace, McGehee	400.00		Springhill	500.00	
Hosanna	390.00		Total Southeast	400.00		Trinity, Hamburg	750.00	
Freedom	450.00		<u>Northwest Association</u>			Willoughby	150.00	
Total Arkansas	6,991.08		Northwest District	3,000.00		Yorktown	2,756.81	
<u>Central Association</u>			Moore	6,091.00		Grace (Green Bay, WI)	675.00	
Central District	10,571.59		Trinity	450.16		Individuals	540.00	
Bethel	1,440.00		Oak Lane	659.75		Total Saline	49,359.84	
Capitol City	600.00		Eureka Springs	900.00		<u>Social Band Association</u>		
First, Conway	3,027.06		First, Mt. Home	1,964.75		Social Band District	3,220.81	
First, Hot Springs	550.00		Total Northwest	13,065.66		Sharum	1,211.52	
First, Jacksonville	8,526.20		<u>Old Mt. Zion</u>			Arbor Grove	1,842.05	
First, Malvern	848.00		Bentonville	250.00		First, Corning	223.00	
First, N. Little Rock	27,459.26		Calvary	2,600.00		Faith, Jonesboro	9,667.00	
First, Russellville	24,607.70		Clifty Chapel	1,200.00		First, Jonesboro	4,386.97	
Oak Park	10,833.95		Faith	700.00		Harmony, Mt. Home	1,500.00	
Total Central	88,463.76		First, Fayetteville	480.00		First, Pocahontas	9,940.14	
<u>Fellowship Association</u>			Huntsville	995.92		Grandview	2,400.00	
Fellowship District	4,380.00		Freedom, Pea Ridge	656.69		First, Walnut Ridge	3,433.31	
First, Dardanelle	2,500.00		Hope	1,398.53		Northside	1,283.33	
Harmony, Russellville	2,515.00		Mt. Zion	775.00		Okean	960.00	
Mt. Vernon	1,400.00		New Sulphur	1,200.00		Old Reyno	5,883.88	
Union Grove	25,537.50		Pea Ridge	300.00		First, Paragould	900.00	
Welcome Home	2,743.00		Phillips Chapel	3,120.38		Sutton	9,271.04	
Woodlawn	3,594.00		Pilgrim Rest	1,000.00		United	1,450.00	
Oak Grove, Russellville	1,440.00		First, Rogers	1,056.91		CornerStone	927.25	
Individual	500.00		Victory	1,616.96		Total Social Band	58,503.30	
Total Fellowship	44,609.50		West Ridge	2,520.00		<u>Unity Association</u>		
<u>Harmony Association</u>			Durham	300.00		Bethlehem	266.65	
Harmony District	849.16		Individuals	3,645.00		Cavanaugh	15,710.83	
Corley	200.00		Total Old Mt. Zion	23,815.34		First, Charleston	11,489.54	
Plainview	6,186.00		<u>Polk Bayou Association</u>			First, Greenwood	8,344.91	
Ranger	797.24		Polk Bayou District	1,831.00		Oliver Springs	1,787.34	
Upper Spring Creek	3,759.27		Allen Chapel	10,097.32		First, Ozark	1,555.00	
Wilson	1,384.03		Ballews Chapel	5,188.03		Southside	1,950.00	
Individuals	1,375.00		Blackland Chapel	1,820.00		Vista	900.00	
Total Harmony	14,550.70		First, Cave City	1,725.00		Individuals	450.00	
<u>Little MO River Association</u>			Quail Valley	433.33		Total Unity	42,453.77	
Little MO District	4,523.84		First, Batesville	4,261.85		<u>Zion Hope #2 Association</u>		

Catcher 904.35
 Chester 1,900.00
 Cottonwood 30.00
 Independence..... 900.00
 Kenner Chapel 225.00
 Locke 1,800.00
 Eighty-Eight..... 50.00
 First, Mulberry..... 200.00
 Riverdale..... 452.13
 First, Fort Smith 325.17
 Hertiage Oaks 351.00
 Total Zion Hope #2 7,137.65

Other

Crosspoint (UT)..... 863.25
 The Worship Center..... 350.00
 United Baptists, Green Forrest... 1,100.00
 This One Thing 2673.15
 Individuals 1,909.88
 Brotherhood Mutual Dividend .. 5,000.00
 Community FWB 250.00
 Lafferty Community Church 400.00
 Total Other 12,546.28
 Total of All Associations..... 471,685.59

AR WAC

Antioch

Antioch WAC 226.00
 Slaty Crossing WAC 108.50
 Smith Springs WAC 400.00
 Sweet Home WAC 120.00
 Ola WAC..... 300.00
 New Life WAC 100.00
 Mt. Home WAC 130.00
 Total Antioch WAC..... 1,592.50

Central

First, Conway WAC..... 364.68
 First, Hot Springs WAC 315.00
 First, Malvern WAC..... 8.25
 First, N. Little Rock WAC..... 893.62
 First, Russellville WAC..... 520.00
 Oak Park WAC 800.00
 Total Central..... 3,226.55

Fellowship

Dardanelle WAC 25.00
 Harmony, Russellville WAC 300.00
 Mt Vernon WAC..... 208.00
 Union Grove WAC 1,800.00
 Welcome Home WAC 123.00
 Woodlawn WAC 636.00
 Oak Grove, Russellville WAC..... 120.00

Total Fellowship 3,004.00

Harmony

Upper Spring Creek WAC 360.00
 Total Harmony 360.00

Little MO River

Daisy WAC..... 200.00
 Lodi WAC..... 100.00
 Total Little MO River..... 300.00

New Hope

Center Point WAC..... 60.00
 South Heights WAC..... 240.00
 Total New Hope 300.00

Polk Bayou

Polk Bayou District WAC 180.00
 Allen Chapel WAC 2,500.00
 Ballesws Chapel WAC..... 95.00
 Blackland Chapel WAC..... 250.00
 First Newport WAC 60.00
 Mt. Harmony WAC..... 325.66
 Weavers Chapel WAC 100.00
 Total Polk Bayou..... 2,510.66

Saline

Saline District WAC 114.26
 First, Warren WAC..... 392.68
 First, Crossett WAC..... 960.00
 Pleasant Valley WAC 480.00
 Total Saline..... 1,946.94

Social Band

First, Jonesboro WAC 480.00
 First, Pocahontas WAC 235.00
 First, Walnut Ridge WAC..... 110.00
 Sutton WAC 360.00
 Total Social Band 1,185.00

Unity

First, Charleston WAC 306.00
 Oliver Springs WAC 550.00
 Riverview WAC 659.82
 Total Unity 1,515.82

Zion Hope #2

Centerpoint WAC 20.00
 Kenner Chapel WAC 115.00
 First, Mulberry WAC..... 350.00
 First, Fort Smith WAC 40.00
 Cornerstone WAC..... 432.15
 Total Zion Hope #2 957.15
 Total AR WAC..... 17,848.62
 Grand Total..... 489,584.21



JOHN W. STOTTMAN, JR., CPA PA

A PROFESSIONAL ASSOCIATION
Certified Public Accountant

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JOHN@STOTTMAN.COM

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, 2006 and 2005, 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.

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.

In my opinion, 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, 2006 and 2005 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 3, 2007

Members

American Institute of
Certified Public Accountants
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, 2006 AND 2005

ASSETS:	<u>2006</u>	<u>2005</u>
Cash	\$ 102,808	\$ 137,346
Cash - Savings Accounts	0	3,427
Cash - Trust Account	359,364	335,079
Property	672,973	667,478
Auto, Equipment & Leasehold Improvements	12,162	12,880
Mortgage/Notes Receivable	<u>169,563</u>	<u>177,801</u>
 Total Assets	 <u>\$ 1,316,870</u>	 <u>\$ 1,334,011</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
LIABILITIES:		
Bonus Payable	\$ 0	\$ 3,427
Escrow Payable	2,375	2,375
Mortgage/Notes Payable	<u>487,880</u>	<u>498,036</u>
 Total Liabilities	 <u>490,255</u>	 <u>503,838</u>
 NET ASSETS:		
Unrestricted	812,831	815,855
Temporarily Restricted	<u>13,784</u>	<u>14,318</u>
 Total Net Assets	 <u>826,615</u>	 <u>830,173</u>
 Total Liabilities and Net Assets	 <u>\$ 1,316,870</u>	 <u>\$ 1,334,011</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, 2006 AND 2005**

	2006			2005	
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	TOTAL
REVENUE:					
General Fund Income	\$ 120,064	\$	\$	\$ 120,064	\$ 122,113
Designated Income			1,169	1,169	461
Mission Conference Revenue	4,008			4,008	0
Missionary Income-Cabot		25,861		25,861	39,384
Miscellaneous Income	1,876			1,876	0
Interest Income	25,383	28		25,411	22,133
Gain (loss) on Disposition of Assets				0	(37,515)
Gain (loss) on Transfer of Assets To Self-Support Churches				0	0
Net Assets released from restrictions: Restrictions satisfied by payments	27,592	(26,423)	(1,169)	0	0
Total Revenue	178,913	(534)	0	178,379	148,276
EXPENSES:					
Board Meetings & Meals	8,870			8,870	9,938
Telephone	1,979			1,979	2,107
Printing	162			162	1,406
Postage	233			233	727
Office Supplies	1,550			1,550	427
Secretarial Expense	3,900			3,900	4,875
Computer Expense	1,383			1,383	1,824
Professional Fees	2,850			2,850	2,200
Designated Contributions	1,169			1,169	481
Workman's Comp Insurance	0			0	(150)
Miscellaneous	4,970			4,970	5,301
Auto & Travel Expenses	7,677			7,677	12,521
Repairs & Maintenance	1,044			1,044	637
Missionary Expenses-Cabot	17,118			17,118	48,776
Mission Conference Expenses	3,008			3,008	0
Contributions to Cabot Mission	0			0	4,251
Cabot Expenses	16,836			16,836	0
Expense for Contributed Property	0			0	(471)
Task Force Expense	1,353			1,353	0
Vision Promotion	2,703			2,703	0
Directors Salary, Housing & Social Sec.	51,660			51,660	50,198
Directors Insurance & Retirement	8,333			8,333	7,543
National Association Expenses	1,094			1,094	1,234
Depreciation Expense	4,000			4,000	3,497
Interest Expense	40,045			40,045	31,366
Total Expenses	181,937	0	0	181,937	168,718
Increase (Decrease) In Net Assets	(3,024)	(534)	0	(3,558)	(42,442)
Net Assets - Beginning of Year	815,855	14,318	0	830,173	872,615
Net Assets - End of Year	\$ 812,831	\$ 13,784	\$ 0	\$ 826,615	\$ 830,173

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, 2006 AND 2005

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2006</u>	<u>2005</u>
Increase <decrease> in net assets	\$ <3,558>	\$ <42,442>
Add: Loss on disposition of property	0	37,815
Depreciation	4,000	3,497
Increase <Decrease> in:		
Bonus payable	<3,427>	1,119
Escrow payable	<u>0</u>	<u>700</u>
Net Cash Provided by Operating Activities	<2,985>	689
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property	<8,777>	<42,017>
Proceeds from collection from Mortgage Receivable	8,238	5,244
Sales proceeds from property	0	97,184
Mortgage Advance	<u>0</u>	<u><4,000></u>
Net Cash Provided <Used> from Investing Activities	<539>	56,411
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loan Proceeds	0	61,700
Repayment of Debt	<u><10,156></u>	<u><12,317></u>
Net Cash Provided by Financing Activities	<u><10,156></u>	<u>49,383</u>
Net Increase <Decrease> in Cash	<13,680>	106,483
Cash at Beginning of Year	<u>475,852</u>	<u>369,369</u>
Cash at End of Year	\$ <u>462,172</u>	\$ <u>475,852</u>
SUPPLEMENTAL DISCLOSURES:		
Cash Paid During the Year for Interest	\$ <u>40,045</u>	\$ <u>31,366</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, 2006 AND 2005

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, 2006 AND 2005

NOTE 1- CONTINUED

Property

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>2006</u>	<u>2005</u>
Land & building - Cabot, Arkansas	\$ <u>672,973</u>	\$ <u>667,478</u>
	<u>\$ 672,973</u>	<u>\$ 667,478</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>2006</u>	<u>2005</u>
Auto	\$ 12,564	\$ 12,564
Office furniture & equipment	7,104	3,821
Leasehold improvements	<u>2,198</u>	<u>2,198</u>
	21,866	18,583
Less Accumulated Depreciation	<u>9,704</u>	<u>5,703</u>
Total Property, Equipment & Leasehold Improvements	<u>\$ 12,162</u>	<u>\$ 12,880</u>

ARKANSAS STATE HOME MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 2006 AND 2005

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>2006</u>	<u>2005</u>
Missionary -- Cabot	\$ <u>13,784</u>	\$ <u>14,318</u>
	\$ <u>13,784</u>	\$ <u>14,318</u>

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

ARKANSAS STATE HOME MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</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.	\$ 487,880	\$ 491,810
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>0</u>	<u>6,226</u>
	<u>\$ 487,880</u>	<u>\$ 498,036</u>

The aggregate maturities of the notes are as follows:

2007	\$ 2,666
2008	2,895
2009	3,143
2010	3,412
2011 and thereafter	475,764

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, 2006 is \$ 359,364.



ARKANSAS STATE YOUTH BOARD

150 BEAVERFORK ROAD • CONWAY, AR 72032
501-329-6734

January 30, 2006

- *Johnny Miller opened in prayer.
- *Ken Brown read the Minutes and motion carried to accept as read.
- *Pat Baze read the Financial Report and motion carried to accept as read.
- *Motion carried to award Beth Dennis \$696.11 from Youth Scholarship fund.
- *Motion carried to spend \$2,000.00 to repair the pool.
- *Motion carried to adjourn.

April 18, 2006

- *Johnny Miller opened in prayer.
- *Ken Brown read the Minutes and motion carried to accept as read.
- *Pat Baze read the Financial Report and motion carried to accept as read.
- *Motion carried to spend up to \$1,400.00 for Bush hog.
- *Motion carried to spend \$5.00 per chair plus shipping to recover them.
- *Motion carried to adjourn.

July 13, 2006

- *Tim Landers opened in prayer.
- *Ken Brown read the Minutes and motion carried to accept as read.
- *Pat Baze read the Financial Report and motion carried to accept as read.
- *Motion carried to ask Pat Baze to continue as Camp Director with full support of the Board.
- *Motion Carried to accept the new budget.
- *Motion carried to adjourn.

September 21, 2006

- *John Gilliland opened in prayer.
- *Ken Brown read the Minutes and motion carried to accept as read.
- *Pat Baze read the Financial Report and motion car-

ried to accept as read.

- *Motion carried to spend up to \$2,500.00 for computer and projector for Camp.
- *Motion Carried to keep officers same as last year.
- *Motion carried to accept Speakers and musicians as mentioned in meeting for camp.
- *Motion carried to adjourn.

December 07, 2006

- *Johnny Miller opened in prayer.
- *Ken Brown read the Minutes and motion carried to accept as read.
- *Pat Baze read the Financial Report and motion carried to accept as read.
- *Motion carried to accept letter of Resignation from Lynn Crawford.
- *Motion Carried to pay Mule off.
- *Motion carried to adjourn.

2008 Proposed Youth Board Budget

Receipts:

Coop Plan	96,250.00
Camp Registration & Concessions	55,000.00
Camp Rentals	40,000.00
Interest Income	400.00
CTS Rally	8,200.00
Gifts & Contributions	3,900.00
<i>Total Receipts:</i>	<i>203,750.00</i>

Director's Salary	37,563.00
Director's Insurance	8,000.00
Director's Home Equity	600.00
Maintance Caretaker's Salary	15,500.00
Clerical Salary	3,000.00
Auto Payment	3,933.00
Car Expense	3,000.00
Utilities	30,000.00
Camp Insurance	13,404.00
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 Maintaeance	2,000.00
Food Service	19,000.00
Food Service Labor	3,900.00
Camp Equipment Operations	2,000.00
Repairs	12,000.00
Supplies	8,000.00
Camp Labor	4,000.00
Guest Speakers	5,750.00
Board Mileage & Meals	3,000.00
Loan Payment	10,000.00
Printing	1,000.00
Camp Games & Recreation	1,000.00
T-Shirts	2,500.00
<i>Total Disbursement:</i>	<i>203,750.00</i>



JOHN W. STOTTMAN, JR., CPA PA

A PROFESSIONAL ASSOCIATION
Certified Public Accountant

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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, 2006 and 2005, 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, 2006 and 2005, 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.

Russellville, Arkansas
July 19, 2007

Members

American Institute of
Certified Public Accountants
Arkansas Society of
Certified Public Accountants

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
BALANCE SHEETS
DECEMBER 31, 2006 AND 2005

	ASSETS	
	2006	2005
CURRENT ASSETS:		
Cash in bank	\$ 55,811	\$ 58,582
Cash-contingency fund	1,235	1,227
Cash-capital improvements fund	2,226	2,212
Cash-Arkansas Youth Scholarship fund	596	596
Accounts receivable	<u>11,133</u>	<u>11,097</u>
Total Current Assets	71,001	73,714
FIXED ASSETS:		
Land and buildings	333,760	333,760
Auto	19,973	19,973
Equipment	71,222	71,222
Camp improvements	228,980	209,626
Less: accumulated depreciation	<u><186,308></u>	<u><162,858></u>
Total Fixed Assets	<u>467,627</u>	<u>471,723</u>
TOTAL ASSETS	<u>\$ 538,628</u>	<u>\$ 545,437</u>
	LIABILITIES AND FUND BALANCES	
CURRENT LIABILITIES:		
Current portion of L-T debt	\$ 11,246	\$ 10,154
Accounts payable	1,883	2,022
Payroll taxes payable	1,145	1,061
Designated contributions payable	<u>1,296</u>	<u>1,296</u>
Total Current Liabilities	15,570	14,533
LONG-TERM DEBT:		
Notes payable (Less: current portion of L-T debt)	<u>78,052</u>	<u>100,971</u>
TOTAL LIABILITIES	93,622	115,504
FUND BALANCE:		
Fund balance, Beginning of Year	429,933	422,713
Excess revenue over expenses	<u>15,073</u>	<u>7,220</u>
Fund balance, End of Year	<u>445,006</u>	<u>429,933</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 538,628</u>	<u>\$ 545,437</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, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
REVENUE:		
COOP	\$ 94,298	\$ 88,315
Camp rentals	27,058	27,775
Registration & concessions	55,988	46,748
CTS rally	7,420	7,470
Gifts and contributions	41,847	16,356
Interest income	414	309
Hurricane relief income	<u>10,700</u>	<u>42,405</u>
Total Revenues	237,725	229,378
EXPENSES:		
Salaries-director	37,563	36,383
Auto expense	5,012	5,089
Utilities	30,590	25,880
Insurance-camp	13,440	13,869
Insurance and retirement-director	8,000	8,000
Payroll taxes	4,996	4,768
Office supplies	152	23
Professional fees	2,818	2,300
CTS rally	4,978	4,991
Meetings & conventions	2,476	1,227
Interest expense	4,667	6,219
Miscellaneous	6,832	4,340
Scholarships	500	1,000
Pool upkeep	2,856	2,150
Food service	18,657	14,859
Food service-labor	2,625	1,500
Supplies	10,346	7,839
Repairs & maintenance	11,896	11,266
Postage	192	201
Camp labor	24,730	25,706
Guest speakers	3,250	5,847
Board mileage & meals	2,540	3,326
Printing	86	1,653
Hurricane relief cost	0	10,385
Depreciation	<u>23,450</u>	<u>23,337</u>
Total Expenses	<u>222,652</u>	<u>222,158</u>
Excess Revenues Over Expenses	<u>\$ 15,073</u>	<u>\$ 7,220</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, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
CASH FROM OPERATING ACTIVITIES:		
Net revenue <loss> over expenses	\$ 15,073	\$ 7,220
Adjustments to reconcile net revenue over expenses to net cash provided by operations:		
Depreciation	23,450	23,337
(Increase)decrease in accounts receivable	<36>	4,541
Increase(decrease) in accounts payable	<139>	220
Increase(decrease) in payroll tax payable	<u>84</u>	<u><422></u>
Net Cash Provided by Operating Activities	38,432	34,896
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	<u><19,354></u>	<u><22,257></u>
Net cash used in investing activities	<19,354>	<22,257>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	<21,827>	<8,537>
Proceeds from debt	<u>0</u>	<u>16,746</u>
Net cash used by financing activities	<u><21,827></u>	<u>8,209</u>
Net increase (decrease) in cash	<2,749>	20,848
Cash at beginning of year	<u>62,617</u>	<u>41,769</u>
Cash at end of year	\$ <u>59,868</u>	\$ <u>62,617</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, 2006 AND 2005**

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 \$ 23,450 and \$ 23,337 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:

2006	\$ 4,667
2005	\$ 6,219

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, 2006 AND 2005

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, 2006 and 2005, due payable to Camp Beaverfork, Arkansas Free Will Baptist Youth Camp, Inc.

NOTE 2 - NOTES PAYABLE

	<u>2006</u>	<u>2005</u>
Note payable-Simmons First Bank, Conway, Arkansas, requires monthly installments of \$ 804, including principal and interest at an annual percentage rate of 5.75%. This note is secured by property & equipment.	\$ 74,242	\$ 90,764
Note payable-Simmons First Bank, Conway, Arkansas, requires monthly installments of \$ 206, including principal and interest at an annual percentage rate of 6%. This note is secured by equipment.	3,345	5,547
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>11,711</u>	<u>14,814</u>
	89,298	111,125
Less: Current portion L-T Debt	<u>11,246</u>	<u>10,154</u>
Long-term Debt	\$ <u>78,052</u>	\$ <u>100,971</u>

Scheduled minimum maturities of long-term debt over the years subsequent to December 31, 2006, are as follows:

2007	\$ 11,246
2008	10,466
2009	10,046
2010	7,938
2011 and thereafter	49,602

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP, INC.
NOTES TO FINANCIAL STATEMENTS-(CONTINUED)
DECEMBER 31, 2006 AND 2005

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>2006</u>	<u>2005</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, 2006 all of the corporation's money was insured.

2007 Nomination Committee Report

(Nominees are underlined)

EXECUTIVE BOARD:

2007 Will Harmon *

Recommendation

Tommy Tims

Nomination

2007 Jim Walker

Jim Walker

2008 David Watson

2008 David Copeland

2009 Bobby Shepherd

2009 Mark Stripling

STATE MISSION BOARD:

2007 Randy Burris *

Joe Ray Short

2007 David Taylor **

Jason Scott

2008 Jackie Brown

2008 Kerry Gandy

2009 Ken Winningham

2009 Gerald Thomas

YOUTH BOARD:

2007 Darren Walker

Cody Alley

2007 John Gilliland

John Gilliland

2008 Tim Landers

2008 Joey Polslewaite

2009 Ken Brown

2009 Johnny Miller

CHRISTIAN EDUCATION BOARD:

2007 Randy Scott

Randy Scott

2007 Tim Harris

Tim Harris

2008 Kevin Jewell

2008 Vince Daniel

2009 Clark Snow

2009 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:

Will Harmon

David Taylor

FWB FAMILY MINISTRIES BOARD MEMBER:

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.