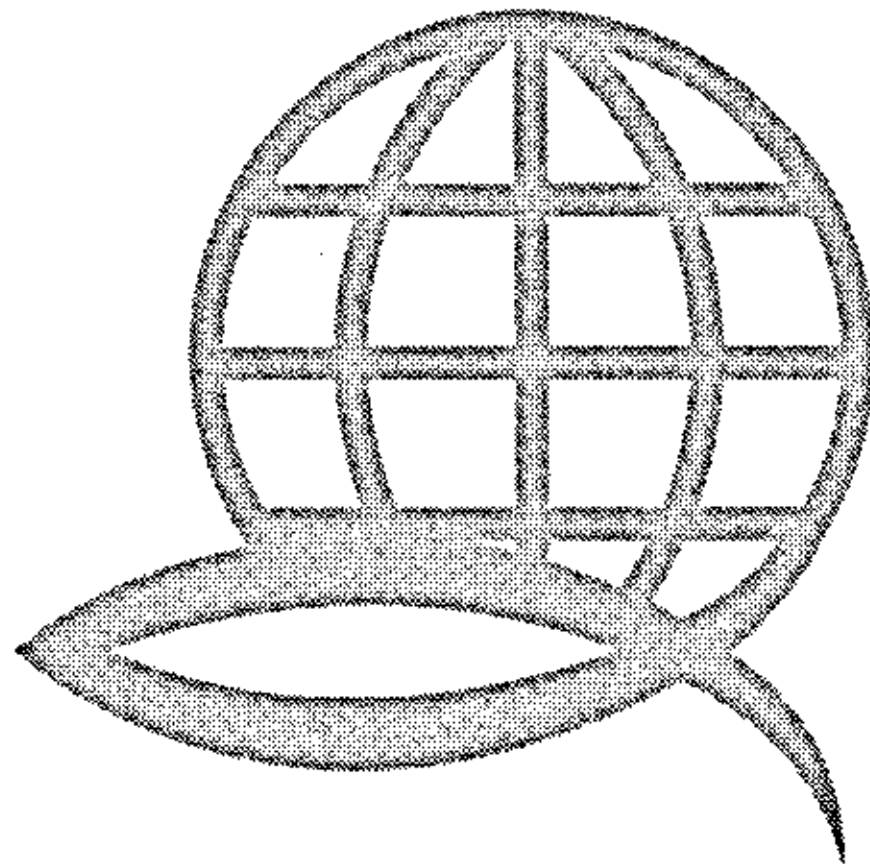


Minutes
of the
One-Hundred Fifteenth Annual Session
of the
Arkansas State Association
of
Free Will Baptists

Camp Beaverfork
Conway, Arkansas
August 6-7, 2012



Moderator of the 115th Session

Nelson Henderson
P.O. Box 86
Pocahontas, Arkansas 72455

Clerk for the 115th Session

Wendell Leckbee
3731 Lakeshore Drive
North Little Rock, Arkansas 72116

MINUTES
of the
115th Annual Session
of the
ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS

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OFFICERS AND STANDING BOARDS

2012-2013

EXECUTIVE BOARD

| | |
|----------------------|------|
| Kevin Barnett..... | 2013 |
| Will Harmon | 2013 |
| Paul Payne..... | 2014 |
| David Taylor | 2014 |
| Mark Stripling..... | 2015 |
| Terry Spradlin | 2015 |

MISSION BOARD

| | |
|-----------------------|------|
| Joe Short..... | 2013 |
| Blaine Rogers..... | 2013 |
| Michael Morrison..... | 2014 |
| David Winfrey..... | 2014 |
| Russell Thomas | 2015 |
| Jeff Holland..... | 2015 |

YOUTH BOARD

| | |
|----------------------|------|
| Alan Thomas | 2013 |
| B. J. Duvall | 2013 |
| Jason Sullivan | 2014 |
| Craig Batts | 2014 |
| Tim Foreman..... | 2015 |
| Jason Nichols | 2015 |

CHRISTIAN EDUCATION BOARD

| | |
|------------------------|------|
| Travis Alexander | 2013 |
| Greig Caswell..... | 2013 |
| Cody Alley | 2014 |
| David Ponder | 2014 |
| Jim Walker | 2015 |
| David Harper..... | 2015 |

| | |
|--------------------------|------------------|
| MODERATOR..... | Nelson Henderson |
| ASSISTANT MODERATOR..... | Randy Scott |
| CLERK | Wendell Leckbee |
| ASSISTANT CLERK | Keith Bowden |

OFFICERS OF DISTRICT ASSOCIATIONS

ANTIOCH

Moderator-Kirk McConnell
10176 Clear Lane
Dardanelle, AR 72834
(479)264-5497

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

ARKANSAS

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

Clerk-Vickie Roberson
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Bluffton, AR 72827
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CENTRAL

Moderator-Wendell Leckbee
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wendellLeckbee8503@comcast.net

Clerk-Lori Hudman
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hogcomet@gmail.com

FELLOWSHIP

Moderator-David Bishop
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Clerk-Betty Hambright
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HARMONY

Moderator-Ronnie Garrett
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Clerk-Rhonda Mitchell
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LITTLE MISSOURI RIVER

Moderator-David Taylor
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Hot Springs, AR 71913
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taylorgolf@juno.com

Clerk-Deshe Ledbetter
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NEW HOPE

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NORTHWEST

Moderator-James Edwards
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Clerk-Joey Wilson
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OLD MOUNT ZION

Moderator-Eddie Davis
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POLK BAYOU

Moderator-David Winfrey
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Clerk-Billy Corter
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SALINE

Moderator-Billy Wilson
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SOCIAL BAND

Moderator-Randy Scott
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Clerk-Shirley Smith
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Jonesboro, AR 70404
(870)935-2646
prattgirl4@hotmail.com

SOUTHEAST ARKANSAS

Moderator-Phillip Payne
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Clerk-Celesta Payne
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UNITY

Moderator-Jackie Brown
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Clerk-Kendall Ross
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ZION HOPE #2

Moderator-Lloyd Shores
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Clerk-Gary O'Kelley
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PROCEEDINGS

Monday Evening, August 6, 2012

The 115th annual session of the Arkansas State Association of Free Will Baptists met at Camp Beaverfork, Conway AR on August 6-7, 2012.

Tim Landers was responsible for the music during the State Association. David Winfrey served as the pianist.

Wendell Leckbee, Clerk, welcomed those present, called the session to order, and introduced the Moderator. Moderator, Nelson Henderson, made announcements and added his welcome to those attending and led in prayer.

The Committee on Committees was elected as follows: Paul Payne, Jim Walker, Tim Foreman, Kevin Haralson and B. J. Duvall.

Tim Landers led the congregation in singing "*Standing on the Promises*" and "*At Calvary*".

Kendall Ross read the Scripture from Isaiah 55. Stanley Vandergrift led in prayer.

Kenneth Clark, deacon at Ballew's Chapel in Grubbs spoke from Matthew 16:3b regarding "Fortunate Son – the Importance of the Local Church" as it related to what Ballew's Chapel meant to him. He then led the congregation in singing "*Turn Your Eyes Upon Jesus*".

Tim Campbell added his welcome and introduced Greig Caswell, Pastor of Center Point, Vilonia, who presented the message "Grace and Its Importance in the Life of Every Believer". His text was Ephesians 2:4-8 and Acts 20:24. Before he spoke, special music was presented by the Ballew's Chapel Church Choir who sang "*Since I Have Been Redeemed*" and "*Let Us Worship the King*".

Tim Landers led the congregation in singing "*Amazing Grace*".

Report of the Committee on Committees was received.

Tuesday Morning, August 7, 2012

The service opened with a welcome from Nelson Henderson who delivered the Moderator's Message "Pre-Programming" as it relates to planning services – "You Can't Rush God". He read Psalms 46 and then led in prayer.

Report of the Credentials Committee was read by the clerk. Motion passed to accept the report and seat the delegates.

Keith Burden, Executive Secretary of the National Association, addressed the attendees regarding the work of the Executive Department. He expressed appreciation for Arkansas and its people. He requested prayer for a special need. Tim Campbell led in prayer.

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

Report of the Executive Director was given by Tim Campbell. Ricky Taylor presented the audit report. Tim Campbell expressed appreciation for those working at the State Office. He also acknowledged the receipt of David Joslin's papers from Mary Kay Joslin and \$500 a month payment from Union Grove toward the principal payment of the State Office debt.

The report was accepted and the budget adopted.

Mark Stripling and Terry Spradlin were elected to the Executive Board.

A plaque recognizing Bobby Shepherds service on the Executive Board was presented by Tim Campbell.

Mark Stripling presented a recommendation from the Executive Board that the Brotherhood Mutual dividend check be directed to the Master's Men Electrical Project at Camp Beaverfork. Motion passed.

Stan Bunch, former Missionary to Panama, expressed appreciation for the support he received from Arkansas.

A motion to move the State Meeting was presented and discussed. This gives the Executive Committee permission to arrange the State Meeting dates for 2013 and 2014 on a temporary basis. "The Arkansas State Association of Free Will Baptists annual meeting, be held for a trial period of two years, 2013 and 2014, at a date appointed by the Executive Committee that would take place before the National Association of Free Will Baptists annual meeting. A vote by the delegates in 2014 would take place whether to permanently keep the annual meeting before the National or move the State annual meeting back to August". It was ruled that a constitutional change was not required. Motion passed.

Ray Lewis, President and CEO, Board of Retirement and Insurance, expressed appreciation of the opportunity to serve Free Will Baptists. He noted that in response to requests, they now provide investors four different options for their investments.

Report of the Christian Education Board was given by Greig Caswell. The report was received and the budget adopted.

Jim Walker and David Harper were elected to the board.

David Womack, Randall House, brought words of greeting and appreciation.

Tim Eaton, President of Hillsdale, expressed appreciation for Arkansas trustees, financial support, students and prayers.

Kendall Ross was elected as Trustee for Hillsdale.

Missionaries to Uruguay, Jamie and Tammy Lancaster, addressed those present to report on their work and to express their appreciation.

David Williford, Vice President of Institutional Advancement, Welsh College, shared information about the college. He discussed the new "Webinars" that would be offered at no charge on subjects regarding preaching, youth work, ladies in service as well as other topics. Emphasis Month will be moved from December to February and that much of this offering goes to student scholarships. He expressed appreciation for prayers, students and financial support.

Report of the Special Finance Committee was given by Mark Stripling regarding the sale of the Cabot property and the administration of those funds. Board report after discussion was adopted.

The meeting was adjourned.

Tuesday Morning Worship Service, August 7, 2012

Services began with Tim Landers leading the congregation in singing "*He's Been So Good to Me*" and "*Trust and Obey*".

Jackie Brown read Psalms 124 as the Scripture reading and led in prayer.

Denver Robinson, who has been the pastor of Slaty Crossing at Ola for 13 years, was introduced as the speaker for the worship service by Nelson Henderson. His text was II Chronicles 7:12-14. He spoke in regard to "Christians, the Condition of America, the Importance of Prayer, Seeking God and Turning from Wicked Ways".

Ken Akers, Director of the National Master's Men Department, reported on the work of the department and expressed appreciation for local, State and National supporters.

The meeting was adjourned.

Tuesday Afternoon, August 7, 2012

The meeting was called to order and Paul Payne led in prayer.

The Report of the Youth Board was given by Brian Kesterson. Ricky Taylor presented the audit report. The report was received and the budget adopted.

Tim Foreman and Jason Nichols were elected to the Youth Board.

The Report of the State Youth Director was given by Brian Kesterson. He presented the \$1,410.20 collected at Youth Camp to Debbie Stripling of the Florence Crittenton Home.

Johnny Miller, Arkansas Representative to Free Will Baptist Family Ministries, introduced Frank Woods. Debbie Stripling joined him in presenting Johnny Miller a plaque in appreciation of his service.

Frank Woods' remarks included the dangers facing all young people, his appreciation of Dr. James Kilgore on a national level and of Debbie Stripling in the State of Arkansas.

Debbie Stripling commented on young people at the home and its ministry to them.

Wendell Leckbee was elected as Arkansas Representative to the Free Will Baptist Family Ministries Board.

David Brown, Director, Free Will Baptist Foundation, reported on the work and strength of the Foundation.

Heath Hubbard, Missionary to Japan, expressed thanks for the support of Arkansas.

Tommy Jones, Missionary to Pennsylvania, said thanks to the State of Arkansas for the support of his ministry during the last 17 years. He is now working to plant a second church in Pennsylvania.

The Report of the Missions Director was given by Don Matchett. Ricky Taylor gave the audit report. The report was received and the budget adopted.

Russell Thomas and Jeff Holland were elected to the Mission Board.

Ricky Taylor expressed appreciation to all those who have done so much for his family and especially for his daughter, Ashley, who was diagnosed with cancer in December 2011.

Shane and Joy Davison, Missionaries to France, reported on their ministry.

David Outlaw, Missionary to Asia, gave greetings and a report on their ministry.

Bobby Shepherd, Board Member of Home Missions, expressed appreciation for the support of Home Missions by Arkansas.

Clint Morgan, Director of International Missions, brought greetings and appreciation to Arkansas people.

Dale Bishop, Missionary to Japan, reported on their ministry there.

The Report of the Resolution Committee was read by the clerk and the motion to receive the report was carried.

The Report of the Obituary Committee was read by Keith Bowden, Assistant Clerk. Travis Alexander led in prayer.

Delegates to the 2013 National Association were elected as follows: Cameron Lane, Janice Zackery, Mike Wilson, Brenda Housley and Janie Campbell.

State officers elected were: Moderator-Nelson Henderson, Assistant Moderator-Randy Scott, Clerk-Wendell Leckbee and Assistant Clerk-Keith Bowden.

Motion to adjourn accepted after prayer by Blaine Rogers.

Tuesday Evening Worship Service, August 7, 2012

Pre-Meeting music was presented by Keeli Matchett.

Nelson Henderson called the meeting to order.

The Report of the Master's Men was given by Jared Fowlkes, President. The report was received.

Kurt Heatherington, James Green and Associates, presented the Brotherhood Mutual dividend check to Tim Campbell. He explained the system and the honor to serve Free Will Baptists.

Tim Landers led the congregation in singing "*We Have Met to Worship*" and "*We're Marching to Zion*".

Randy Scott read Scripture, II Corinthians 4 and then led in prayer.

The Statistics Report was read. Motion adopted to accept the report.

An offering of \$1,048 was received.

Nelson Henderson introduced the special music by Don Matchett, Melissa Matchett and Ben Campbell and Clint Morgan, Director of International Missions, who presented the evening message from Acts 26:16-18 "Ministry Leads to Witnessing".

Clint Morgan and Ben Campbell received Arkansas Travelers certificates in appreciation of their visit to Arkansas.

Nelson Henderson made closing remarks and adjourned the 115th State Meeting.

REPORTS

REPORT OF THE COMMITTEE ON COMMITTEES

Credentials: John Fowlkes, Victor Hunter, Jerry Bromley, David Bishop, Bruce Thurman

Nominating: Ronnie Whitten, B. J. Duvall, Randy Burris, Travis Alexander, Billy Wilson

Obituary: Betty Hambright, Alene Coffman, Mark Stripling, Sandy Forman, Eldon Bagwell.

Resolution: Eddie Davis, Danny O'Neal, Joe Ray Short, O. D. Winfrey, Kendall Ross

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 Mount Zion, Polk Bayou, Saline, Social Band, Southeast, and Zion Hope #2.

Unity: Vista has not paid fees. (Paid 9/2012)

We recommend those who have sent in letters and fees be received and their delegates be seated.

Respectfully submitted: Credentials Committee

John Fowlkes, Victor Hunter, David Bishop, Jerry Bromley and Bruce Thurman

REPORT OF THE YOUTH DIRECTOR

After 41 years of service to Arkansas FWB Youth, Camp Beaverfork is still committed to providing a place where the lives of youth are changed forever. I want to personally thank everyone who has given of their time and money over the past year. This ministry is "Team" ministry with a heart!

Youth Retreat: We have 186 in attendance for the Kid's Retreat and 202 in attendance for the Teen Retreat. The dates for the 2013 have been set as follows: Kids Retreat (February 22-23, 2013), Teen Retreat (March 1-2, 2013)

State Youth Competition: We saw a slight increase in the 2012 State Competition. We had a total of 241 entries come to Russellville this year and watched 123 entries move to Memphis for the NYC Competition. 62 entries placed at the national level: 28 – 1st Place and 21 – 2nd Place and 13 – 3rd Place. Date for the 2013 State Youth Competition is Saturday April 27, 2013 at Russellville First FWB Church. (Note Randal House has released the new "Guidelines" going into effect 2013.)

National Youth Conference: Arkansas' youth continued to make an impact during NYC by participating in several national opportunities. We had students participating in Youth Evangelistic Team, E-Team, Truth and Peace Student Leadership Conference. During the NYC week, Arkansas youth got involved with IMPACT Memphis and Reach That Guy. Congratulations to Charlotte Thomas (First FWB, Greenwood) for being selected as the 2012 Youth Worker of the Year.

2012 Camp Season: 849 Campers and Staff attended Camp Beaverfork this year. This was a decrease from last year, but this did not stop the working of the Lord. This was proven by seeing 28 Salvation decisions, 26 Rededications, 96 other decisions and 6 answered the call into ministry.

Camp rentals are vital to help sustain the camp throughout the year. In 2011, Camp hosted 16 rentals and all our renters from past season is booked again. Last October, youth workers from around the states attended the Youth Workers Retreat. This year one male and one female, who will be enrolled this fall at a Free Will Baptist College, will be awarded a \$500.00 scholarship. The electrical project has been a labor of love and of sacrificial giving. The balance is \$18,783.28 and money continues to come in monthly.

REPORT OF THE ARKANSAS WOMEN ACTIVE FOR CHRIST

The 9th Annual President's Luncheon was held on February 11, 2012 at the Conway First FWB Church. The theme was "God's Time, Our Talents, His Glory". 35 ladies attended and shared ideas and had a great time of fellowship. Lunch was served by the Arkansas WAC Executive Committee. Decorations were by Petrina Baker of Conway. The 58th annual session of the Arkansas Women Active for Christ met March 10th, 2012 at Camp Beaverfork in Conway. The theme was "Instruments of Righteousness". The theme scripture was Romans 6:13b. The speaker was Tammy Lancaster, Missionary to Uruguay. Sandy Forman led in worship with Beverly Culp as the pianist. Special music was by Jeanelle Nichols of Saline District. A brunch was held during the morning break in the camp kitchen instead of having the annual banquet.

Home and International Missionaries gave greeting and updates during the Mission Share time.

WNAC report was given by Janie Campbell, WNAC Member at Large, reporting for Elizabeth Hodges, our WNAC Executive Director.

11 Districts reported with 65 locals and membership of 714. A total of 124 registered, including 7 International Missionaries and 1 Home Missionary.

Total receipts for 2011 were \$79,814.21. Our International Mission was \$37,908.36 (ACTS 1:8 receiving \$21,336.55 of this amount), National Home Missions \$11,501.35, Children's Home \$1,184.65, Florence Crittenden Home \$3,425.65, and our 2011 State Project of Edgmons and Hubbards was \$6,120.62. Our 2012 State Project is the WNAC office until March 2013.

The Annual Retreat will be held on September 21-22, 2012 at Camp Beaverfork. The theme is "Mosaic of the Master" taken from Ephesians 2:10. The speaker is Diana Bryant, WNAC President. Singing will be led by Sheila Harris of Central District. Decorations will be by the Fellowship District. Antioch District will be providing a meal during the registration time 6:30-7:45 before services begins.

Resolution Committee Report: We, the resolutions committee submit the following recommendations:

1. We want to give the Social Band and Polk Bayou WAC Districts a rising vote of thanks for the brunch and also to Tonya Kesterson for helping in the kitchen.
2. We also recommend giving Brian Kesterson a rising vote of thanks for preparing the camp and helping with technology.

Respectfully Submitted: Betty Hambright, Chairman, Jan Morrison, Lou Williams, Alene Coffman, Shelia Harris

Recommendations from the WAC Executive Committee 2012:

1. We recommend a WAC National 2013 Trust Fund be established to host the WNAC National Convention in Little Rock in 2018.
2. We recommend that each local send \$50 per year and each district send \$100 per year starting this year, 2012, to fund the WNAC National Convention in 2018 in Little Rock.
3. We recommend the Arkansas WAC State Project extend from state meeting to state meeting beginning March 2012. The passing of the recommendations will extend the current state project WNAC Office through March 2013.
4. We recommend the 2013-2014 officers begin their term effective January 2013 and end their term at the closing of the state meeting 2015.
5. We recommend the election of officers, beginning with the 2015-2016 term, service immediately upon election.

Respectfully submitted: Arkansas WAC Executive Committee: Lisa Bowden, Kim Landers, Brenda Housley, Melissa Harrelson, Janie Campbell, Judy Short, Belinda Adaire, Sandy Forman, Jana Ray

Respectfully submitted: Lisa Bowden, Arkansas WAC President

RESOLUTIONS COMMITTEE REPORT

Be it resolved that the Arkansas Free Will Baptists give a standing vote of appreciation to Brother Brian Kesterson and all his assistants for preparation and use of the Camp Beaverfork facilities.

REGISTRATION COMMITTEE REPORT

The following have registered during the 115th annual session of the Arkansas State Association of Free Will Baptists, held at Camp Beaverfork:

75 Ministers, 15 Deacons, 30 delegates, 12 Missionaries and 85 visitors for a total of 217.
Respectfully submitted: Greig and Diana Caswell, Ronnie and Linda Whitten

REPORT OF THE MISSIONS DIRECTOR

You may remember, the last two years have reported on the agreement that we entered into with ChangePoint Assembly of God in Cabot as a 2 year lease purchase agreement. I am happy to say that ChangePoint, thus far, has met every part of their agreement. They have paid every time. However, the great test is yet to come. October 1, 2012, they will have completed their two year lease, and at that time they will make a decision as to whether they will buy the property or not. Cody has kept regular contact with Pastor Brian King, and I have also met with Brian regularly. While none of us fully know the outcome, we do know that Brian feels that for the health of his own congregation it is imperative that he purchase the building. It seems that the only thing that stands in his way of purchasing the building is securing, processing and finalizing a loan. (The loan was closed on the Cabot property September 30, 2012.)

You may remember from last year's report that I showed you a couple of graphs that showed some optimism in an increase for ACTS 1:8 in 2011. We did finish the year with an increase, which we are thankful for, but it was not the increase we had completely hoped for. At the end of last year, there were a couple of associations that were not able to report their past quarter until after the books had been closed for the year of 2011. ACTS 1:8 received \$513,674.64 in 2011, which was about a 1% increase over 2010.

STATISTICS REPORT

The Arkansas State Association of Free Will Baptists reports 15 associations comprised of 199 churches. The statistics for membership, baptism, etc., are based on 183 churches who reported.

There are 77 churches located in a city/town; 109 churches rural, 87 with full-time pastors, and 90 part-time pastors.

There are 271 ordained ministers, 46 licensed ministers and 394 ordained deacons.

The churches reported 413 baptism with 716 members added, 457 members lost, with a total membership of 17,210.

Sunday school enrollment was 8,900, CTS enrollment was 1,613, Women Active for Christ membership was 590, and Master's Men enrollment was 161.

There were 2 churches with day care, 3 churches with kindergartens, 6 churches with Christian day schools.

The total income of all churches reporting was \$11,648,605.25 and 46 churches with budgets.

There were 54 churches with parsonages, and a total value of all church property, including parsonages \$84,392,885.12.

MASTER'S MEN REPORT

On Tuesday, August 7th, the Arkansas Master's Men board met. Members present: Wendell Leckbee, Steve Thomas, and Jared Fowlkes. Guest were national director, Ken Akers and national board member, John Fowlkes.

We heard that the electrical project was near completion and because we knew of some bringing checks to the State Meeting, we would have the goal met by the end of the week.

We decided not to do a fund raising project for the upcoming year with a certain goal in mind, but rather use our time to organize a disaster relief team that would work alongside the national FWB disaster team. Future Vision magazine will have lists of products needed to accomplish this.

Due to his role in past disaster relief, Denver McKay was suggested by Wendell Leckbee to become the new activities chairman. After voting, Denver McKay replaced Wendell Leckbee as activities chairman.

We respectfully thank Wendell Leckbee for his many years of service with Arkansas Master's Men.

We concluded with our Tuesday evening banquet at First Free Will Baptist Church in Conway, with 47 in attendance. Our meal was provided by their YES TEAM (Youth Equipped to Serve) and our message was from Cody Alley.

Respectfully submitted: Jared Fowlkes, President

2012 OBITUARY REPORT

ANTIOCH

Wanda Scott
 Margie Thomas
 Willa Freeman
 Mary Ellen Sheffield
 Prentice Butler
 John Garrigus
 Beverly Gray
 Bob Brown
 Tina Walker
 Wilma Via
 Virginia Virden
 Albert (Doc) Duvall
 Margarette Standridge
 Richard Kleese
 Pat Campbell
 Orbie Bradford
 Marie Hillis
 Fred Reid
 Catherine McNutt

ARKANSAS

L. J. Watkins
 Russell Broomfield
 Vergie Holt
 Irene Hunt
 R. B. (Reno) Frizzell
 Nadine Polk
 Wilford Rose
 Herman Atchley
 Dale Lambert

CENTRAL

Pat Stockton
Rev. David Joslin

FELLOWSHIP

Duard Finkenbinder
 Ona Stinnett
 Buddy Light
 Clausell Drewry
 Janice Brashear
 Kay Baker
 Clifford Duvall
 Bobby Stephenson
 Claudine Travis
 Chuck Colflesh
 Jocille Kolb
 Raymond Patrick
 Mary Kee
 Jim Wheeler
 Loren Sweat
 Mary Jones
 Alyene Aston (*Non-Member*)

HARMONY

Deforest Barthlomew
 Loyd Millwood
 Cory Metcalf
 Chuck Morton
 Ken Bell
 Geraldine Hall
 Faye West
 Opal King

LITTLE MISSOURI RIVER

Glen Sirmon
 Bernie Robertson
 Ruth Plyler
 Bill Brewer
 Landon Richardson (*Deacon*)
 Myrtle Hooper
Rev. Terrell Holland

NEW HOPE

O. B. Wortham
 Barbara Groham
 Bessie Sartain
 Marie Turner
 Deborah Head Gee
 Vonnie Lyons
 Virginia Becvar

NORTHWEST

None Reported

OLD MT. ZION

James Carl Archer
 Entha Fern Cornelius
 Lucille Allen
 Jerry Van Winkle
 Ross Edward David
 J. W. Ramsey
 Arlis Burl Metcalf
 Doris Ann Metcalf
 Midge Elington
 Deborah Snoderly
 Gladys Birlew
 Marcus Nelson
 Mamie Marie Sparks
 Flossie Smith
 Marlie L. Kesner
 Dorothea Day
 Irene Armes
 Martha Robinson
 Sarah Jensen
 Priscilla Anna Brewer
 James William Yell
 Jerry Lee Dobbs
 Jerry Don McKee
 Coy Lyle Hayes
 Melva June Leichner
 Jay Thorton
 Anna Marie Parker
 John Robbins
 Joshua Adam Thomas
 John Daniel Hamilton
 Alice Marie Henson
 Lola Juanita Ledbetter
 Ewing Northcutt
 Barbara Wilcox
 Norman Stearns
 Charlene McFerrin
 Vada Netherton
 Homer Smithson
 Frances McFee
 Vesta Morse
 Grover Marler
Rev. Jerry Pascal
 Jim Grogan

OLD MT. ZION Cont.

Rodney Simpson
 Juanita Bohannon
 Shawna Lynn Boor
 Charles Lee Perkins
 Connie Peterson
 Paul Ussery

POLK BAYOU

Mildred Elms
 Esther Watkins
 Irene Vines
 Larry Barber
 Carl Richardson
 Oma Fulbright
 Esther King
 Jennings Anderson
 Ronnie Ragle
 Frances Martin
 Esther Stroud
 Gilbert Northcutt
 Ada Edder Huskey
 Jim Haley
 John Anderson
 Ray Martin
 Williford Robbins
 Paul Henderson
 Pearl Gray
 Warren Rowlette

SALINE

Ethel Dodd
 Bevelyn McCollum
 Beverly Perry
 Dennis Morgan
 Julian Hodge
 Curtis "Coon" Harton
 (*Deacon*)
 Bessie Dale Crutchfield
 Fannie J. Crutchfield
 Flossie Taylor
 Bessie Curry
 Betty Trammell
 Verna Rawls
 Billie Hopper
 Emma Leen Guthrie
 Marie Knoblock
 Everett McCollough
 Nettie Jenkins
 Lola May Jones
 Larry Morgan
 Kenneth Moran (*Deacon*)
 Mildred Brown
 Cecil King
 Beatrice Wagnon
 Josie Owen
 Virginia McWhorter

SOCIAL BAND

Tracy Loftin
 Robert J. Miller
 Debbie Willard
 Carl Miller
 Pam Williams

SOCIAL BAND Cont.

Gene Thompson
Rev. Melvin Shelton
 P. E. Moore, Jr.
 Mildred Hon
 Willene Jarrett
 Ed Green
 Bill Nunally
 Geneta Curtis
 Paul Anderson
 Ozella McGinnis
 Dennis Turner
 John Reed
 Betty Deen
 Ray Warner
 John Rice
 Kenneth Brown
 Fred Cooper
 Helen Edington
 Barbara Jane Crawford
 Dorothy Poindexter

S.E. ARKANSAS

None Reported

UNITY

Scottie Salisburg
 Donna Buechley

ZION HOPE #2

Jess Rickman
 Marvin Smith
 Vinita Pegg
 Raymond Star
 Katie Garner
 Butch Barenberg
Rev. Kyle Goss

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

*We have lost 197 in
 the past year. These
 include 5 ministers
 and 3 deacons.*

*Our loss is Heaven's
 gain. We move that
 you accept this report.
 Respectfully submitted:*

OBITUARY COMMITTEE:

Betty Hambright
 Alene Coffman
 Mark Stripling
 Sandy Forman
 Eldon Bagwell

| 2013 Cooperative Budget | | | | |
|------------------------------|---------|--------------|---------|--------------|
| | Plan A | | Plan B | |
| Agency | % | \$ | % | \$ |
| Minister's Retirement | | \$ 18,000.00 | | \$ 18,000.00 |
| State Office Division | 25.00% | \$135,500.00 | 25.00% | \$135,500.00 |
| State Mission Division | 21.50% | \$116,530.00 | 21.50% | \$116,530.00 |
| Youth Division | 17.50% | \$ 94,850.00 | 17.50% | \$ 94,850.00 |
| Christian Education Division | 3.00% | \$ 16,260.00 | 3.00% | \$ 16,260.00 |
| In State Total | 67.00% | \$381,140.00 | 67.00% | \$381,140.00 |
| National Association | 33.00% | \$178,860.00 | 26.00% | \$166,340.00 |
| Hillsdale | | | 7.00% | \$ 12,520.00 |
| Total | 100.00% | \$560,000.00 | 100.00% | \$560,000.00 |
| Plan B = 7% of \$185,460.00 | | | | |

2010-2011 Comparative Report

| Arkansas Free Will Baptists | | | | |
|--------------------------------------|-----------|---------|-----------|----------|
| | 2011 | 2010 | \$ + or - | % + or - |
| A.C.T.S. 1:8 | 513,675 | 507,106 | 6,569 | 1.30% |
| Coop | 555,847 | 548,230 | 7,617 | 1.39% |
| Hillsdale Free Will Baptist College | 21,230 | 21,665 | (435) | -2.01% |
| | | | | |
| Executive Office | 100,566 | 83,460 | 17,106 | 20.50% |
| International Missions | 606,665 | 548,944 | 57,721 | 10.51% |
| National Home Missions | 193,104 | 199,939 | (6,835) | -3.42% |
| Welch College | 67,725 | 38,390 | 29,335 | 76.41% |
| Board of Retirement | 17,255 | 12,896 | 4,359 | 33.80% |
| Master's Men | 17,197 | 14,942 | 2,255 | 15.09% |
| Woman Nationally Active for Christ | 17,091 | 15,960 | 1,131 | 7.09% |
| Free Will Baptist Foundation | 7,394 | 6,120 | 1,274 | 20.81% |
| Commission for Theological Integrity | 1,115 | 510 | 605 | 118.65% |
| Media Commission | 615 | 510 | 105 | 20.51% |
| Music Commission | 615 | 510 | 105 | 20.50% |
| Historical Commission | 539 | 510 | 29 | 5.60% |
| Total National Agencies | 1,029,881 | 922,691 | 107,190 | 11.62% |

NOTE: The bottom part of the above report is based on both cooperative and designated giving reported to the National Association of Free Will Baptists.

Executive Committee Summaries

February 14, 2011

Members Present: Nelson Henderson, Randy Scott, Wendell Leckbee, Keith Bowden and Tim Campbell. The purpose of the meeting was to plan the State Meeting for August 8-9 at Camp Beaverork in Conway.

MSC for the theme: "The Life of David" (I Samuel 13:14b)

MSC Speakers:

Monday night – David Ponder "Lessons from David's faults."

Tuesday morning – Jared Higginbotham "Lessons from David's Obedience"

Tuesday night – Kevin Jewel "Lessons from David's God"

Devotional speakers:

Monday night – Loyce Culwell

Tuesday morning – Jerry Lewis

Song Leader – Mark Stripling

Piano – Debbie Stripling

Special Music Monday evening – Susan Ponder

Special Music Tuesday evening – NLR Choir

Bible Conference at Camp Beaverfork Monday afternoon

Matt Pinson "Honoring God's Word"

Adjourned

June 29, 2011

Members Present: Nelson Henderson, Randy Scott, Wendell Leckbee, Keith Bowden

The Executive Committee met auditor Ricky Taylor to go over the 2010 audits of the divisions of the State Association of Arkansas Free Will Baptists, Inc. MSC to approve the audits.

MSC to retain Ricky Taylor as auditor.

Adjourn

Executive Board Summaries

January 31, 2011

(Executive Board Constitution Sub-Committee)

Members Present: Keith Bowden, David Copeland, Tim Campbell

The Executive Board subcommittee that was formed to look at the Arkansas Free Will Baptists Constitution met to recommend needed changes to the constitution and by-laws.

February 17, 2011

(Executive Board Constitution Sub-Committee)

Members Present: Keith Bowden, David Copeland, Mark Stripling, Tim Campbell

The Executive Board subcommittee that was formed to look at the Arkansas Free Will Baptists Constitution met the second time to recommend needed changes to the constitution and by-laws.

March 11, 2011

(Executive Board)

Members Present: Mark Stripling, Bobby Shepherd, Paul Payne, Tommy Tims, Will Harmon, David Copeland, Nelson Henderson, and Tim Campbell.

1. Bro. Tim Campbell gave a brief report from the subcommittee that was formed to look at the constitution.

2. Bro. Tim Campbell gave the financial report.

3. MSC to borrow an additional \$117,000.00 to the original \$133,000.00 that we had already borrowed from the Free Will Baptist Foundation to go into the State Office general fund, & to authorize Bro. Tim Campbell to make the necessary cuts in our expenses to help with our finances. This will bring the grand total borrowed to \$250,000.00.

4. MSC to have a letter drafted from the Executive Board encouraging the other board chairmen of Arkansas Free Will Baptists to consider making whatever cuts that can be made to help the financial situation of the entire state work.

Adjourned

June 29, 2011

(Executive Board Conference Call)

Members Present: Paul Payne, Will Harmon, Mark Stripling, Bobby Shepherd, David Copeland, Tommy Tims, Nelson Henderson, Tim Campbell

MSC to authorize the repair of the roof of the State Office by the Covington Roofing Company for \$31,000.00. The funds that will be used to finance the repairs will come from the \$23,000.00 dividend received from Brotherhood Mutual and \$8,000.00 from our line of credit.

Adjourned

August 1, 2011

(Conference Call)

Members Present: Paul Payne, Will Harmon, Mark Stripling, Randy Scott, David Copeland, Tommy Tims, Nelson Henderson, Tim Campbell

MSC that the Executive Board recommend that the

Executive Board and Executive Committee meet to discuss and address debt reduction for our State Association.

Adjourned

October 4, 2011

(Finance Committee Meeting)

The meeting of the Finance Committee, consisting of the Executive Director, Executive Board (recently extended to include the Chair of each Department,) Executive Committee and the Director of each Department, was called to order by Bro. Mark Stripling. Bro. Mark Stripling shared opening remarks from I Peter on 'Standing on Equal Ground.'

Prayer by Bro. Will Harmon.

1. Bro. Tim Campbell informed the Board that the renter next door was soon leaving, and with the property up for sale, he anticipates difficulty in getting a new renter. He distributed reports of his schedule, finances, budget vs. actual and gave his directors report.

2. Bro. Brian Kesterson handed out a report detailing the Camp loss shown in the reports. The largest contributing factor was income reported last year when deposited, while the expenses were incurred and reported this year.

3. Bro. Mark Stripling turned the meeting over to the Moderator, Bro. Nelson Henderson, who explained the structure and purpose of the Finance Committee. The express purpose of the Finance Committee is to discuss options available to the State Association and bring recommendations back to the next State Annual Meeting on how to address the Association's debt.

4. Bro. Tim Campbell explained the new Executive Board structure and why the Chair's of each department were being added as ex-officio members.

NOTE: Bro. David Bishop was present as a guest at the meeting and Bro. Tim Campbell expressed his appreciation for the commitment made by the Union Grove Church to give \$500 per month for a full year to be applied directly to the principal of the debt.

5. Bro. Tim Campbell then read a report he had prepared for this Committee, 'Debt Analysis & Options for Financial Restructure.' After the report had been read, Bro. Nelson Henderson thanked Bro. Tim for the report and information and opened up the floor for questions and discussion.

6. Bro. Brian Kesterson discussed the current status of the Camp and gave additional details on the current efforts by his Board to reduce cost.

7. Bro. Will Harmon redirected the focus of discussion

back to the issue of solving the current debt problem. He acknowledged the close relationship between the current solution and long term need to make changes necessary to prevent this problem from reoccurring, but the first responsibility of this Committee was to formulate a plan of action for the current debt. Multiple scenarios were presented and discussed:

Bro. Tim Campbell possible scenarios for the debt reduction presented in his report.

a. Changing the Coop percentage to the National Office by 5% along with a 1% reduction in the state divisions of State Office, Missions and Youth. Expressly did not include the CE division because they were already bare bone and had no room to budge;

b. Brotherhood Mutual Dividend;

Earnings from the Apple Fund;

Bro. Tim expressed the reality of limited funds from a debt retirement campaign, and that the likelihood of selling the State Office appears to be pretty small.

9. Bro. Don Matchett reported that his Board had already addressed cost reduction issues and presented scenarios directed at reducing expenses within the State Office, and possibilities available through the Apple Fund:

10. Bro. Nelson Henderson presented the possibility of using funds from the sale of the Cabot property. His scenario was that money could be given back to Cabot for their Mission, funds from the profit on the sale could be used to pay the debt and money would still be left to add into the Apple Fund. Round figure estimates given were \$250,000 to Cabot, \$300,000 for debt retirement which left \$450,000 to add to the Apple Fund.

11. Bro. David Taylor expressed his desire for a plan that eliminated the debt in the absolute fewest months possible rather than options that include multiyear payments.

Bro. Randy Scott expressed his opinion that we should not be so quick to take from our own departments and state works, but rather we should take from those funds already being sent to others. He still recommended a reduction of 10% from the funds given to the National to address this debt.

12. Bro. Will Harmon presented some calculations using the numbers provided in Bro. Tim Campbell's report to again show how quickly the debt could be paid with the least amount of impact to our various departments. A recommendation was made that Phil Whitaker be contacted regarding the legalities of using excess profit funds from the sale of the Cabot property.

Question being, profits from the sale of the property were not part of the Apple Fund originally and therefore would not be taking money out of the Apple Fund.

13. Another question raised was if Ricky Taylor should be contacted and even invited to the next meeting to help in the process. Keith Bowden pointed out that Ricky could not be involved and still serve as auditor... his involvement would forfeit his ability to function as an 'independent auditor.' This fact being acknowledged, the question was withdrawn.

14. Bro. David Taylor made a motion that a sub-committee of 3 members from this Finance Committee be formed to take the information presented here today and draft a starting point proposal of 3 options to be brought back to the next meeting of this Committee for consideration, discussion and revision in order to come to a final proposal for presentation to the State Association. Bro. Randy Scott gave the second. There was discussion regarding directives to the sub-committee: (1) that the options be aimed toward eliminating the debt as quickly as possible, and (2) with the least amount of impact on the state ministries. Motion carried.

-Sub-committee nominations were Bro. Will Harmon, Bro. David Taylor, Bro. Mark Stripling along with ex-officio Bro. Tim Campbell. Bro. Randy Scott moved that nominations cease and proceed to elect; motion carried.

-All committee members were encouraged to email or call with ideas, suggestions and comments.

Adjourned

Recorded by:

Keith Bowden, Assistant Clerk

4 October 2011

(Executive Board)

The Executive Board met at the State Office following the State Debt Retirement meeting.

Members Present: Mark Stripling, Tommy Tims, Will Harmon, Bobby Shepherd, and David Taylor. The following action was taken.

1. Nominations for officers were received, and a motion carried to elect Mark Stripling, Chairman, Paul Payne, Vice-Chairman, and David Taylor, Secretary.
2. Mark Stripling reviewed that the chairman of the Youth Board (David Ponder) and Mission Board (Ken Winningham) were ex-officio members of the Executive Board, along with Executive Director Tim Campbell. All three were present for the meeting.

3. Tommy Tims submitted his resignation from the Executive Board. A motion carried to accept his resignation.

Adjourned

15 November 2011

(Finance Committee Sub-Committee Meeting)

Members Present: Will Harmon, Mark Stripling, David Taylor, Tim Campbell (ex-officio)

Meeting at the Cavanaugh FWB Church, Ft. Smith, Arkansas

After duly considering the history of the current indebtedness difficulties, the subcommittee presents the following plan for retiring the indebtedness of the various state departments:

1. We recommend to the Arkansas State Association of FWB that the Executive Office and Camp Beaverfork indebtedness be paid in full from the APPLE Fund.

NOTE 1. These amounts are estimated to be \$235,000.00 (Executive Office) and \$110,000.00 (Camp Beaverfork) at the time of the August 2012 State Association meeting.

NOTE 2. These payoffs are contingent on the sale of the Cabot Mission property currently scheduled for October 2012.

In the event the Cabot property does not sell, we recommend the following action:

2. We recommend to the Arkansas State Association of FWB that the Executive Office and Camp Beaverfork continue to make monthly payments as contractually obligated, and that any and all Brotherhood Mutual dividends be applied to these debts until they have been paid in full.

Respectfully Submitted to the Finance Committee:

Will Harmon

Mark Stripling

David Taylor

1 December 2011

(Finance Committee Meeting)

The Finance Committee met and discussed the recommendations from the finance sub-committee.

MSC to recommend to the state association that the Free Will Baptists Executive Office and Camp Beaverfork indebtedness be paid in full from the APPLE Fund contingent from the sale of the Cabot mission property currently scheduled for sale in October 2012.

In the event the Cabot property does not sell, we recommend to the State Association that the Executive Office and Camp Beaverfork continue to make

monthly payments as contractually obligated, and that all Brotherhood Mutual dividends be applied to these debts until they have been paid in full.

Adjourned

1 December 2011

(Executive Board)

The Executive Board met at the State Office following the Finance Committee meeting. Members Present:

Mark Stripling, Will Harmon, Bobby Shepherd, Kevin Barnett, Paul Payne, David Taylor, Tim Campbell, Joey Postlewaite, David Ponder, Wendell Leckbee also attended.

1. A motion carried to accept the minutes of the October 4, 2011 Executive Board meeting.

2. Tim Campbell reported that Coop giving was up \$15,000.00 over this time last year. An update was given on the State Offices' rental property and the status of its sale. There are no renters at the present and no one has looked at the property with an eye to purchase. An update on the committee for the Pillars was given.

3. A motion carried to pay mileage for up to two planning meetings of the Pillars Committee.

Adjourned

21 December 2011

(Executive Board Conference Call)

1. The Executive Board had a conference call to consider the listing of the state office property and our tenants (Preston Palmer Studios, LLC). Our real estate agent gave two options of which one or both could be in the contract. A motion carried to offer our tenants option #2.

Option #2- If we receive another credible offer during the year of retainership, they (tenants) would have to purchase the property at that time or we would sell to the party with the credible offer.

Adjourned

Respectfully Submitted

David Copeland (Secretary: January - August, 2011)

David Taylor (Secretary: August 2011 - Present)

2011 Budget To Actual
State Office Division

| | Jan - Dec 11 | Budget | \$ + or - |
|---|-------------------|-------------------|-------------------|
| Income | | | |
| 40100 • State Office Income | | | |
| 40101 • Rental | 14,380.68 | 20,400.00 | -6,019.32 |
| 40102 • Coop | 136,559.79 | 140,500.00 | -3,940.21 |
| 40103 • Secretarial Transfers | 7,500.00 | 5,100.00 | 2,400.00 |
| 40105 • VISION Subscriptions | 9,888.10 | 9,000.00 | 888.10 |
| 40106 • Sunday School Receipts | 339,061.00 | 335,000.00 | 4,061.00 |
| 40107 • State Association Fees | 5,940.00 | 6,100.00 | -160.00 |
| 40108 • ComputerTranfers | 1,280.00 | 1,280.00 | 0.00 |
| 40109 • Utility Tranfers | 3,506.26 | 3,000.00 | 506.26 |
| 40110 • Other Income | 3,107.54 | 2,000.00 | 1,107.54 |
| 40115 • Interest Income | 44.98 | 100.00 | -55.02 |
| 40117 • State Meeting Income | 673.86 | 900.00 | -226.14 |
| 40119 • Operational Transfers | 4,126.54 | 4,000.00 | 126.54 |
| 40125 • State Office Acct Income | 727.50 | 500.00 | 227.50 |
| 40130 • Brotherhood Mutual Income | 23,598.00 | | 23,598.00 |
| 40100 • State Office Income - Other | 240.00 | | 240.00 |
| Total 40100 • State Office Income | 550,634.25 | 527,880.00 | 22,754.25 |
| 40132 • Union Grove FWB Contribution | 500.00 | | 500.00 |
| Total Income | 551,134.25 | 527,880.00 | 23,254.25 |
| Gross Profit | 551,134.25 | 527,880.00 | 23,254.25 |
| Expense | | | 0.00 |
| 50100 • State Office Expense | | | 0.00 |
| 50101 • Director's Salary | 32,081.16 | 31,581.00 | 500.16 |
| 50102 • Director's Housing | 20,400.00 | 20,400.00 | 0.00 |
| 50103 • Director's Insurance | 12,666.45 | 9,100.00 | 3,566.45 |
| 50104 • Director's Retirement | 2,400.00 | 2,400.00 | 0.00 |
| 50105 • Director's Social Security | 9,105.77 | 9,000.00 | 105.77 |
| 50106 • Travel | 12,914.45 | 9,000.00 | 3,914.45 |
| 50107 • Vehicle Payment | 7,324.20 | 7,325.00 | -0.80 |
| 50108 • National Association | 2,653.62 | 1,500.00 | 1,153.62 |
| 50109 • Board Mileage & Meals | 6,234.42 | 4,000.00 | 2,234.42 |
| 50110 • Phone | 2,790.80 | 3,500.00 | -709.20 |
| 50111 • Postage/UPS/Meter Rent/Freight | 21,618.18 | 21,500.00 | 118.18 |
| 50112 • Dinners & Promotion | 2,068.10 | 2,500.00 | -431.90 |
| 50115 • Printing | 12,116.76 | 15,500.00 | -3,383.24 |
| 50116 • Web Site & Internet | 1,692.08 | 2,000.00 | -307.92 |
| 50117 • Audit & Audit Expenses | 6,219.82 | 6,300.00 | -80.18 |
| 50118 • Computer & Office Equipment | 9,887.93 | 5,000.00 | 4,887.93 |
| 50120 • Vehicle Contingency | 2,618.23 | 1,000.00 | 1,618.23 |
| 50121 • Miscellaneous | 6,247.98 | 4,000.00 | 2,247.98 |
| 50122 • Utilities | 7,840.68 | 9,200.00 | -1,359.32 |
| 50123 • Pest & Dust Control | 674.56 | 850.00 | -175.44 |
| 50124 • Yard Maintenance | 0.00 | 650.00 | -650.00 |
| 50125 • Property Insurance | 3,526.50 | 3,550.00 | -23.50 |
| 50126 • Property Taxes | 1,896.35 | 1,350.00 | 546.35 |
| 50127 • Supplies | 3,249.03 | 3,000.00 | 249.03 |
| 50128 • Repairs & Maintenance | 34,678.13 | 1,384.00 | 33,294.13 |
| 50129 • Improvements | 0.00 | 1,000.00 | -1,000.00 |
| 50131 • Literature for Resale | 228,215.53 | 212,100.00 | 16,115.53 |
| 50134 • Sunday School Expense | 1,326.80 | 1,000.00 | 326.80 |
| 50136 • Workmans Comp Insurance | 780.50 | 900.00 | -119.50 |
| 50137 • Sales Tax | 23,843.00 | 26,700.00 | -2,857.00 |
| 50139 • Bookstore Expense | 21,905.13 | 26,800.00 | -4,894.87 |
| 50143 • Arkansas Mentoring Program | 0.00 | 650.00 | -650.00 |
| 50145 • Vehicle Insurance | 811.74 | 740.00 | 71.74 |
| 50149 • Bulletin Expense | 13,911.76 | 11,500.00 | 2,411.76 |
| 50150 • State Meeting Expense | 5,134.26 | 5,000.00 | 134.26 |
| 50156 • Theological Meetings | 1,257.97 | 800.00 | 457.97 |
| 50157 • State Office Expense - Other | 0.00 | 2,200.00 | -2,200.00 |
| 50158 • A.C.T.S. 1 8 Repayment | 1,200.00 | 1,400.00 | -200.00 |
| 50176 • Stockroom Salaries | 156.00 | | 156.00 |
| 50180 • Payroll Taxes | 5,088.00 | | 5,088.00 |
| 50182 • Futa Expense | 157.93 | | 157.93 |
| Total 50100 • State Office Expense | 526,693.82 | 466,380.00 | 60,313.82 |
| 50184 • Union Grove FWB--designated | 2,000.00 | | 2,000.00 |
| 66000 • Payroll Expenses | 57,274.00 | 61,500.00 | -4,226.00 |
| Total Expense | 585,967.82 | 527,880.00 | 58,087.82 |
| Net Income | -34,833.57 | 0.00 | -34,833.57 |

2013 Proposed Budget State Office Division

| | 2012 Budget | Proposed Budget |
|--|-------------|-----------------|
| Income | | |
| 40100 • State Office Income | | |
| 40101 • Rental | 16,800.00 | 16,800.00 |
| 40102 • Coop | 140,500.00 | 135,500.00 |
| 40103 • Secretarial Transfers | 7,800.00 | 7,500.00 |
| 40105 • VISION Subscriptions | 8,900.00 | 10,000.00 |
| 40106 • Sunday School Receipts | 320,000.00 | 320,000.00 |
| 40107 • State Association Fees | 6,180.00 | 6,100.00 |
| 40108 • Computer Tranfers | 1,325.00 | 1,280.00 |
| 40109 • Utility Tranfers | 3,500.00 | 4,146.00 |
| 40110 • Other Income | 4,000.00 | 4,000.00 |
| 40111 • National Assoc. Fees | 300.00 | |
| 40115 • Interest Income | 50.00 | 100.00 |
| 40117 • State Meeting Income | 800.00 | 1,000.00 |
| 40119 • Operational Transfers | 8,100.00 | 4,500.00 |
| Total 40100 • State Office Income | 518,255.00 | 510,926.00 |
| 40132 • Union Grove FWB Contribution | | |
| Total Income | 518,255.00 | 510,926.00 |
| Expense | | |
| 50100 • State Office Expense | | |
| 50101 • Director's Salary | 31,581.96 | 31,541.00 |
| 50102 • Director's Housing | 20,400.00 | 21,440.00 |
| 50103 • Director's Insurance | 11,500.00 | 11,500.00 |
| 50104 • Director's Retirement | 2,400.00 | 2,400.00 |
| 50105 • Director's Social Security | 9,800.00 | 9,105.00 |
| 50106 • Travel | 10,000.00 | 10,000.00 |
| 50107 • Vehicle Payment | 7,325.00 | 7,325.00 |
| 50108 • National Association | 1,200.00 | 1,500.00 |
| 50109 • Board Mileage & Meals | 4,500.00 | 3,500.00 |
| 50110 • Phone | 3,400.00 | 2,800.00 |
| 50111 • Postage/UPS/Meter Rent/Freight | 20,300.00 | 21,700.00 |
| 50112 • Dinners & Promotion | 1,000.00 | 1,000.00 |
| 50115 • Printing | 15,900.00 | 12,000.00 |
| 50116 • Web Site & Internet | 200.00 | 500.00 |
| 50117 • Audit & Audit Expenses | 7,000.00 | 6,300.00 |
| 50118 • Computer & Office Equipment | 4,000.00 | 2,000.00 |
| 50119 • Contingency Transfer | 9,600.00 | 1,600.00 |
| 50120 • Vehicle Contingency | 1,000.00 | 500.00 |
| 50121 • Miscellaneous | 6,126.04 | 6,200.00 |
| 50122 • Utilities | 7,400.00 | 7,200.00 |
| 50123 • Pest & Dust Control | 550.00 | 675.00 |
| 50124 • Yard Maintenance | 700.00 | 650.00 |
| 50125 • Property Insurance | 3,400.00 | 3,550.00 |
| 50126 • Property Taxes | 1,850.00 | 1,900.00 |
| 50127 • Supplies | 2,500.00 | 2,500.00 |
| 50128 • Repairs & Maintenance | 2,000.00 | 500.00 |
| 50129 • Improvements | 500.00 | 500.00 |
| 50131 • Literature for Resale | 212,000.00 | 212,000.00 |
| 50134 • Sunday School Expense | 1,500.00 | 1,000.00 |
| 50136 • Workmans Comp Insurance | 900.00 | 780.00 |
| 50137 • Sales Tax | 24,000.00 | 22,000.00 |
| 50139 • Bookstore Expense | 18,772.00 | 22,950.00 |
| Rent | | |
| 50145 • Vehicle Insurance | 750.00 | 850.00 |
| 50149 • Bulletin Expense | 8,800.00 | 8,800.00 |
| 50150 • State Meeting Expense | 4,000.00 | 500.00 |
| 50158 • A.C.T.S. 1 & 8 Repayment | 1,200.00 | 1,200.00 |
| 50180 • Payroll Taxes | 5,000.00 | 16,200.00 |
| 50182 • Futa Expense | | 200.00 |
| Total 50100 • State Office Expense | 463,055.00 | 456,866.00 |
| 66000 • Payroll Expenses | 55,200.00 | 54,060.00 |
| Total Expense | 518,255.00 | 510,926.00 |

| 2011 Arkansas Free Will Baptist Association Receipts | | | | | | | | | | |
|--|------------|--------------|-------------|-----------|------------|-----------|-----------|-----------|------------|--------------|
| Association | COOP | A.C.T.S. 1:8 | State Miss. | N.H.M. | I.M. | WELCH | Hillsdale | FWBFM | Misc. | Totals |
| Antioch | 6,799.28 | 19,080.80 | | | 1,200.00 | | | | 2,018.76 | 29,098.84 |
| Antioch ARWAC | | 430.00 | | | | | | | | 430.00 |
| Antioch Youth | | 1,705.14 | | | | | | | | 1,705.14 |
| Arkansas | | 4,431.82 | | | | | | | | 4,431.82 |
| Central | 65,978.79 | 77,500.30 | 225.00 | 24,107.52 | 13,095.60 | 20,424.37 | 2,503.84 | 980.00 | 3,790.77 | 208,606.19 |
| Central ARWAC | | 10,710.82 | | | | | | | | 10,710.82 |
| Fellowship | 33,968.68 | 41,582.02 | 950.00 | 115.00 | 410.00 | | | | 4,720.00 | 81,745.70 |
| Fellowship ARWAC | | 7,172.00 | | | | | | | 100.00 | 7,272.00 |
| Fellowship Youth | | 978.00 | | | | | | | | 978.00 |
| Fellowship Master's Men | | | | | | | | | 150.00 | 150.00 |
| Harmony | 5,488.13 | 12,657.01 | | 120.00 | 970.00 | | 1,484.00 | 775.00 | 1,427.00 | 22,921.14 |
| Harmony ARWAC | | | | | | | | | | 0.00 |
| Little MO River | 20,990.07 | 24,944.43 | 315.50 | 320.00 | | 3,059.86 | 600.00 | 4,401.14 | 924.00 | 55,555.00 |
| Little MO River ARWAC | | 400.00 | | | | | | | | 400.00 |
| New Hope | 36,585.62 | 22,708.74 | 1,070.00 | 180.00 | 4,180.03 | 600.00 | 1,706.36 | 56.52 | 502.24 | 67,589.51 |
| New Hope ARWAC | | 600.00 | | | | | | | | 600.00 |
| New Hope Master's Men | | | | | | | | | 160.00 | 160.00 |
| Northwest | 5,621.80 | 8,655.00 | | 10,782.00 | 1,400.00 | | 55.00 | 1,200.00 | | 27,713.80 |
| Northwest ARWAC | | | | | | | | | | 0.00 |
| Old Mt. Zion | 41,220.32 | 17,585.79 | 50.00 | | 5,910.00 | | | | 20.00 | 64,786.11 |
| Old Mt. Zion ARWAC | | 759.00 | | | | | | | | 759.00 |
| Old Mt. Zion Master's Men | | | | 400.00 | | | | | | 400.00 |
| Old Mt. Zion Youth | | | | | | | | | | 0.00 |
| Polk Bayou | 65,899.52 | 60,036.08 | 808.30 | 5,766.81 | 1,515.78 | 960.00 | | 2,801.59 | 3,144.11 | 140,932.19 |
| Polk Bayou ARWAC | | 7,196.00 | | | | | | | | 7,196.00 |
| Polk Bayou Master's Men | | | | | | | | | 104.75 | 104.75 |
| Saline | 52,920.99 | 56,550.26 | 1,100.00 | 7,639.24 | 2,986.00 | | 1,415.00 | 3,507.00 | 7,955.03 | 134,073.52 |
| Saline ARWAC | | 3,241.77 | | | | | | | 100.00 | 3,341.77 |
| Social Band | 78,214.89 | 62,106.24 | 257.25 | 6,624.16 | 2,160.00 | 4,628.84 | 1,294.14 | 2,659.34 | 1,056.75 | 159,001.61 |
| Social Band ARWAC | | 1,550.00 | | | | | | | | 1,550.00 |
| Social Band Youth | | 5.00 | | | | | | | | 5.00 |
| Southeast | | | | | | | | | | 0.00 |
| Unity | 136,709.43 | 44,599.17 | | 1,759.91 | 360.00 | | 12,171.69 | 60.00 | 1,585.27 | 197,245.47 |
| Unity ARWAC | | 742.35 | | | | | | | | 742.35 |
| Zion Hope | 5,449.86 | 6,786.40 | | | | | | 135.00 | | 12,371.26 |
| Zion Hope ARWAC | | 970.00 | | | | | | | | 970.00 |
| Individuals | | 11,190.50 | 1,700.00 | 30.00 | 2,125.00 | 500.00 | | 500.00 | 975.00 | 17,020.50 |
| Other | | 6,800.00 | 1,765.18 | 350.18 | 350.19 | | | | 20.00 | 9,285.55 |
| ARWAC | | | 362.25 | | | | | | 1,033.00 | 1,395.25 |
| Totals | 555,847.38 | 513,674.64 | 8,603.48 | 58,194.82 | 36,662.60 | 30,173.07 | 21,230.03 | 17,075.59 | 29,786.68 | 1,271,248.29 |
| Totals ARWAC | 0.00 | 33,771.94 | 362.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,233.00 | 35,367.19 |
| Grand Totals | 555,847.38 | 547,446.58 | 8,965.73 | 58,194.82 | 36,662.60 | 30,173.07 | 21,230.03 | 17,075.59 | 31,019.68 | 1,306,615.48 |
| 2010 Totals | 548,230.46 | 507,106.09 | 7,904.54 | 66,842.41 | 68,253.24 | 24,539.41 | 21,664.88 | 20,487.14 | 63,854.20 | 1,328,882.37 |
| \$ Increase or Decrease | 7,616.92 | 6,568.55 | 698.94 | -8,647.59 | -31,590.64 | 5,633.66 | -434.85 | -3,411.55 | -34,067.52 | -57,634.08 |
| % Increase or Decrease | 1.39% | 1.30% | 8.84% | -12.94% | -46.28% | 22.96% | -2.01% | -16.65% | -53.35% | -4.34% |

2011 Gifts to National Ministries

| States | Executive | FWBBC | FWB Foundation | Home Missions | International Missions | Master's Men | Retirement & Insurance | WNAC | Commission for Theo. Integrity | Historical Commission | Media Commission | Music Commission | Totals |
|--------------------------|--------------|--------------|-------------------|------------------|---------------------------|-----------------|---------------------------|----------------|-----------------------------------|--------------------------|---------------------|---------------------|-----------------|
| Alabama | \$6,735.61 | \$66,531.97 | \$393.03 | \$547,959.49 | \$386,299.79 | \$3,018.89 | \$803.54 | \$5,433.98 | \$27.09 | \$26.40 | \$26.37 | \$24.18 | \$1,017,280.34 |
| Alaska | 0.00 | 0.00 | 0.00 | 25,500.00 | 805.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 26,305.00 |
| Arizona | 285.11 | 261.99 | 79.53 | 96,602.59 | 20,879.57 | 44.66 | 67.10 | 1,023.41 | 1.96 | 1.76 | 1.76 | 1.36 | 119,250.80 |
| Arkansas | 100,565.91 | 67,725.26 | 7,393.57 | 193,104.39 | 606,665.46 | 17,197.25 | 17,255.34 | 17,091.27 | 1,115.09 | 614.58 | 614.58 | 538.58 | 1,029,881.26 |
| California | 6,591.89 | 9,582.08 | 483.42 | 98,866.30 | 72,039.59 | 1,643.46 | 1,127.96 | 1,175.00 | 40.28 | 40.28 | 40.28 | 36.73 | 191,667.27 |
| Canada | 863.15 | 1,288.19 | 85.45 | 14,958.23 | 16,652.41 | 372.11 | 140.73 | 42.08 | 4.10 | 3.70 | 3.69 | 2.78 | 34,416.62 |
| Colorado | 2,118.28 | 4,954.11 | 158.12 | 27,633.61 | 5,491.49 | 362.48 | 362.46 | 0.00 | 12.95 | 12.95 | 12.95 | 12.95 | 41,132.33 |
| Connecticut | 0.00 | 0.00 | 0.00 | 0.00 | 50.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 50.00 |
| Delaware | 0.00 | 750.00 | 0.00 | 0.00 | 11,441.54 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 12,191.54 |
| Florida | 3,163.76 | 62,740.82 | 200.26 | 101,822.40 | 121,899.04 | 773.27 | 467.27 | 1,405.00 | 16.69 | 16.69 | 16.69 | 0.65 | 292,522.54 |
| Georgia | 9,362.93 | 65,595.00 | 765.75 | 153,436.98 | 308,025.49 | 1,726.97 | 1,669.31 | 9,315.65 | 57.94 | 57.23 | 257.20 | 52.67 | 550,323.12 |
| Hawaii | 0.00 | 1,384.00 | 0.00 | 2,223.00 | 320.00 | 1,384.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,311.00 |
| Idaho | 0.00 | 300.00 | 0.00 | 3,588.33 | 10,892.98 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 14,781.31 |
| Illinois | 11,848.25 | 18,190.04 | 886.75 | 161,401.44 | 210,551.62 | 3,338.74 | 2,037.11 | 3,500.37 | 72.30 | 72.10 | 72.10 | 68.14 | 412,038.96 |
| Indiana | 1,361.27 | 3,566.04 | 216.17 | 51,733.48 | 41,458.19 | 569.37 | 366.04 | 976.05 | 172.97 | 172.97 | 3.06 | 2.58 | 100,598.19 |
| Iowa | 0.00 | 300.00 | 0.00 | 3,498.00 | 2,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,798.00 |
| Kansas | 151.57 | 2,111.12 | 25.77 | 8,095.08 | 32,641.62 | 23.12 | 38.38 | 7.22 | 1.06 | 0.93 | 0.92 | 0.82 | 43,097.61 |
| Kentucky | 3,888.10 | 10,111.00 | 285.13 | 125,483.38 | 116,835.13 | 1,442.30 | 665.30 | 6,126.33 | 23.76 | 23.76 | 23.76 | 22.02 | 264,929.97 |
| Louisiana | 0.00 | 600.00 | 0.00 | 15,450.21 | 767.86 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 16,818.07 |
| Maine | 0.00 | 0.00 | 0.00 | 6,220.00 | 600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6,820.00 |
| Maryland | 0.00 | 341.52 | 0.00 | 0.00 | 6,188.41 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6,529.93 |
| Massachusetts | 0.00 | 0.00 | 0.00 | 130.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 130.00 |
| Michigan | 4,535.58 | 19,970.14 | 373.97 | 125,593.42 | 131,200.83 | 1,832.11 | 767.70 | 3,158.27 | 25.94 | 25.30 | 25.27 | 22.04 | 287,530.57 |
| Mid-Atlantic Association | 0.00 | 0.00 | 0.00 | 29,497.79 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 29,497.79 |
| Minnesota | 0.00 | 0.00 | 0.00 | 700.00 | 720.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,420.00 |
| Mississippi | 4,678.92 | 26,759.85 | 299.12 | 164,801.73 | 79,471.05 | 697.95 | 697.95 | 1,585.00 | 24.93 | 24.93 | 24.93 | 21.12 | 279,087.48 |
| Missouri | 92,547.61 | 49,426.01 | 6,856.88 | 214,230.65 | 388,854.41 | 16,222.52 | 15,895.44 | 8,248.31 | 566.24 | 565.60 | 565.58 | 524.90 | 794,504.15 |
| Montana | 0.00 | 0.00 | 0.00 | 200.00 | 450.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 650.00 |
| Nevada | 0.00 | 0.00 | 0.00 | 0.00 | 75.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 75.00 |
| Nebraska | 0.00 | 50.00 | 0.00 | 0.00 | 2,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,550.00 |
| New Hampshire | 0.00 | 0.00 | 0.00 | 4,360.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,360.00 |
| New Jersey | 0.00 | 0.00 | 0.00 | 0.00 | 600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 600.00 |
| New Mexico | 428.52 | 653.60 | 62.69 | 24,765.77 | 6,055.24 | 67.32 | 99.85 | 150.39 | 102.92 | 2.63 | 2.62 | 2.34 | 32,393.89 |
| New York | 0.00 | 10.00 | 0.00 | 1,265.00 | 220.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,495.00 |
| North Carolina | 18,824.27 | 140,789.96 | 1,953.40 | 561,218.97 | 638,302.85 | 4,189.35 | 3,558.48 | 16,662.22 | 212.98 | 106.88 | 106.62 | 643.97 | 1,386,569.95 |
| Northeast Association | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Northwest Association | 900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.50 | 5.50 | 5.50 | 0.00 | 916.50 |
| Ohio | 18,742.56 | 21,892.31 | 1,589.79 | 192,761.93 | 183,513.36 | 4,239.84 | 3,509.98 | 3,949.08 | 116.55 | 114.60 | 114.52 | 106.57 | 430,651.09 |
| Oklahoma | 77,827.91 | 71,256.68 | 5,729.68 | 176,988.83 | 528,004.65 | 14,955.66 | 13,099.08 | 12,213.06 | 1,964.01 | 462.37 | 462.30 | 420.33 | 903,384.54 |
| Oregon | 0.00 | 303.12 | 66.00 | 60.00 | 0.00 | 154.00 | 154.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.28 | 742.40 |
| Pennsylvania | 0.00 | 2,030.00 | 0.00 | 18,641.00 | 5,985.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 26,656.00 |
| Rhode Island | 0.00 | 0.00 | 0.00 | 0.00 | 250.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 250.00 |
| South Carolina | 4,002.57 | 91,473.54 | 92.07 | 121,269.58 | 489,101.79 | 747.22 | 196.63 | 9,802.30 | 2.62 | 2.00 | 1.97 | 1.39 | 716,693.68 |
| South Dakota | 0.00 | 40.00 | 0.00 | 0.00 | 275.74 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 315.74 |
| Tennessee | 19,289.58 | 212,697.94 | 3,410.03 | 598,270.95 | 1,017,891.28 | 10,310.37 | 7,837.87 | 13,655.31 | 597.78 | 351.39 | 351.30 | 130.13 | 1,884,793.93 |
| Texas | 3,170.36 | 9,165.00 | 443.93 | 129,874.70 | 84,263.64 | 646.70 | 745.74 | 2,551.24 | 21.63 | 19.47 | 19.37 | 48.27 | 230,970.05 |
| Utah | 860.40 | 383.39 | 394.78 | 2,048.00 | 6,035.02 | 147.24 | 147.24 | 0.00 | 5.26 | 5.26 | 5.26 | 5.26 | 10,037.11 |
| Virginia | 788.71 | 19,399.39 | 63.41 | 200,249.60 | 68,521.00 | 707.42 | 103.67 | 2,550.16 | 3.71 | 3.71 | 3.71 | 3.85 | 292,398.34 |
| Washington | 0.00 | 2,732.26 | 0.00 | 25.00 | 4,192.30 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6,949.56 |
| West Virginia | 1,239.28 | 7,691.61 | 56.14 | 109,287.80 | 107,455.70 | 241.95 | 696.39 | 1,476.71 | 292.46 | 4.07 | 292.39 | 4.28 | 228,738.78 |
| Wisconsin | 0.00 | 0.00 | 0.00 | 13,064.00 | 900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 13,964.00 |
| Wyoming | 0.00 | 0.00 | 0.00 | 310.00 | 220.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 530.00 |
| Puerto Rico | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Virgin Islands | 725.00 | 2,000.00 | 16.50 | 39,491.78 | 5,155.00 | 38.50 | 38.50 | 0.00 | 1.38 | 1.38 | 1.38 | 0.00 | 47,469.42 |
| Other | 0.00 | 0.00 | 0.00 | 286,006.43 * | 35,618.47 * | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 321,624.90 |
| Foundation | 0.00 | 0.00 | 0.00 | 8,868.78 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 8,868.78 |
| WNAC | 0.00 | 1,095.00 | 0.00 | 80,304.53 | 0.00 | 0.00 | 200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 81,599.53 |
| TOTALS | \$395,497.10 | \$996,152.92 | \$32,381.34 | \$4,741,863.15 | \$5,758,337.52 | \$87,094.75 * | \$72,749.08 | \$122,098.41 * | \$5,490.10 | \$2,738.44 | \$3,056.06 | \$2,703.19 | \$12,220,162.04 |

*HM—Other includes interest, miscellaneous sources and states.

*IM—Other includes miscellaneous incomes, investment gains/(losses).

*Master's Men—Total does not include dues, sales, DRT, Conference or Tournament fees, or restricted Endowment contributions.

*WNAC—Total does not include student scholarships, sales or gifts designated to other departments.

**ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010



JOHN W. STOTTMAN, JR., CPA PA

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, 2011 and 2010, 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, 2011 and 2010 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 13, 2012

Members
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, 2011 AND 2010

ASSETS

| ASSETS: | <u>2011</u> | <u>2010</u> |
|-------------------------------|-------------------|-------------------|
| Cash | \$ 131,331 | \$ 141,996 |
| Accounts Receivable | 3,203 | 2,572 |
| Inventory | 2,736 | 2,535 |
| Property, Plant & Equipment | | |
| Less Accumulated Depreciation | <u>436,104</u> | <u>409,338</u> |
| Total Assets | <u>\$ 573,374</u> | <u>\$ 556,441</u> |

LIABILITIES AND NET ASSETS

| | | |
|----------------------------------|-------------------|-------------------|
| LIABILITIES: | | |
| Accounts Payable | \$ 2,692 | \$ 21,693 |
| Designated Contributions Payable | 185,781 | 249,212 |
| Sales Tax Payable | 80 | 75 |
| Payroll Taxes Payable | 1,653 | 1,756 |
| Notes Payable | <u>256,055</u> | <u>159,414</u> |
| Total Liabilities | 446,261 | 432,150 |
| NET ASSETS: | | |
| Unrestricted | 118,048 | 118,786 |
| Permanently Restricted | <u>9,065</u> | <u>5,505</u> |
| Total Net Assets | <u>127,113</u> | <u>124,291</u> |
| Total Liabilities and Net Assets | <u>\$ 573,374</u> | <u>\$ 556,441</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, 2011 AND 2010**

| | 2011 | | | 2010 | |
|--|------------------|---------------------------|---------------------------|------------------|------------------|
| | UNRESTRICTED | TEMPORARILY RESTRICTED | PERMANENTLY RESTRICTED | TOTAL | TOTAL |
| REVENUE: | | | | | |
| Designated contributions- | | | | | |
| National Home Missions | \$ | \$ | \$ 63,306 | \$ 63,306 | \$ 66,842 |
| Designated contributions- | | | | | |
| International Missions | | | 36,663 | 36,663 | 68,469 |
| Designated contributions- | | | | | |
| Acts 1:8 | | | 513,675 | 513,675 | 507,106 |
| Designated contributions- | | | | | |
| Free Will Baptist Bible College | | | 30,173 | 30,173 | 24,539 |
| Designated contributions- | | | | | |
| Hillsdale | | | 21,230 | 21,230 | 21,665 |
| Designated contributions-Other | | | 109,305 | 109,305 | 106,688 |
| Cooperative Contributions | 555,847 | | | 555,847 | 548,230 |
| Sunday school literature sales | 315,622 | | | 315,622 | 312,252 |
| Vision sales and advertising | 10,110 | | | 10,110 | 8,772 |
| National Association fees | 30,000 | | | 30,000 | 20,200 |
| State convention fees | 5,940 | | | 5,940 | 6,060 |
| Rental income | 14,381 | | | 14,381 | 13,581 |
| Interest income | 769 | | | 769 | 801 |
| State Cooperative income | | | 159,302 | 159,302 | 160,023 |
| Other income | 13,043 | | 15,045 | 28,088 | 75,598 |
| Net Assets released from restrictions: | | | | | |
| Restrictions satisfied by payments | 933,654 | | (933,654) | 0 | 0 |
| Total Revenue | 1,879,366 | 0 | 15,045 | 1,894,411 | 1,940,826 |
| EXPENSES: | | | | | |
| Designated contributions | 774,352 | | | 774,352 | 795,309 |
| Cooperative contributions | 555,847 | | | 555,847 | 548,230 |
| Cost of sales - S. S. literature | 221,737 | | | 221,737 | 231,242 |
| C.E. Scholarships | 4,275 | | | 4,275 | 2,275 |
| State convention expense | 5,134 | | | 5,134 | 8,427 |
| Interest expense | 10,783 | | | 10,783 | 10,942 |
| Property taxes | 1,896 | | | 1,896 | 1,842 |
| Payroll taxes | 5,088 | | | 5,088 | 5,096 |
| Property insurance | 3,527 | | | 3,527 | 3,352 |
| Website cost | 1,692 | | | 1,692 | 2,854 |

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, 2011 AND 2010

| | 2011 | | | 2010 | |
|--|-------------------|---------------------------|---------------------------|-------------------|-------------------|
| | UNRESTRICTED | TEMPORARILY RESTRICTED | PERMANENTLY RESTRICTED | TOTAL | TOTAL |
| EXPENSES: (CONTINUED) | | | | | |
| Workman's comp insurance | \$ 780 | \$ | \$ | \$ 780 | \$ 848 |
| Utilities | 8,194 | | | 8,194 | 7,366 |
| Janitor | 2,850 | | | 2,850 | 2,295 |
| Supplies | 4,576 | | | 4,576 | 10,500 |
| Miscellaneous | 14,776 | | | 14,776 | 18,070 |
| Salary, housing, retirement | | | | | |
| Insurance & social security | 76,653 | | | 76,653 | 73,924 |
| Board mileage & meals | 7,257 | | | 7,257 | 10,319 |
| Auto & travel expenses | 13,455 | | | 13,455 | 12,863 |
| Repairs & maintenance | 6,757 | | | 6,757 | 4,203 |
| Telephone | 3,073 | | | 3,073 | 3,869 |
| Postage & printing | 34,592 | | | 34,592 | 37,011 |
| Computer expense | 804 | | | 804 | 480 |
| Secretary salaries | 50,697 | | | 50,697 | 54,924 |
| Stockroom expense | 977 | | | 977 | 945 |
| Professional fees | 6,720 | | | 6,720 | 6,790 |
| Retreat & conference expense | 19,276 | | | 19,276 | 17,643 |
| National Association fees | 30,000 | | | 30,000 | 20,700 |
| Ministers benevolence expenses | 0 | | 11,485 | 11,485 | 14,000 |
| Depreciation | 14,336 | | | 14,336 | 13,495 |
| Total Expenses | 1,880,104 | 0 | 11,485 | 1,891,589 | 1,919,814 |
| Increase (Decrease) in Net Assets | (738) | 0 | 3,560 | 2,822 | 21,012 |
| Net Assets - Beginning of Year | 118,786 | 0 | 5,505 | 124,291 | 103,279 |
| Net Assets - End of Year | \$ 118,048 | \$ 0 | \$ 9,065 | \$ 127,113 | \$ 124,291 |

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, 2011 AND 2010

| CASH FLOWS FROM OPERATING ACTIVITIES: | <u>2011</u> | <u>2010</u> |
|---|------------------------|------------------------|
| Increase <Decrease> in net assets | \$ 2,822 | \$ 21,012 |
| Depreciation | 14,336 | 13,495 |
| <Increase> decrease in: | | |
| Accounts receivable | <631> | 178 |
| Inventory | <201> | 58 |
| Increase <decrease> in: | | |
| Accounts payable | <19,001> | 9,541 |
| Payroll taxes payable | <103> | 14 |
| Sales tax payable | 5 | <24> |
| Designated contributions payable | <u><63,431></u> | <u><13,481></u> |
| Net Cash Provided by Operating Activities | <66,204> | 30,793 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of property & equipment | <u><41,102></u> | <u><10,285></u> |
| Net Cash Used by Investing Activities | <41,102> | <10,285> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from debt | 267,617 | 138,706 |
| Repayment of debt | <u><170,976></u> | <u><152,260></u> |
| Net Cash Provided by Financing Activities | 96,641 | <13,554> |
| Net Increase <Decrease> in Cash | <10,665> | 6,954 |
| Cash at Beginning of Year | <u>141,996</u> | <u>135,042</u> |
| Cash at End of Year | \$ <u>131,331</u> | \$ <u>141,996</u> |
| SUPPLEMENTAL DISCLOSURES: | | |
| Cash Paid During the Year for Interest | \$ <u>10,783</u> | \$ <u>9,195</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, 2011 AND 2010

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 Accounting Standards Codification 958-210-55. Under Accounting Standards Codification, 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 Accounting Standards Codification 958-605-55. In accordance with Accounting Standards 958-605-55, 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, 2011 AND 2010

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>2011</u> | <u>2010</u> |
|-------------------------------|-------------------|-------------------|
| Auto | \$ 31,213 | \$ 31,213 |
| Office Furniture & Equipment | 87,492 | 78,450 |
| Building Improvements | <u>81,671</u> | <u>49,612</u> |
| | 200,376 | 159,275 |
| Less Accumulated Depreciation | <u>119,272</u> | <u>104,937</u> |
| | 81,104 | 54,338 |
| Land and Building | <u>355,000</u> | <u>355,000</u> |
| Total Property and Equipment | <u>\$ 436,104</u> | <u>\$ 409,338</u> |

ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 2011 AND 2010

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, 2011 and 2010 was as follows:

| | <u>2011</u> | | <u>2010</u> | |
|---------------------------|---------------|---------------|---------------|---------------|
| | <u>PLAN A</u> | <u>PLAN B</u> | <u>PLAN A</u> | <u>PLAN B</u> |
| State General Fund | 25% | 25% | 25% | 25% |
| 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% |
| National Association | 33% | 26% | 33% | 26% |
| 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>2011</u> | <u>2010</u> |
|---------------------------|-----------------|-----------------|
| Ministers Benevolent Fund | \$ <u>9,065</u> | \$ <u>5,505</u> |
| | \$ <u>9,065</u> | \$ <u>5,505</u> |

These net assets are restricted due to donor restrictions.

Summaries of the Christian Education Board Meetings

June 20, 2011

The CE Board met at the State Office

Present were: Tim Campbell, David Ponder, Clark Snow, Ryan Johnston, David Harper, Kevin Jewell and Greig Caswell

MSC to accept the minutes of the previous meeting

Discussed the date and location of 2012 Ministers Retreat.

Tim will contact Harry Reeder to see what dates he can come and will set the date accordingly.

MSC to meet at the Arkansas 4H Center in Ferndale

We will pass out surveys at the 2012 retreat to see where the pastors would like to meet in the future

MSC to accept the 2012 Budget

2013 – Embers of Flame Conference

Discussion was carried on Concerning hosting an Embers To A Flame Conference in the near future with Dr. Harry Reeder. We are inquiring with OK and Mo about joining us as joint hosts.

We discussed the cost and charges involved with hosting such a conference.

We discussed the possibility of having a “Theological Camp” at Camp Beaverfork in the future.

Tim will report back to us on this issue after he does some checking to see if there is an interest for this event among the ministers and laymen of the state.

Adjourned

August 8, 2011

The CE Board met at Camp Beaverfork

Present were: David Ponder, Ryan Johnston, David Harper and Greig Caswell

MSC to award ten scholarships this year. Each recipient will receive \$200.00 per semester.

The recipients are:

Nicholas Hewett

Miranda Thomas

Kendall Ross

Ben Campbell

Kali Bonnema

Kenyan Savage

Samantha Williams

David Charles Evans

Jessica Louise Kinsey

Zachariah Remington Evans

Adjourned

September, 19 2011

The CE Board met at the State Office

Present were: Tim Campbell, David Ponder, Clark Snow, Ryan Johnston, David Harper, Cody Alley and Greig Caswell

MSC to accept the minutes of the previous meeting

Elections of officers:

MSC to keep the current officers for upcoming year.

Chairman ~~ David Ponder

Vice – Chairman ~~ Clark Snow

Secretary ~~ Greig Caswell

MSC to accept the financial report for 2011 up to today's meeting

Discussed the Ministers Retreat of 2011.

We will place a survey on the State Office Website for the ministers to give us their feedback concerning the location, date and etc, of the minister's retreat.

We will place a notice in the Vision publication to let the ministers know that the survey is on the website and that we would appreciate their input.

We discussed the 2012 Minister's Retreat date and place and no changes needed to be made at this time.

2013 – Embers of Flame Conference

Plans are still in progress and details will be passed on to the board from Bro Tim when we have a location and date for this conference.

The Board addressed new avenues of ministry from the Christian Education Board to minister to our pastors and churches better and more frequently.

We discussed the possibility of having a Bible Institute.

At the 2012 Minister's Retreat, we will bring suggestions of books that we might want to cover at the Bible Institute meetings.

Then we will meet next June to brain storm on setting up the specifics of the Bible Institute.

Adjourned

10:42 AM
06/29/12
Accrual Basis

Christian Education Division Account Profit & Loss Budget vs. Actual

| 2011 Budget to Actual & 2013 Proposed Budget | | | | |
|--|--------------|-----------|------------------|---------------|
| | Jan - Dec 11 | Budget | \$ + or - Budget | 2013 Proposed |
| Income | | | | |
| 40500 • Christian Educaiton Income | | | | |
| 40501 • Coop Income | 16,387.20 | 17,000.00 | -612.80 | 16,260.00 |
| 40502 • Minister's Retreat Income | 4,260.00 | 7,500.00 | -3,240.00 | 6,000.00 |
| 40505 • Interest Income | 14.90 | | | 10.00 |
| 40507 • Women's Confrence Income | 0.00 | 2,500.00 | -2,500.00 | 2,500.00 |
| 40508 • Minister's Wive Retreat | 2,095.59 | 1,420.00 | 675.59 | 300.00 |
| Total 40500 • Christian Educaiton Income | 22,757.69 | 28,420.00 | -5,662.31 | 25,070.00 |
| 40550 • OTHER INCOME | 153.00 | | | |
| Total Income | 22,910.69 | 28,420.00 | -5,509.31 | 25,070.00 |
| Expense | | | | |
| 50500 • Christian Education Expense | | | | |
| 50501 • Minister's Retreat | 10,861.93 | 13,000.00 | -2,138.07 | 9,600.00 |
| 50502 • Board Mileage & Meals | 1,022.34 | 1,500.00 | -477.66 | 1,900.00 |
| 50503 • Phone | 300.00 | 450.00 | -150.00 | 300.00 |
| 50504 • Printing & Postage | 857.19 | 500.00 | 357.19 | 1,000.00 |
| 50506 • Secretarial Expense | 1,200.00 | 1,200.00 | 0.00 | 1,200.00 |
| 50507 • Computer | 480.00 | 600.00 | -120.00 | 600.00 |
| 50508 • Audit | 500.00 | 500.00 | 0.00 | 500.00 |
| 50509 • Computer/Internet | 324.00 | 150.00 | 174.00 | 150.00 |
| 50510 • Miscellaneous | 675.47 | 1,000.00 | -324.53 | 720.00 |
| 50512 • Scholarships | 4,275.00 | 4,500.00 | -225.00 | 4,500.00 |
| 50515 • Christian Education Conference | 150.84 | | | |
| 50516 • Women's Confrence | 40.00 | | | |
| 50517 • Minister's Wives Retreat | 4,312.31 | 2,500.00 | 1,812.31 | 3,800.00 |
| 50518 • Sunday School Conference | 0.00 | 1,100.00 | -1,100.00 | 800.00 |
| 50500 • Christian Education Expense - Other | 0.00 | 253.62 | -253.62 | |
| Total 50500 • Christian Education Expense | 24,999.08 | 27,253.62 | -2,254.54 | 25,070.00 |
| Total Expense | 24,999.08 | 27,253.62 | | 25,070.00 |

Mission Board Summaries

May 12, 2011

State Office

All Member Present with Don Matchett, Tim Campbell, and Cody Alley

Bro. Alley gave an update on the Cabot church and informed the Board that attendance was doing well. He also relayed that he had located property that was in Cabot city limits toward Austin and Ward. The building was a church building. The previous church had to dissolve. It is situated on 1 acre and is approximately 4,000.00 sq. Feet. The price is \$189,900.00.

The Board voted to meet in Cabot on April 17, 2022 at 10:00 a.m. to view the property.

Adjourned

May 17, 2011

Grace Point FWB Church, Cabot

Previous meetings minutes were read and approved.

1. Don Matchett presented the year-to-date financial report and mission plans for the summer.

2. After viewing the property Bro. Cody spoke of in the Mission Board meeting on May 12, the Board determined that the new location would suffice in the short term, but lacked room for expansion and growth. Bro. Alley presented various reports for Grace Point Church.

July 26, 2011

(Conference Call)

1. The Arkansas State Mission Board held a conference call to inform its members that the property that Grace Point Free Will Baptist Church in Cabot was renting was in foreclosure. Several options were discussed and it was decided that a face-to-face meeting was necessary. The meeting date was set for July 28, 2011 at Cabot.

Adjourned

July 28, 2011

Grace Point FWB Church, Cabot

1. There was a discussion of our current model for planting churches within the state. The Board agreed that a new missions strategies were needed for future church plants in the state. The Mission Board directed Bro. Matchett to write an article for The VISION explaining the new model for state church plants.

The Board discussed the option to build a new building for Grace Point. Goals were set to help in deter-

mining the possibility of building a new facility.

Adjourned

August 1, 2011

(Email Vote)

An email vote was held to accept Bro. Don's recommendations for the State Mission and A.C.T.S. 1:8 budgets for 2012.

MSC to accept both budgets.

Adjourned

November 1, 2011

Grace Point FWB Church, Cabot

Members Present: Joe Short, David Winfrey, Michael Morrison, Ken Winningham, Jeff Holland, Blaine Rogers, Don Matchett, Tim Campbell

1. Offices were elected for 2011/2011 year. Michael Morrison was elected as Secretary, Joe Short was elected as Vice Chairman, and Ken Winningham was elected as Chairman.

2. Bro. Matchett presented his reports to the Board. He also presented his schedule emphasizing his intentions about approaching district association about missions awareness. Bro. Matchett also gave an update on National Free Will Baptist Home and International Mission Agencies. MSC to receive his report as information.

3. Bro. Winningham gave a report on the Finance Committee and their efforts toward the debt retirement of the state association. There was discussion among the Board.

4. Bro. Cody Alley presented his reports about the Grace Point Church to the Board. He outlined a three-year program for the Church. He also requested to pursue a one year lease for the church building at Ward that the Board had visited and inspected. MSC to enter into a one year lease through October 2012.

5. MSC to accept the minutes for the previous meeting.

Adjourned

December 20, 2011

(Conference Call)

All members were present including Don Matchett, Cody Alley, and Tim Campbell.

MSC to allow the church at Cabot to change its name in conjunction with the move to the new location at Ward.

Adjourned

9:04 PM

07/24/12

Accrual Basis

Arkansas Free Will Baptist State Missions Division
Profit & Loss Budget vs. Actual
 January through December 2011

| | Jan - Dec 11 | Budget | \$ Over Budget |
|--|-------------------|-------------------|------------------|
| Income | | | |
| 40401 • Coop | 117,441.40 | 117,131.00 | 310.40 |
| 40402 • Interest Income | 150.51 | 79.51 | 71.00 |
| 40404 • Apple Payment - Cabot | 1,934.77 | 10,603.25 | -8,668.48 |
| 40405 • Cabot Insurance Payment | 0.00 | 2,500.00 | -2,500.00 |
| 40406 • Bank Payment / Ins - Cabot | 0.00 | 4,850.00 | -4,850.00 |
| 40408 • Mt. Cavalry Property Receipts | 9,167.98 | 5,967.79 | 3,200.19 |
| 40411 • Misc. Income | 5,183.61 | 2,049.72 | 3,133.89 |
| 40413 • Designated-SM General Fund | 10,675.00 | 370.00 | 10,305.00 |
| 40414 • Designated-Cabot | 7,787.98 | 6,302.54 | 1,485.44 |
| 40415 • Changepoint Church Lease Paymt | 25,200.00 | 6,300.00 | 18,900.00 |
| 40450 • ACTS 18 For Cabot | 55,594.26 | 49,883.19 | 5,711.07 |
| 40461 • Fishing Tournament Income | 1,185.00 | 5,580.00 | -4,395.00 |
| 40462 • Teen Mission Trips | 10,970.29 | 6,337.00 | 4,633.29 |
| Total Income | 245,290.80 | 217,954.00 | 27,336.80 |
| Expense | | | |
| 50401 • Phone | 1,742.76 | 1,978.40 | -235.64 |
| 50402 • Secretarial | 3,900.00 | 2,925.00 | 975.00 |
| 50403 • Computer | 1,004.97 | 5,825.18 | -4,820.21 |
| 50404 • Board Expense | 2,012.44 | 2,746.68 | -734.24 |
| 50405 • Audit | 3,925.00 | 3,425.00 | 500.00 |
| 50406 • Miscellaneous | 1,191.11 | 3,959.92 | -2,768.81 |
| 50407 • Director's Salary | 29,450.20 | 29,450.20 | 0.00 |
| 50408 • Director's Housing | 18,000.00 | 18,000.00 | 0.00 |
| 50409 • Director's Retirement | 1,200.00 | 1,200.00 | 0.00 |
| 50410 • Director's Insurance | 9,538.90 | 8,787.88 | 751.02 |
| 50411 • Director's Social Security | 11,278.85 | 5,444.91 | 5,833.94 |
| 50411b • Director's Bonus | 1,100.00 | 950.00 | 150.00 |
| 50412 • Mission Director's Conventions | 2,428.17 | 4,299.81 | -1,871.64 |
| 50413 • Vehicle Payment | 5,065.92 | 5,065.92 | 0.00 |
| 50414 • Vehicle Maintenance/Repair | 885.95 | 734.08 | 151.87 |
| 50415 • Office Expense | 1,415.04 | 1,593.83 | -178.79 |
| 50416 • Travel | | | |
| 50416a • Travel-Fuel | 3,381.58 | 3,054.27 | 327.31 |
| 50416b • Travel-Meals | 2,773.08 | 2,955.99 | -182.91 |
| 50416c • Travel-Lodging | 1,174.29 | 670.06 | 504.23 |
| 50416 • Travel - Other | 99.24 | | |
| Total 50416 • Travel | 7,428.19 | 6,680.32 | 747.87 |
| 50417 • Postage | 445.68 | 963.10 | -517.42 |
| 50418 • Printing | 891.33 | 1,692.00 | -800.67 |
| 50420a • Cabot Missionary Insurance | 4,800.00 | 3,876.92 | 923.08 |
| 50422 • Cabot Missionary Bonus | 0.00 | 950.00 | -950.00 |
| 50423 • Cabot Property Insurance | 0.00 | 2,068.50 | -2,068.50 |
| 50427 • Rent | 3,600.00 | 3,600.00 | 0.00 |
| 50430 • Designated-for Cabot Missions | 0.00 | 150.00 | -150.00 |
| 50432 • Cabot Expense | 8,517.03 | 3,509.54 | 5,007.49 |
| 50440 • Utilities | 1,968.32 | 1,494.64 | 473.68 |
| 50461 • State Meeting | 0.00 | 531.21 | -531.21 |
| 50462 • Fishing Tournament | 267.00 | 2,861.45 | -2,594.45 |
| 50463 • Conway Property To Apple | 10,089.91 | 2,914.86 | 7,175.05 |
| 50464 • Teen Mission Trips Expense | 8,804.15 | 5,083.81 | 3,720.34 |
| 50466 • Secretarial Expense | 0.00 | 975.00 | -975.00 |
| 50500 • FWB Foundation-Apple | 36,620.75 | 7,995.60 | 28,625.15 |
| 50656 • A.C.T.S. 18 Promotion | 0.00 | 3,040.56 | -3,040.56 |
| 50658 • State Missionary Convention | 0.00 | 236.43 | -236.43 |
| 50661 • AR Missionary Bonus | 950.00 | | |
| 50662 • Auto Insurance | 666.43 | 714.70 | -48.27 |
| 50665 • Apple Loan (for Cabot) | 0.00 | 25,278.20 | -25,278.20 |
| 6560 • Payroll | | | |
| 6560a • Payroll Expenses | 48,998.17 | 47,553.07 | 1,445.10 |
| Total 6560 • Payroll | 48,998.17 | 47,553.07 | 1,445.10 |
| 66900 • Reconciliation Discrepancies | 2.39 | | |
| Total Expense | 228,188.66 | 218,556.72 | 9,631.94 |
| Net Income | 17,102.14 | -602.72 | 17,704.86 |

2013 ACTS 1:8 Budget

| International Mission | Field | Total Ministry Budget Needs | % AR State Support |
|---------------------------------|--------------------|-----------------------------|--------------------|
| Anthony and Lea Edgmon 25% | Spain | \$10,525.00 | \$2,631.25 |
| Donnie and Ruth McDonald 25% | Japan | \$21,500.00 | \$5,375.00 |
| Dale and Sandra Bishop 50% | Japan | \$11,500.00 | \$5,750.00 |
| Shane and Joy Davison 50% | Southern France | \$13,750.00 | \$6,875.00 |
| Jaimie and Tammy Lancasters 50% | Urugauy | \$19,700.00 | \$9,850.00 |
| David and Angie OutLaw 50% | Central Asia (THP) | \$33,050.00 | \$16,525.00 |
| Pasty VanHook 100% | France | \$8,700.00 | \$8,700.00 |
| Paul and Chrissy Collins 50% | Panama | \$4,800.00 | \$2,400.00 |
| Heath and Joannie Hubbard 50% | Spain (THP) | \$20,000.00 | \$10,000.00 |
| | | Total | \$68,106.25 |
| Global Evangelism Fund | | | \$368,093.75 |
| | | IM Total | \$436,200.00 |
| Home Missions | | | |
| John and Cheryl Reed 50% | Green Bay WI | | \$25,000.00 |
| Scott and Stacey Warren 50% | Salt Lake City UT | | \$25,000.00 |
| | | HM Total | \$50,000.00 |
| State Missions | | | |
| Cody and Rebecca Alley 100% | Cabot AR | | \$53,800.00 |
| | | SM Total | \$53,800.00 |
| | | Total ACTS 1:8 Budget | \$540,000.00 |

Arkansas Free Will Baptist Missions Budget 2013

Income

Variable Income Account

| | |
|--|--------------|
| Co-op | \$116,530.00 |
| Designated SM General Fund | \$150.00 |
| Teen Mission trip income | \$10,000.00 |
| Designated to 1st FWB | \$4,000.00 |
| Misc. Income Interest and Reimbursements | \$500.00 |

Transfer Income Accounts

| | |
|--|-------------|
| A.C.T.S. 1:8 Receipts for Cabot Missionary | \$53,800.00 |
|--|-------------|

Total Receipts

\$184,980.00

Expenses

Variable Expense Accounts

| | |
|---------------------------------|-------------|
| Phone | \$1,500.00 |
| Computer | \$2,898.00 |
| Utilities | \$2,000.00 |
| Board Mileage/Meals | \$6,000.00 |
| Miscellaneous | \$2,100.00 |
| Missions Director's conventions | \$3,000.00 |
| Mission Director's travel | \$9,000.00 |
| Auto Repair and Maintenance | \$2,500.00 |
| Office Expense | \$1,500.00 |
| Postage | \$1,500.00 |
| Printing | \$1,650.00 |
| Teen Mission trip expenses | \$10,000.00 |
| State mission church expense | \$3,500.00 |
| Designated to 1st Church | \$4,000.00 |

| | |
|------------------|-------------|
| Payroll Expense | \$53,800.00 |
| Missionary Bonus | \$1,000.00 |

Fixed Expense Accounts

| | |
|------------------------------------|-------------|
| Audit | \$3,000.00 |
| Rent | \$3,600.00 |
| Mission Director's Salary | \$31,850.00 |
| Mission Director's Housing | \$18,000.00 |
| Mission Director's Retirement | \$1,200.00 |
| Mission Director's Social Security | \$7,200.00 |
| Mission Director's Insurance | \$9,300.00 |
| Mission Directors Bonus | \$1,100.00 |
| Secretarial Expense | \$3,900.00 |
| Auto Insurance | \$882.00 |

Total Expenses

\$185,980.00

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

**FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**



JOHN W. STOTTMAN, JR., CPA PA

A PROFESSIONAL ASSOCIATION
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors

Arkansas Mission Board of the Arkansas State

Association of Free Will Baptists, A Division of the Arkansas State

Association of Free Will Baptists, Inc.

I have audited the accompanying statements of financial position of Arkansas Mission Board of the Arkansas State Association of Free Will Baptists, A Division of the Arkansas State Association of Free Will Baptists, Inc. (a nonprofit Corporation) as of December 31, 2011 and 2010, 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 Mission Board of the Arkansas State Association of Free Will Baptists, A Division of the Arkansas State Association of Free Will Baptists, Inc. as of December 31, 2011 and 2010 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 8, 2012

Member

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

ARKANSAS MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS
A DIVISION OF THE ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010

| ASSETS: | 2011 | 2010 |
|--|-----------------------|-----------------------|
| Cash | \$ 24,360 | \$ 7,257 |
| Cash – Trust Account | 254,249 | 158,647 |
| Due From COOP | 8,204 | 9,828 |
| Property | 665,654 | 665,654 |
| Auto, Equipment & Leasehold Improvements | 8,963 | 14,530 |
| Mortgage/Notes Receivable | <u>0</u> | <u>54,059</u> |
| Total Assets | <u>\$ 961,430</u> | <u>\$ 909,975</u> |

LIABILITIES AND NET ASSETS

| | | |
|--------------------------------------|-----------------------|-----------------------|
| LIABILITIES: | | |
| Escrow Payable | \$ 15,000 | \$ 3,000 |
| Directors Social Security Payable | 0 | 2,405 |
| Mortgage/Notes Payable | <u>7,778</u> | <u>12,452</u> |
| Total Liabilities | <u>22,778</u> | <u>17,857</u> |
| NET ASSETS: | | |
| Unrestricted | 931,093 | 886,609 |
| Temporarily Restricted | <u>7,559</u> | <u>5,509</u> |
| Total Net Assets | <u>938,652</u> | <u>892,118</u> |
| Total Liabilities and Net Assets | <u>\$ 961,430</u> | <u>\$ 909,975</u> |

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

ARKANSAS MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS
A DIVISION OF THE ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

| | 2011 | | | 2010 | |
|--|-------------------|---------------------------|---------------------------|-------------------|-------------------|
| | UNRESTRICTED | TEMPORARILY RESTRICTED | PERMANENTLY RESTRICTED | TOTAL | TOTAL |
| REVENUE: | | | | | |
| General Fund Income | \$ 126,493 | \$ | \$ | \$ 126,493 | \$ 115,589 |
| Missionary Income-Cabot | | 67,817 | | 67,817 | 74,139 |
| Miscellaneous Income | 0 | | | 0 | 170 |
| Interest Income | 6,651 | | | 6,651 | 5,286 |
| Rent Income | 13,200 | | | 13,200 | 3,300 |
| Fishing Tournament | 1,185 | | | 1,185 | 5,580 |
| Youth Mission Trip | 10,970 | | | 10,970 | 6,337 |
| Net Assets released from restrictions: | | | | | |
| Restrictions satisfied by payments | 65,767 | (65,767) | 0 | 0 | 0 |
| Total Revenue | 224,266 | 2,050 | 0 | 226,316 | 210,401 |
| EXPENSES: | | | | | |
| Board Mileage & Meals | 2,012 | | | 2,012 | 2,747 |
| Telephone | 1,743 | | | 1,743 | 1,978 |
| Printing | 891 | | | 891 | 1,692 |
| Postage | 446 | | | 446 | 963 |
| Office Supplies | 1,416 | | | 1,416 | 1,594 |
| Secretarial Expense | 3,900 | | | 3,900 | 3,900 |
| Computer Expense | 1,005 | | | 1,005 | 3,374 |
| Professional Fees | 3,925 | | | 3,925 | 3,425 |
| Contributions | 1,858 | | | 1,858 | 3,041 |
| Miscellaneous | 0 | | | 0 | 2,391 |
| Auto & Travel Expenses | 7,245 | | | 7,245 | 9,079 |
| Repairs & Maintenance | 886 | | | 886 | 734 |
| Missionary Expenses-Cabot | 49,950 | | | 49,950 | 52,701 |
| Cabot Expenses | 13,317 | | | 13,317 | 5,814 |
| Utilities | 1,968 | | | 1,968 | 1,495 |
| Rent | 3,600 | | | 3,600 | 3,600 |
| Fishing Tournament | 267 | | | 267 | 2,861 |
| Teen Mission Trip | 8,804 | | | 8,804 | 5,084 |
| Directors Salary, Housing & Social Sec. | 57,424 | | | 57,424 | 56,250 |
| Directors Insurance & Retirement | 10,739 | | | 10,739 | 9,665 |
| National Association Expenses | 2,428 | | | 2,428 | 1,689 |
| Depreciation Expense | 5,567 | | | 5,567 | 6,029 |
| Interest Expense | 391 | | | 391 | 605 |
| Total Expenses | 179,782 | 0 | 0 | 179,782 | 180,711 |
| Increase (Decrease) In Net Assets | 44,484 | 2,050 | 0 | 46,534 | 29,690 |
| Net Assets - Beginning of Year | 885,609 | 5,509 | 0 | 892,118 | 862,428 |
| Net Assets - End of Year | \$ 931,093 | \$ 7,559 | \$ 0 | \$ 938,652 | \$ 892,118 |

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

ARKANSAS MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS
STATEMENTS OF CASH FLOWS
A DIVISION OF THE ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

| CASH FLOWS FROM OPERATING ACTIVITIES: | <u>2011</u> | <u>2010</u> |
|--|----------------------|----------------------|
| Increase <decrease> in net assets | \$ 46,534 | \$ 29,690 |
| Add: Depreciation | 5,567 | 6,029 |
| Increase <Decrease> in: | | |
| Due From COOP | 1,624 | 3,071 |
| Escrow Payable | 12,000 | 625 |
| Payroll Taxes Payable | 0 | <2> |
| Director's Social Security Payable | <u><2,405></u> | <u>2,405</u> |
| Net Cash Provided by Operating Activities | 63,320 | 41,818 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Acquisition of property | 0 | <2,452> |
| Proceeds from collection from Mortgage Receivable | <u>54,059</u> | <u>7,415</u> |
| Net Cash Provided <Used> from Investing Activities | 54,059 | 4,963 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Repayment of Debt | <u><4,674></u> | <u><4,461></u> |
| Net Cash Provided by Financing Activities | <u><4,674></u> | <u><4,461></u> |
| Net Increase <Decrease> in Cash | 112,705 | 42,320 |
| Cash at Beginning of Year | <u>165,904</u> | <u>123,584</u> |
| Cash at End of Year | <u>\$ 278,609</u> | <u>\$ 165,904</u> |
| SUPPLEMENTAL DISCLOSURES: | | |
| Cash Paid During the Year for Interest | <u>\$ 391</u> | <u>\$ 605</u> |

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

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

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Arkansas Mission Board of the Arkansas State Association of Free Will Baptists, A Division 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. 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 Accounting Standards Codification 958-210-55. Under Accounting Standards Codification 958-210-55, 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 Accounting Standards Codification 958-605-55. In accordance with Accounting Standards 958-605-55, 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 MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS
A DIVISION OF THE ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

DECEMBER 31, 2011 AND 2010

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>2011</u> | <u>2010</u> |
|-----------------------------------|-------------------|-------------------|
| Land & building - Cabot, Arkansas | \$ 665,654 | \$ 655,654 |
| | <u>\$ 665,654</u> | <u>\$ 665,654</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>2011</u> | <u>2010</u> |
|---|-----------------|------------------|
| Auto | \$ 22,942 | \$ 22,942 |
| Office furniture & equipment | 10,131 | 10,131 |
| Leasehold improvements | <u>2,198</u> | <u>2,198</u> |
| | 35,271 | 35,271 |
| Less Accumulated Depreciation | <u>26,308</u> | <u>20,741</u> |
| Total Property, Equipment & Leasehold Improvements | <u>\$ 8,963</u> | <u>\$ 14,530</u> |

ARKANSAS MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS
A DIVISION OF THE ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 2011 AND 2010

NOTE 4 – MORTGAGE/NOTES RECEIVABLE

The 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.

NOTE 5 - ESCROW PAYABLE

Grace Point Free Will Baptist Church in Cabot, Arkansas made payments to the Arkansas Mission Board of the Arkansas State Association of Free Will Baptists, Inc., A Division 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 Grace Point Free Will Baptist Church, until the church goes self-supporting. Balance is \$ 0 and \$ 0 as of December 31, 2011 and 2010, respectively. In September, 2010, the church property in Cabot, Arkansas was leased to another organization. This organization makes payments to the Arkansas Mission Board on a monthly basis, which includes rent and an amount to be applied to escrow to apply to the down payment, if the property is purchased. If the organization does not purchase the property, these escrow funds will be turned over to the Arkansas Mission Board. Balance is \$ 15,000 and \$ 3,000 as of December 31, 2011 and 2010, respectively.

NOTE 6 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes:

| | <u>2011</u> | <u>2010</u> |
|--------------------|-----------------|-----------------|
| Missionary – Cabot | \$ <u>7,559</u> | \$ <u>5,509</u> |
| | <u>\$ 7,559</u> | <u>\$ 5,509</u> |

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

ARKANSAS MISSION BOARD OF THE
ARKANSAS STATE ASSOCIATION OF FREE WILL BAPTISTS
A DIVISION OF THE ARKANSAS STATE ASSOCIATION OF
FREE WILL BAPTISTS, INC.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
DECEMBER 31, 2011 AND 2010

NOTE 7 - NOTES PAYABLE

Note payable - Nissan Motor Acceptance Corp.,
requires monthly installments of \$422, including
principal and interest at 3.9% APR.
The note is secured by vehicle.

| <u>2011</u> | <u>2010</u> |
|-----------------|------------------|
| \$ <u>7,778</u> | \$ <u>12,452</u> |
| \$ <u>7,778</u> | \$ <u>12,452</u> |

The aggregate maturities of the notes are as follows:

| | |
|------|----------|
| 2012 | \$ 4,848 |
| 2013 | 2,930 |

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, 2011 is \$ 254,249.

2011 Youth Board Summaries

January 17th, 2011- State Office

All Board members present: BJ Duvall, Tim Landers, Joey Postlewaite, Alan Thomas, Jason Nichols, Tim Forman and Brian Kesterson and Tim Campbell

MSC to accept Oct-Dec 2010 minutes as read

Directors report given by Brian Kesterson

Directors Report included 2010 in Review, Directors Travel Report, Directors Calendar and Financial Report

5 new rentals secured for 2011

Financial Report for 2010 shows a net income of \$4,692.62

Contingency Fund has balance of \$2,393.65

Home Equity Account has balance of \$601.32

Electrical Project is underway with \$18,916 in deposits made from 8/20/10 to 12/31/10 and current expenses of \$13,180 paid leaving a balance of \$5,736

Camp Beaverfork pays \$584/month for two years to cover \$14,000 pledge for Electrical Work. Thus far camp has paid \$2,920 toward pledge leaving a balance due of \$11,080

MSC to accept Directors Report

New Business:

MSC to give family in Union Grove FWB Church enough tile flooring to cover their needs for home improvement

State Competition Payout Schedule reviewed

\$5 discount will be given to campers who pre-register by date tbd by camp director

Camp forms reviewed

Toby Spradling contacted to consider being 2011 Kid's Week Speaker

Appreciation Dinner and 40th Anniversary Camp Celebration date changed to June 7

Informational: Credit Card Simmons First increased limit from \$2,000 to \$5,000

Directors Areas of Concerns:

Improve communication with in our churches to promote camp through web site updates and email data base

Brian asked board members to encourage their associations to help him get into churches, association meetings, youth rallies and youth events to promote camp

Director is working on organization and training for

counselors and staff

Brian would like to create camp handbook, increase legal protection and hiring certified life guards

Director presented "One Building at a Time" project to focus on improving Tabernacle for 2011

Additional Business:

MSC to give annual Christmas Bonus of extra weeks salary to the Director the payday before Christmas

Director will send out competition judges applications

Next Meeting March 14, 9:30 AM

Adjourned

March 14, 2011-State Office

Board members present: BJ Duvall, Joey Postlewaite, Alan Thomas, Jason Nichols, Tim Forman and Brian Kesterson and Tim Campbell. Tim Landers not present.

MSC to accept January 2011 Minutes as read

Director's Report given by Brian Kesterson

Brian presented camp summary which included 2010 in review, "One Building at a Time," Retreat summaries, Masters Men Spring Retreat/Work Day April 15-16, and 2011 To Do List

Director's Travel Report and Calendar were presented

Directors Financial Report included Bimonthly Report Jan-Feb 2011 with net income of -30,412.83 (which does not include deposits made in November 2010 to pay for pool

Contingency fund balance of \$3,054.79

AR FWB State Youth Endowment balance of \$2,040.12

Director presented Electrical project with beginning balance of \$144,600.00 with \$20,813.70 paid to date leaving a remaining balance of \$123,786.30.

Bro. Windell with Masters Men asked Youth Board to help with ideas to continue raising money for Electrical Project.

MSC to accept Director's Report

Old business: Charles McDonald quoted B.J. DuVall \$25/hour to roof remaining buildings (this is only a quote, no one has been hired yet).

New Business:

MSC to include Head Lice Policy with camp packet for parents to sign and return

MSC for Brian to select teachers and curriculum for

small groups at camp

Matthew Henderson confirmed as evangelist for 1st half of kids week and Rich Cash for 2nd half of kids week at camp

Appreciation Dinner is June 7th. Brian Kesterson and Tim Campbell will discuss ideas for plaques and picture frames to honor camp founders

MSC to let Brian Kesterson join the American Camp Association for \$200 to gain access to camp resources

Next Meeting June 8, 2011, 9:00 AM at State Office

Adjourned

June 8, 2011-State Office

Board members present: BJ Duvall, Joey Postlewaite, Alan Thomas, Jason Nichols, and Brian Kesterson and Tim Campbell. Tim Landers and Tim Forman not present.

MSC to accept March 2011 Minutes as read

Director's Report given by Brian Kesterson

Director's Travel Report and Schedule were presented

Electrical Project Balance is \$97,666.30 after a \$12,000 credit from Blevins Electrical Co.

Camp has paid \$5,256 towards the \$14,000 pledge to the electrical project

The Contingency Fund has a balance of \$4,046.85

Director's Financial Report for April - May 2011 shows a balance of \$16,405.89

MSC to accept Director's Report

MSC to approve 2012 budget of \$256,510.00

MSC during executive session with Brian Kesterson out of room to approve \$1,200 raise for Camp Director

Board discussed possibilities to purchase Milk Cooler in the future

2011 Youth Workers Retreat is October 6-8

2012 State Competition is April 28

Next Meeting is September 13, 2011, 9:30 AM

Adjourned

September 13, 2011-State Office

Board members present: BJ Duvall, Tim Forman, Jason Sullivan, Alan Thomas, Jason Nichols, and Brian Kesterson and Tim Campbell. Joey Postlewaite not present.

ent.

Opening Prayer by Tim Forman

MSC to accept June 2011 Minutes as read

MSC to re-elect Joey Postlewaite as Chairman, BJ Duvall as Vice Chairman and Jason Nichols as Clerk

Director's Report given by Brian Kesterson

Brian has been accepted into the American Camp Association as a member

Director presented 2011 in review that was also presented at AR FWB State Meeting

Travel Report included 5 promotional reports, 3 preaching services and 3,806 miles logged from June 26 - August 30, 2011

Electrical Project summary given. Camp Beaverfork owes \$6,408 of original \$14,000 pledge. The current balance on the project is \$78,067.84 and is due August 2012

Financial Report: 2011 June-August Budget vs. Actual \$-20,343.60; 2011 January-August Budget vs. Actual \$-35,890.15. However these numbers do not reflect income for pool and electrical projects that was deposited in 2010. Current Balance in General Account is \$13,711.79

MSC to accept Director's Report

MSC to award the Don Guthrie Scholarship of \$500 each to Kenyon Savage and Kali Bonnema

MSC to give \$150 to Mark Stripling, \$150 to Allen Pointer and \$300 to Doug Little as honorariums for speaking at the 2011 AR FWB Youth Workers Retreat. Doug Little's honorarium includes his travel expenses.

MSC to charge \$400 per student to participate in the 2012 AR Student Leadership Conference. Application Deadline is November 4, 2011

MSC to spend up to \$500 to purchase new dishwasher for Director's Home

MSC to purchase tires for the Mule and then take it to the shop to get an estimate on repairs/service

Potential speakers contacted for 2012 Kids and Teen Retreats

Next Meeting is January 10, 2012, 10:00 AM at the State Office

Adjourned

9:30 PM
07/24/12
Accrual Basis

Camp Beaverfork

Profit & Loss Budget vs. Actual

January through December 2011

| | Jan - Dec 11 | Budget | \$ Over Budget |
|---------------------------------------|-------------------|-------------------|------------------|
| Income | | | |
| 4100 • Interest Income | 140.49 | 100.00 | 40.49 |
| 4125 • Loss on Investments-Foundation | -155.14 | | |
| 4200 • Coop | 94,270.27 | 98,000.00 | -3,729.73 |
| 4300 • CTS Youth Competition | 8,285.00 | 9,500.00 | -1,215.00 |
| 4350 • Camp Improvement Projects | 61,253.50 | | |
| 4400 • Gifts & Contributions | 5,064.09 | 25,000.00 | -19,935.91 |
| 4410 • "Count Me In" Contributions | 6,060.00 | | |
| 4450 • Youth Retreats | | | |
| 4450a • Kid's Retreat | 3,995.00 | 5,000.00 | -1,005.00 |
| 4450b • Teen Retreat | 5,040.00 | 4,500.00 | 540.00 |
| Total 4450 • Youth Retreats | 9,035.00 | 9,500.00 | -465.00 |
| 4500 • Camp Rentals | 78,896.06 | 60,000.00 | 18,896.06 |
| 4600 • FWB Camps | | | |
| 4600a • Registration | 42,076.10 | 43,000.00 | -923.90 |
| 4600b • Concessions | 8,179.18 | 6,000.00 | 2,179.18 |
| 4600c • T Shirts | 5,731.00 | 6,000.00 | -269.00 |
| 4600 • FWB Camps - Other | 500.00 | | |
| Total 4600 • FWB Camps | 56,486.28 | 55,000.00 | 1,486.28 |
| 4700 • Youth Workers Retreat | 120.00 | | |
| 4800 • Don Gunthrie Scholarship | 0.00 | | |
| Total Income | 319,455.55 | 257,100.00 | 62,355.55 |
| Gross Profit | 319,455.55 | 257,100.00 | 62,355.55 |
| Expense | | | |
| 5000 • Director's Salary | | | |
| 5000a • Salary | 0.00 | 0.00 | 0.00 |
| 5000b • Retirement | 1,100.00 | 1,200.00 | -100.00 |
| 5000 • Director's Salary - Other | 39,749.84 | 39,750.00 | -0.16 |
| Total 5000 • Director's Salary | 40,849.84 | 40,950.00 | -100.16 |
| 5001 • Director's Auto Expense | 2,729.04 | 3,000.00 | -270.96 |
| 5002 • Directors Travel Expense | 3,918.78 | 3,000.00 | 918.78 |
| 5003 • Clerical Salaries | 2,400.00 | 3,000.00 | -600.00 |
| 5005 • Director's Home Equity Expense | 0.00 | 600.00 | -600.00 |
| 5006 • Directors Christmas Bonus | 764.42 | | |
| 6002 • Payroll Taxes | 145.11 | 1,800.00 | -1,654.89 |
| 6003 • Directors cell phone expense | 1,200.00 | 1,200.00 | 0.00 |
| 6004 • Contingency Fund | 0.00 | | |
| 6005 • Postage | 247.71 | 600.00 | -352.29 |
| 6007 • Camp Utilities | 28,872.18 | 32,000.00 | -3,127.82 |
| 6008 • Pest Control Maintenance | 1,048.30 | | |
| 6009 • Camp Insurance | | | |
| 6009a • Auto Insurance | 596.66 | 900.00 | -303.34 |
| 6009b • Workman's Comp | 747.00 | 1,100.00 | -353.00 |
| 6009c • Property Insurance | 8,991.03 | 9,600.00 | -608.97 |
| 6009d • Accident/Property Insurance | 1,443.00 | 1,500.00 | -57.00 |
| 6009e • Director's Insurance | 6,192.00 | 6,000.00 | 192.00 |
| 6009 • Camp Insurance - Other | 2,480.76 | | |
| Total 6009 • Camp Insurance | 20,450.45 | 19,100.00 | 1,350.45 |

9:30 PM
07/24/12
Accrual Basis

Camp Beaverfork Profit & Loss Budget vs. Actual January through December 2011

| | Jan - Dec 11 | Budget | \$ Over Budget |
|--|--------------|------------|----------------|
| 6010 • Grounds maintenance | 13,191.80 | 5,000.00 | 8,191.80 |
| 6011 • Professional Fees | 4,025.00 | 3,000.00 | 1,025.00 |
| 6012 • Pool Maintenance | 1,747.85 | 3,000.00 | -1,252.15 |
| 6013 • Food Service | 35,597.84 | 30,000.00 | 5,597.84 |
| 6014 • Office Supplies | 2,461.33 | 2,500.00 | -38.67 |
| 6018 • CTS Competition | 7,573.80 | 7,500.00 | 73.80 |
| 6019 • Meetings & Conventions | 2,186.42 | 3,500.00 | -1,313.58 |
| 6022 • Interest Expense | 3,512.95 | | |
| 6023 • Misc. | 7,883.78 | 4,500.00 | 3,383.78 |
| 6024 • Loan Payments | 0.00 | 11,000.00 | -11,000.00 |
| 6025 • Auto Payments | 0.00 | 4,000.00 | -4,000.00 |
| 6026 • Camp Literature | 0.00 | 100.00 | -100.00 |
| 6027 • Real Estate Tax Expense | 0.00 | 100.00 | -100.00 |
| 6028 • Depreciation Expense | 23,872.16 | | |
| 6029 • Arkansas Department of Workforc | 0.00 | | |
| 6030 • Board Mileage & Meals | 1,728.74 | 3,000.00 | -1,271.26 |
| 6031 • Improvement Projects Expense | 0.00 | | |
| 6032 • Repairs & Maint. | 4,209.21 | 23,100.00 | -18,890.79 |
| 6033 • Supplies | 4,882.11 | 8,050.00 | -3,167.89 |
| 6034 • Printing | 1,002.99 | 1,500.00 | -497.01 |
| 6035 • Retreat Expense | | | |
| 6035a • Kid's Retreat Expense | 1,840.34 | 800.00 | 1,040.34 |
| 6035b • Teen Retreat Expense | 1,308.64 | 700.00 | 608.64 |
| 6035c • Other | 0.00 | 700.00 | -700.00 |
| Total 6035 • Retreat Expense | 3,148.98 | 2,200.00 | 948.98 |
| 6036 • Youth Workers Retreat Expense | 1,024.43 | | |
| 6037 • Camp Labor | 7,435.00 | 12,000.00 | -4,565.00 |
| 6038 • Guest Speakers | | | |
| 6038a • Kid's Retreat Speaker | 750.00 | 800.00 | -50.00 |
| 6038b • Teen Retreat Speaker | 650.00 | 800.00 | -150.00 |
| 6038c • Camp | 4,550.00 | 7,000.00 | -2,450.00 |
| Total 6038 • Guest Speakers | 5,950.00 | 8,600.00 | -2,650.00 |
| 6040 • Food Service Labor | 6,916.00 | 8,000.00 | -1,084.00 |
| 6095 • Contributions & Gifts | 25.00 | | |
| 6100 • T-Shirts | 4,668.21 | 3,500.00 | 1,168.21 |
| 6110 • Camp Security | 1,120.00 | 1,200.00 | -80.00 |
| 6115 • Camp Games & Recreation | 136.10 | 1,500.00 | -1,363.90 |
| 6120 • Scholarships | | | |
| 6120a • FWB Foundation Deposit | 1,743.73 | | |
| 6120b • Don Gunthrie Scholarship | 1,000.00 | | |
| 6120 • Scholarships - Other | -1,743.73 | | |
| Total 6120 • Scholarships | 1,000.00 | | |
| 66000 • Payroll Expenses | 3,096.86 | 1,800.00 | 1,296.86 |
| Total Expense | 251,022.39 | 253,900.00 | -2,877.61 |
| Net Income | 68,433.16 | 3,200.00 | 65,233.16 |

2013 Budget Proposal

| Income | | | | Budget |
|---------------------|-----------------------|---------------------|------------------|-------------------|
| 4100 | Interest Income | | | 100.00 |
| 4200 | Coop | | | 94,850.00 |
| 4300 | CTS Youth Competition | | | 8,500.00 |
| 4400 | Gifts & Contributions | | | 11,840.00 |
| 4450 | Youth Retreats | | | |
| | 4450a | Kid's Retreat | 5,000.00 | |
| | 4450b | Teen Retreat | 5,000.00 | |
| | | | <u>10,000.00</u> | 10,000.00 |
| 4500 | Camp Rentals | | | 75,000.00 |
| 4600 | FWB Camp | | | |
| | 4600a | Registration | 45,500.00 | |
| | 4600b | Concessions | 8,500.00 | |
| | 4600c | T Shirts | 6,000.00 | |
| | | | <u>60,000.00</u> | 60,000.00 |
| Total Income | | | | <u>260,290.00</u> |
| | | | | |
| Expense | | | | |
| 5000 | Director Package | | | |
| | 5000a | Salary | 40,950.00 | |
| | 5000b | Retirement | 1,200.00 | |
| | | | <u>42,150.00</u> | 42,150.00 |
| 5001 | Auto Expense | | | 3,000.00 |
| 5002 | Travel Expense | | | 4,000.00 |
| 5003 | Clerical Salaries | | | 2,500.00 |
| 5005 | Home Equity Expense | | | 600.00 |
| 6002 | Payroll Taxes | | | 10,000.00 |
| 6003 | Cell Phone | | | 1,560.00 |
| 6005 | Postage | | | 300.00 |
| 6007 | Camp Utilities | | | 30,000.00 |
| 6008 | Pest Control | | | 1,000.00 |
| 6009 | Camp Insurance | | | |
| | 6009a | Auto Ins | 600.00 | |
| | 6009b | Workman's Comp | 800.00 | |
| | 6009c | Property Ins | 12,000.00 | |
| | 6009d | Accident / Sickness | 1,500.00 | |
| | 6009e | Director Insurance | 6,500.00 | |
| | | | <u>21,400.00</u> | 21,400.00 |
| 6010 | Grounds Maintenance | | | 14,000.00 |
| 6011 | Professional Fees | | | 4,000.00 |
| 6012 | Pool Maintenance | | | 1,800.00 |
| 6013 | Food Service | | | 35,000.00 |
| 6014 | Office Supply | | | 2,500.00 |
| 6018 | CTS Competition | | | 7,500.00 |

2013 Budget Proposal

| | | | | |
|----------------------|----------------------------------|-----------------------|-----------------|-------------------|
| 6019 | Meetings & Conventions | | | 3,000.00 |
| 6023 | Misc | | | 8,000.00 |
| 6024 | Loan Payments | | | 8,000.00 |
| 6025 | Auto Payments | | | 4,000.00 |
| 6026 | Camp Lit | | | 100.00 |
| 6027 | Real Estate Tax Expense | | | 80.00 |
| 6030 | Board Mileage & Meals | | | 2,500.00 |
| 6032 | Repairs & Maint. | | | 7,500.00 |
| 6033 | Supplies | | | 5,500.00 |
| 6034 | Printing | | | 1,500.00 |
| 6035 | Retreat Expense | | | |
| | 6035a | Kid's Retreat Expense | 2,000.00 | |
| | 6035b | Teen Retreat Expense | 1,500.00 | |
| | 6035c | Other | 700.00 | |
| | | | <u>4,200.00</u> | 4,200.00 |
| 6037 | Camp Labor | | | 10,000.00 |
| 6038 | Guest Speakers / Worship Leaders | | | |
| | 6038a | Kid's Retreat | 700.00 | |
| | 6038b | Teen Retreat | 700.00 | |
| | 6038c | Camp | 5,000.00 | |
| | | | <u>6,400.00</u> | 6,400.00 |
| 6040 | Food Service Labor | | | 8,000.00 |
| 6100 | T-Shirts | | | 3,500.00 |
| 6110 | Camp Security | | | 1,200.00 |
| 6115 | Camp Games & Rec | | | 1,500.00 |
| 66000 | Payroll Expenses | | | <u>4,000.00</u> |
| Total Expense | | | | 260,290.00 |

**CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP
A DIVISION OF THE ARKANSAS STATE
ASSOCIATION OF FREE WILL BAPTISTS, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010



JOHN W. STOTTMAN, JR., CPA PA

A PROFESSIONAL ASSOCIATION
Certified Public Accountant

2320 E 16th Street • P. O. Box 983
Russellville, Arkansas 72811
(479) 968-2992 • Fax (479) 880-9817
JOHN@STOTTMAN.COM

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Camp Beaverfork, Arkansas Free Will Baptists Youth Camp
A Division of the Arkansas State Association of Free Will Baptists, Inc.

I have audited the accompanying balance sheets of Camp Beaverfork, Arkansas Free Will Baptists Youth Camp, A Division of the Arkansas State Association of Free Will Baptists, Inc. (a nonprofit corporation) as of December 31, 2011 and 2010, 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, a Division of the Arkansas State Association of Free Will Baptists, Inc. as of December 31, 2011 and 2010, 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 5, 2012

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

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP
A DIVISION OF THE ARKANSAS STATE
ASSOCIATION OF FREE WILL BAPTISTS, INC.
BALANCE SHEETS

DECEMBER 31, 2011 AND 2010

| | <u>2011</u> | <u>2010</u> |
|--------------------------------|------------------------|------------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash in bank | \$ 14,271 | \$ 34,835 |
| Cash-contingency fund | 6,361 | 2,394 |
| Cash-FWB Foundation | 2,900 | 2,040 |
| Cash-Home Equity Fund | 1,203 | 601 |
| Accounts receivable | <u>6,678</u> | <u>7,999</u> |
| Total Current Assets | 31,413 | 47,869 |
| FIXED ASSETS: | | |
| Land and buildings | 333,760 | 333,760 |
| Auto | 19,973 | 19,973 |
| Equipment | 85,168 | 85,168 |
| Camp improvements | 492,607 | 465,907 |
| Less: accumulated depreciation | <u><294,343></u> | <u><270,471></u> |
| Total Fixed Assets | <u>637,165</u> | <u>634,337</u> |
| TOTAL ASSETS | <u>\$ 668,578</u> | <u>\$ 682,206</u> |

LIABILITIES AND FUND BALANCES

| | | |
|---|-------------------|-------------------|
| CURRENT LIABILITIES: | | |
| Current portion of L-T debt | \$ 5,113 | \$ 6,949 |
| Accounts payable | 45,382 | 121,175 |
| Payroll taxes payable | <u>989</u> | <u>926</u> |
| Total Current Liabilities | 51,484 | 129,050 |
| LONG-TERM DEBT: | | |
| Notes payable (Less: current portion of L-T debt) | <u>39,072</u> | <u>43,567</u> |
| TOTAL LIABILITIES | 90,556 | 172,617 |
| FUND BALANCE: | | |
| Fund balance, Beginning of Year | 509,589 | 444,200 |
| Excess revenue over expenses | <u>68,433</u> | <u>65,389</u> |
| Fund balance, End of Year | <u>578,022</u> | <u>509,589</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 668,578</u> | <u>\$ 682,206</u> |

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

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP
A DIVISION OF THE ARKANSAS STATE
ASSOCIATION OF FREE WILL BATISTS, INC.
STATEMENTS OF REVENUE AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

| REVENUE: | 2011 | 2010 |
|--------------------------------------|------------------|------------------|
| COOP | \$ 94,270 | \$ 92,849 |
| Camp Rentals | 79,396 | 73,428 |
| Registration & Concessions | 65,021 | 67,872 |
| CTS Rally | 8,285 | 9,955 |
| Gifts & Contributions | 11,244 | 15,038 |
| Special Projects | 61,254 | 50,666 |
| Loss on Investments | (155) | 0 |
| Interest Income | 140 | 252 |
| Total Revenues | 319,455 | 310,060 |
| EXPENSES: | | |
| Salaries-Director | 40,514 | 30,676 |
| Auto Expense | 2,729 | 3,001 |
| Utilities | 30,072 | 28,756 |
| Insurance & Retirement-Director | 7,292 | 5,474 |
| Insurance-Camp | 14,258 | 13,304 |
| Payroll Taxes | 3,242 | 2,928 |
| Office Supplies | 2,461 | 2,516 |
| Professional Fees | 6,425 | 6,245 |
| CTS Rally | 7,574 | 7,500 |
| Meetings & Conventions | 2,186 | 2,840 |
| Interest Expense | 3,513 | 3,710 |
| Miscellaneous | 21,927 | 16,903 |
| Scholarships | 1,000 | 1,000 |
| Pool Upkeep | 1,748 | 2,342 |
| Food Service | 35,597 | 42,590 |
| Food Service-Labor | 6,916 | 8,655 |
| Supplies | 4,882 | 6,484 |
| Repairs & Maintenance | 18,449 | 17,519 |
| Postage | 248 | 218 |
| Camp Labor | 7,435 | 10,011 |
| Guest Speakers | 5,950 | 8,050 |
| Board Mileage & Meals | 1,729 | 3,461 |
| Printing | 1,003 | 1,241 |
| Depreciation | 23,872 | 19,247 |
| Total Expenses | 251,022 | 244,671 |
| Excess Revenues Over Expenses | \$ 68,433 | \$ 65,389 |

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

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP
A DIVISION OF THE ARKANSAS STATE
ASSOCIATION OF FREE WILL BAPTISTS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

| | <u>2011</u> | <u>2010</u> |
|--|-----------------------|------------------------|
| CASH FROM OPERATING ACTIVITIES: | | |
| Net revenue <loss> over expenses | \$ 68,433 | \$ 65,389 |
| Adjustments to reconcile net revenue over expenses to net cash provided by operations: | | |
| Depreciation | 23,872 | 19,247 |
| (Increase)decrease in accounts receivable | 1,321 | 2,642 |
| Increase(decrease) in accounts payable | <75,793> | 119,654 |
| Increase(decrease) in payroll tax payable | <u>63</u> | <u><126></u> |
| Net Cash Provided by Operating Activities | 17,896 | 206,806 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of fixed assets | <u><26,700></u> | <u><187,650></u> |
| Net cash used in investing activities | <26,700> | <187,650> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Repayment of debt | <u><6,331></u> | <u><7,725></u> |
| Net cash used by financing activities | <6,331> | <7,725> |
| Net increase (decrease) in cash | <15,135> | 11,431 |
| Cash at beginning of year | <u>39,870</u> | <u>28,439</u> |
| Cash at end of year | <u>\$ 24,735</u> | <u>\$ 39,870</u> |

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

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP
A DIVISION OF THE ARKANSAS STATE
ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL

Camp Beaverfork, Arkansas Free Will Baptists Youth Camp 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 \$ 23,872 and \$ 19,247 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:

| | |
|------|----------|
| 2011 | \$ 3,513 |
| 2010 | \$ 3,710 |

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
A DIVISION OF THE ARKANSAS STATE
ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO FINANCIAL STATEMENTS-(CONTINUED)
DECEMBER 31, 2011 AND 2010

ACCOUNTS RECEIVABLE

Accounts receivable represent the balance of the COOP monies and contributions held by the Arkansas State Association of Free Will Baptists, Inc. as of December 31, 2011 and 2010, due payable to Camp Beaverfork, Arkansas Free Will Baptist Youth Camp.

ACCOUNTS PAYABLE

Included in accounts payable is a liability to Arnold & Blevins Electric Company. This is for an electrical upgrade to the Camp. Master's Men of Arkansas is underwriting this project. The Camp has until September 2012 to pay balance off. If not paid off at that time, other arrangements will be made. Balance at December 31, 2011 and 2010 are \$ 43,487 and \$ 118,900, respectively.

NOTE 2 - NOTES PAYABLE

| | <u>2011</u> | <u>2010</u> |
|---|-------------------|------------------|
| Note payable-Simmons First Bank, Conway, Arkansas, requires monthly installments of \$ 846 including principal and interest at an annual percentage rate of 6.75%. This note is secured by property & equipment. | \$ 0 | \$ 50,516 |
| Note payable-Simmons First Bank, Conway, Arkansas, requires monthly installments of \$ 662, including principal and interest at an annual percentage rate of 6.75%. This note is secured by a property & equipment. | <u>44,185</u> | <u>0</u> |
| | 44,185 | 50,516 |
| Less: Current portion L-T Debt | <u>5,113</u> | <u>6,949</u> |
| Long-term Debt | <u>\$ 39,072</u> | <u>\$ 43,567</u> |

Scheduled minimum maturities of long-term debt over the years subsequent to December 31, 2011, are as follows:

| | |
|---------------------|----------|
| 2012 | \$ 5,113 |
| 2013 | 5,470 |
| 2014 | 5,850 |
| 2015 | 6,258 |
| 2016 and thereafter | 21,494 |

CAMP BEAVERFORK, ARKANSAS FREE WILL
BAPTISTS YOUTH CAMP
A DIVISION OF THE ARKANSAS STATE
ASSOCIATION OF FREE WILL BAPTISTS, INC.
NOTES TO FINANCIAL STATEMENTS-(CONTINUED)
DECEMBER 31, 2011 AND 2010

NOTE 3 - CONTINGENCY FUND

Camp Beaverfork, Arkansas Free Will Baptists Youth Camp makes periodic payments to a contingency fund to be used in case of an emergency. The Youth Board has discretion over the disbursements of this fund.

NOTE 4 - CONCENTRATION OF CREDIT RISK

Camp Beaverfork, Arkansas Free Will Baptists Youth Camp maintains cash deposits at a financial institution located in the United States. Accounts at the institution are insured by the Federal Deposit Insurance Corporation. At December 31, 2011, \$ 2,900 of the corporation's money was uninsured.

**THE CONSTITUTION AND BY-LAWS OF THE ARKANSAS
STATE ASSOCIATION OF FREE WILL BAPTISTS, INC. (REVISED AUGUST 9, 2011)**

Preamble

We, the members of the Free Will Baptist denomination, being 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 the preservation of our doctrine and 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. The Treatise of the Faith and Practices of the National Association of Free Will Baptists, Inc. shall be the doctrinal guidelines of the Arkansas State Association of Free Will Baptists, Inc.

Article IV.

Representation:

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

Note: Churches in good standing are churches that in doctrine and practice adhere to the principles and spirit of The Treatise of the Faith and Practices of the National Association of Free Will Baptists and who have paid state and national dues for that calendar year.

Section 2. Each district association shall be entitled to five (5) lay delegates at large. Each local church that 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 the moderator.

Section 5. The State Convention shall convene annually on the Monday following the first Sunday in the month of August unless the Executive Committee recommends another time.

Article V. Because each church is autonomous, the State Association shall never exercise any authority over any church, nor shall it in any way interfere with the constitution of any church, or with exercise of its functions as the only ecclesiastical body, but will cheerfully recognize and uphold the absolute independence of the churches.

Article VI.

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 will be determined by the State Association.

Section 2. Each district association shall send dues established by the National Association and the State Association.

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 VII.

Discipline:

Section 1. All offices, board members, committee members, delegates, and employees of the State Association shall be in good standing with the State Association.

Section 2. 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 3. The decision of the credentials committee may be appealed to the State Association sitting in a committee as a whole.

Article VIII.

Officers:

Section 1. The officers of the State Association shall consist of a moderator, assistant moderator, clerk, and assistant clerk. 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 annual meeting of the State Association. A district association desiring to host the annual meeting of 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 the Executive Committee recommends another site.

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. Each respective board shall pay for the audits.

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. Committee on Committees: The Executive Committee on the opening night of the association shall appoint a committee on committees. The committee on committees shall appoint all other committees. The clerk shall insure all the nominations are in good standing with the State Association and shall review the report of the committee on committees.

Section 6. Credentials Committees:

A credentials committee composed of five (5) members shall be appointed annually by the Committee on Committees at the State Convention. The credentials committee shall examine petitions for membership from new associations and shall address questions of discipline, doctrine or practice on the part of a district body.

Article IX.

Duties and Rules of Standing Boards:

Section 1. All standing boards, with the exception of the Executive Board, 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 it for approval by the Arkansas State Association along with an audit made by an independent certified public accountant. Each board

schedules as may be necessary for a proper presentation of the financial condition and results of operation. Each board shall create their own by-laws that shall be subject to the approval of the State Association. The Executive Committee shall review all by-laws of all standing boards of the respective divisions of the State Association and recommend them to the State Association for approval.

Section 2. All boards of this association shall organize at their first meeting 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. It is suggested that each board shall meet at least on a quarterly basis.

Section 3a. The Executive Board shall be composed of six (6) members, each of whom shall serve for three years. The chairmen of the Youth Board, the Mission Board, and the Christian Education Board shall be ex officio members of the Executive Board. Regular members 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 for approval by the Arkansas State Association along with an audit made by an independent certified public accountant. Each board shall also present a budget to actual of the reported year to the State Association for information. 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 3b. Executive Board: In any situation that would adversely affect The Arkansas State Association of Free Will Baptists, the Executive Board shall have the responsibility to resolve such matters. The Executive Board is empowered to act for the State Association between sessions of the association, provided that it shall never exercise any authority contrary to the expressed will of the State Association. When any unforeseen emergency occurs in any of the affairs of the State Association, or in any of the interests it controls, that in the judgment of the Executive Board requires action before the next session of the State Association, the Executive Board shall have full authority to take such action as may seem necessary, and all interests concerned shall be governed by such action, provided the Executive Board shall make a full report of all matters pertaining thereunto to the next session of the State Association for its approval, and provided further, that nothing in this article shall be construed as giving to the Executive Board authority to execute any matters already committed by the State Association to any of its divisions or boards. This board shall have the authority to fill any irregular vacancies that may occur in any other standing board between sessions of the State Association. The Executive Committee shall fill any irregular vacancy on the Executive Board. An office may be declared vacant for any of the following reasons: if a member moves from the State; if a member fails to attend the board meetings for a period of one year without providential hindrance; or if for any reason he submits a statement of resignation.

The Executive Board shall review a record of all work accomplished, money raised, and 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.

This board shall have the authority to employ the state executive director by means of a signed contractual agreement. 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 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: This board shall be entrusted to manage mission property owned by the State Association. It shall be the responsibility of this board to employ a State Missions Director.

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 manage 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 entrusted with management of the camp facilities owned by the State Association. 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.

Article X.

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 XI.

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 XII.

Parliamentary Procedure:

This meeting of the State Association shall be governed by the rules of parliamentary law as set forth in the current addition of Robert's Rules of Order.

Slate for the Nominating Committee

Executive Board

2012

Mark Stripling

Mark Stripling

*Bobby Shepherd

Terry Spradlin

2013

Will Harmon

Kevin Barnett

2014

Paul Payne

David Taylor

Mission Board

2012

*Ken Winningham

Russell Thomas

Jeff Holland

Jeff Holland

2013

Joe Short

Blaine Rogers

2014

Michael Morrison

David Winfrey

Christian Education Board

2012

*Clark Snow

Jim Walker

David Harper

David Harper

2013

Travis Alexander

Greig Caswell

2014

Cody Alley

David Ponder

Youth Board

2012

Tim Foreman

Tim Foreman

Jason Nichols

Jason Nichols

2013

Alan Thomas

B.J. Duvall

2014

Jason Sullivan

Craig Batts

Executive Committee (State Officers)

Moderator: Nelson Henderson

Nelson Henderson

Assistant Moderator: Randy Scott

Randy Scott

Clerk: Wendell Leckbee

Wendell Leckbee

Assistant Clerk: Keith Bowden

Keith Bowden

Hillsdale College Trustee

Kendall Ross

Kendall Ross

Free Will Baptist Family Ministries Trustee

*Johnny Miller

Wendell Leckbee

* = Cannot Be Re-elected

NOTE: Nominations may also be made from the floor of the state associational meeting

— *Notes* —

— *Notes* —