

Digest of Reports

**Eighty-Fourth Annual Session
of the
Oklahoma State Association
of
Free Will Baptists**



OCTOBER 12-15, 1992

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PROGRAM
OKLAHOMA STATE ASSOCIATION
OF FREE WILL BAPTISTS

Convention Theme: "Preaching The Word"
Acts 8:4

Monday Afternoon

1:00 General Board Meeting
 Norman First Church

Tuesday Evening

Hillsdale College
6:00 Registration
7:00 Pre-Service Music - Norman First Church
7:20 Presiding - Bob Ketchum
 Association Called Into Session - Keith Burden
 Congregational Singing - Mike Lewis
 Special Music - Norman First Church
 Message: "The Personnel" - J.R. Shade
8:00 Congregational Singing - Mike Lewis
 Special Music - Calvary Trio
 Message: "The Persecution" - Frank Giles
8:40 Committee on Committees Report
 Adjourn

Wednesday Morning

Norman First Church
9:15 Singing
 Devotion - Charles Bigger
 Moderator's Admonition
 Partial Report of the General Board (Acting as Credentials
 Committee)
 Seating of Delegates
 Recognition of Visitors
 Adoption of Program
 Partial Report of General Board
 Executive Board Report - Chairman Bailey Thompson
 Executive Secretary's Report - Connie Cariker
 Free Will Baptist Book Store Report - Phil Akin
 Election of Executive Board Member
 National Executive Secretary's Report - Melvin Worthington

10:30 Intermission

10:40 Presiding - Leonard Pirtle
 Congregational Singing - Mike Lewis
 Special Music - Bristow Trio
 Message: "The Plan" - Myrl Kellett

11:20 Congregational Singing - Mike Lewis
 Special Music - Bristow Trio
 Message: "The Place" - Jerry Banks

Noon Dismiss for Lunch

1:30 Congregational Singing
 Devotion - Russell Payne
 Hillsdale Free Will Baptist College Report - Board Chairman
 Hillsdale President's Report - Jim Shepherd
 Election of Hillsdale Board Member
 Free Will Baptist Bible College Report
 National Master's Men Report
 State Mission Board Report - Chairman Wade Jernigan
 State Mission Director's Report - Berton Perry
 Election of State Mission Board Member
 National Home Mission Report
 Foreign Mission Report
 State Christian Education Board Report - Paul Allen
 Election of Christian Education Board Member
 National Sunday School Department Report

Wednesday Evening

Hillsdale College

7:00 Presiding - Bob Thompson
 Pre-Service Music - Hillsdale College

7:20 Congregational Singing - Darrell Ferrington
 Special Music - Hillsdale College
 Message: "The Preaching" - Curtis Linton

8:00 Congregational Singing - Darrell Ferrington
 Special Music - Men's Quartet
 Message: "The Platform" - Danny Hester

Thursday Morning

Norman First Church

9:15 Congregational Singing
 Devotion - N. L. Craig
 National Board of Retirement Report
 Historical Committee Report
 Resolution Committee Report
 Obituary Committee Report

Public Morals Committee Report
Final Report of the General Board (Acting as Budget Committee)
Woman's Auxiliary Convention Report
State Master's Men Report
Minister's Conference Report
Miscellaneous Business
Election of Officers
Adjournment from Business
Minister's Quartet
Dismiss

1992 BOARD MEMBERS ELECTED

EXECUTIVE BOARD:

7 year

Charles Brasel - Northeast

STATE MISSION BOARD:

7 year

Allen Mabry - Union

6 yr.

Don Harper - 1st OK

CHRISTIAN EDUCATION BOARD:

5 year

5 year

HILLSDALE COLLEGE BOARD:

5 year

Clarence Hearnin

5 year

Randy Wilson

MODERATOR

ASSISTANT MODERATOR

CLERK

ASSISTANT CLERK

EXECUTIVE BOARD REPORT

We have enjoyed the good blessings of the Lord on our State work this year. We were happy to welcome our newest board member, Mike Wade, elected by the State Association last year. Also, during this year, brother O. J. Hood tendered his resignation to the board. Brother Charles Brazeal was appointed in his place to serve until this State Association.

Our Board met three times during the year, December 12, 1991, May 11, 1992, and August 10, 1992. We received reports from the Book Store Manager and our Executive Secretary. Good reports were shared by these men at each board meeting.

In our May Board meeting we recommended that we try to help two of our pastors in an benevolent effort to pay their medical bills that were left unpaid when their Insurance program failed. Recommendations were sent to churches and pastors. No further action is planned at this time.

We offer these for your consideration:

1. With the sale of the old National Office Building, we recommend that our churches in Oklahoma raise \$65,000.00 (\$3.00 per member) over the next two years.
2. We recommend the adoption of a Cooperative Budget of \$350,000.00 and that the State Cooperative allocations remain as they are for 1993-94 and that National Cooperative allocations be adjusted as follows:

National Executive Office	9 %	\$31,500.00
Foreign Missions	4.5 %	15,750.00
Home Missions	4.5 %	15,750.00
Free Will Baptist Bible College	2.5 %	8,750.00
Master's Men	2 %	7,000.00
Board of Retirement	.5 %	1,750.00
Free Will Baptist Foundation	.5 %	1,750.00
Radio/TV Commission	.125 %	437.50
Theological Integrity	.125 %	437.50
Music Commission	.125 %	437.50
Historial Commission	.125 %	437.50
Totals	29%	\$84,000.00

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EXECUTIVE SECRETARY REPORT

Another rewarding year for me as I have had the privilege to be in many of our churches and associations. Oklahoma Free Will Baptists have been very kind to invite me to preach and share information concerning our State and National Ministries.

Thanks to all the men who serve on our State Boards. I believe they all want our work to go forward and their cooperation is appreciated.

We are continuing to push forward with our State Cooperative Plan of Support. Oklahoma Free Will Baptists gave a record \$353,136.00 through this

program last year. Our Designated Program of giving increased \$95,727.00.

I'm looking forward to another good year in the Lord's service as we all work together to advance His cause here in our state and around the world.

Executive Secretary
Connie D. Cariker

STATE ASSOCIATION OF FREE WILL BAPTISTS

Comparative Financial Statements
As of June 30, 1992 and 1991

Together With Auditor's Report Thereon

July 16, 1992

To the Executive Board

THE STATE ASSOCIATION OF FREE WILL BAPTISTS

We have audited the balance sheets of the State Association of Free Will Baptists as of June 30, 1992 and 1991, and the related statements of revenues and expenditures, fund balances, and cash flows for the years then ended. These financial statements are the responsibility of the State Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Association of Free Will Baptists as of June 30, 1992 and 1991, and the related statements of revenues and expenditures and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Robin L. Byford, CPA

STATE ASSOCIATION OF FREE WILL BAPTISTS

BALANCE SHEETS

JUNE 30, 1992 AND 1991

	<u>ASSETS</u>	<u>1992</u>	<u>1991</u>
CURRENT ASSETS			
Cash		\$ 64,187	\$ 48,013
Certificate of Deposit		32,000	25,000
Note receivable (Note 2)		1,000	6,000
Mortgage receivable (Note 3)		--0--	356
Prepaid expenses		<u>2,112</u>	<u>--0--</u>
		99,299	79,369
PROPERTY AND EQUIPMENT (Note 1)			
Office building		\$103,726	\$103,726
Building improvements		23,716	23,716
Furniture, fixtures & equipment		<u>54,052</u>	<u>54,052</u>
		181,494	181,494
Less: accumulated depreciation		<u>(128,564)</u>	<u>(118,915)</u>
		\$ 52,930	\$ 62,579
OTHER ASSETS			
Note receivable (Note 2)		\$ --0--	\$ 1,000
Mortgage receivable (Note 3)		<u>--0--</u>	<u>6,694</u>
		\$ --0--	\$ 7,694
TOTAL ASSETS		\$152,229	\$149,642

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES			
Payroll taxes payable		\$ 1,048	\$ 702
Designated contributions payable (Note 4)		<u>31,918</u>	<u>23,038</u>
		<u>\$ 32,966</u>	<u>\$23,740</u>
FUND BALANCE		<u>\$119,263</u>	<u>\$125,902</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>\$152,229</u>	<u>\$149,642</u>

The accompanying notes are an integral part of these financial statements.

STATE ASSOCIATION OF FREE WILL BAPTISTS
STATEMENTS OF REVENUES, EXPENDITURES AND FUND
BALANCES FOR THE YEARS ENDED JUNE 30, 1992 AND 1991

REVENUES	1992	1991
Designated Receipts		
Designated contributions	\$ 715,111	\$ 619,384
Cooperative contributions (Note 5)	<u>275,446</u>	<u>268,584</u>
	\$ 990,557	\$ 887,968
Executive Office Receipts		
Executive Secretary speaking	\$ 8,523	\$ 8,088
Interest income	3,664	4,856
Cooperative contributions	77,690	75,755
State convention fees	6,525	6,475
National convention fees	2,610	2,590
Designated contributions	531	1,385
Other income	<u>3,242</u>	<u>14,037</u>
	\$ 102,785	\$ 113,186
Total Income	<u>\$1,093,342</u>	<u>\$1,001,154</u>
EXPENDITURES		
Designated Expenditures		
Designated expenditures	\$ 715,111	\$ 619,384
Cooperative expenditures (Note 5)	<u>275,446</u>	<u>268,584</u>
	\$ 990,557	\$ 887,968
Executive Office Expenditures		
Executive secretary salary	\$ 22,800	\$ 22,800
Payroll taxes, retirement plan and hospitalization	11,682	12,793
Housing and utilities	7,460	7,803
Executive secretary travel	8,910	7,393
Executive board travel	1,381	867
Secretarial salaries	14,278	13,955
Depreciation (Note 1)	9,649	9,099
Promoter publications	8,688	8,100
Telephone and utilities	6,246	5,585
State and national convention	9,995	10,890
Repairs, maintenance and insurance	4,303	4,204
Supplies	1,120	410
Miscellaneous	1,596	1,538
Legal and professional	1,250	1,200

Dues and subscriptions	<u>65</u>	<u>400</u>
	<u>\$ 109,424</u>	<u>\$107,037</u>
Total Expenditures	\$1,099,981	\$995,005

EXCESS (DEFICIT) OF REVENUES

OVER EXPENDITURES	<u>\$ (6,639)</u>	<u>\$ 6,149</u>
FUND BALANCE, beginning	<u>125,902</u>	<u>119,753</u>
FUND BALANCE, ending	<u>\$119,263</u>	<u>\$125,902</u>

The accompanying notes are an integral part of these financial statements.

STATE ASSOCIATION OF FREE WILL BAPTISTS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 1992 AND 1991

	<u>1992</u>	<u>1991</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ (6,639)	\$ 6,148
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation	9,649	9,099
(Increase) Decrease in current assets:		
Certificate of Deposit	(7,000)	25,000
Prepaid expenses	(2,112)	--0--
Insurance premiums receivable	--0--	330
Increase (Decrease) current liabilities:		
Accrued expenses	346	(169)
Designated contributions payable	<u>8,880</u>	<u>13,350</u>
Total Adjustments	<u>\$ 9,763</u>	<u>\$ (2,390)</u>
Net Cash Flow from Operating Activities	<u>\$ 3,124</u>	<u>\$ 3,758</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of equipment	--0--	(4,042)
Collection of principal on note	6,000	6,000
Collection of mortgage principal	<u>7,050</u>	<u>302</u>
Net Cash flows from Investing Activities	<u>\$ 13,050</u>	<u>\$ 2,260</u>
Net Increase (Decrease) in Cash	\$ 16,174	\$ 6,018
Cash at the beginning of the year	<u>48,013</u>	<u>41,995</u>
Cash at the end of the year	<u>\$ 64,187</u>	<u>\$ 48,013</u>

The accompanying notes are an integral part of these financial statements.

STATE ASSOCIATION OF FREE WILL BAPTISTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1992 AND 1991

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General--The State Association of Free Will Baptists is a non-profit organization designed to provide central leadership and representation for the Free Will Baptists of Oklahoma and to handle certain receipts and disbursements of the Free Will Baptist churches. The Association uses the fund method of accounting, whereby the fund balance represents the equity the Association has in its assets. This accounting method is generally accepted among non-profit organizations as the most feasible way of reflecting their financial activity and position.

Property and Equipment--Property and equipment are recorded at cost. Depreciation is computed using the straight-line method based on the estimated useful lives of the related assets. 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:

Buildings	15 years
Building Improvements	10 to 15 years
Furniture, Fixtures & Equipment	5 years

NOTE 2--NOTE RECEIVABLE

The State Association loaned the Oklahoma Free Will Baptist Bookstore \$16,000 in December 1989. The note receivable is non-interest bearing and unsecured. The loan is being repaid in monthly installments of \$500.

The remaining principal will be collected according to the following schedule:

June 30, 1992	<u>\$ 1,000</u>
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NOTE 3--MORTGAGE RECEIVABLE

The executive residence was sold on May 30, 1974 for \$20,500. The buyer assumed the mortgage on the property and gave the Association a second mortgage in the amount of \$10,300. Payments began on July 1, 1974. The rate of interest is 8% and the mortgage is for 30 years. This mortgage receivable was collected in full during fiscal year ending June 30, 1992.

NOTE 4--DESIGNATED CONTRIBUTIONS PAYABLE

To provide timely payment of designated contributions, receipts

through the 25th of each month are disbursed to recipients by the end of each month. The designated contributions payable is designated contributions received after June 25 through June 30.

NOTE 5--COOPERATIVE CONTRIBUTIONS AND EXPENDITURES

The State Association receives contributions to be cooperatively allocated among board approved organizations. The percentage allocation of Cooperative Contributions for the year ended June 30, 1992 and 1991 was as follows:

	<u>June 30</u>	
	<u>1992</u>	<u>1991</u>
State Association	22%	22%
Hillsdale College	28%	28%
State Mission Board	15%	15%
Christian Education Board	6%	6%
National Assn. of Free Will Baptists	-29%	29%
	<u>100%</u>	<u>100%</u>

OKLAHOMA STATE ASSOCIATION OF FREE WILL BAPTISTS MOORE, OKLAHOMA

EXECUTIVE BOARD 1993-1994 PROPOSED BUDGET

INCOME:

Executive Secretary Speaking	\$ 4,400
Interest Income	3,000
State Convention Fees	6,500
National Convention Fees	2,600
Cooperative Giving (22%) \$350,000	77,000
Designated Giving	6,600
Other Income	<u>7,400</u>
TOTAL	<u>\$107,500</u>

EXPENDITURES:

Executive Secretary	25,120
Secretary	16,000
Building, Hospitalization, Worker's Comp. Ins.	7,500
Retirement	1,800
Social Security and Payroll Taxes	6,000
Housing	7,200
Utilities	3,600
Telephone	3,200
Executive Secretary Travel	10,000

Executive Board Meetings	1,100
Postage	800
Promoter	8,200
Supplies	800
Building Maintenance, Repair	2,800
Equipment Maintenance, Repair	800
State Convention Expense	6,500
National Convention Expense	4,000
Audit	1,300
Miscellaneous	<u>780</u>
TOTAL	<u>\$107,500</u>

STATE BOOK STORE REPORT

Greetings from your Bookstore:

Thank you for your support and encouragement in the opening of our state works' new bookstore. Family Tradition Bible and Gift is open and growing and we are looking for good things to come from this effort. Please come see the store while you are here in the Oklahoma City area for the State Meeting.

Please keep our stores in your prayers as we meet the challenge of an ever changing market. Call us for assistance in meeting your church need of christian products and services. We are here to serve you.

God Bless Your Efforts,

Phil Akin, Manager

OKLAHOMA FREE WILL BAPTIST BOOKSTORE COMPARATIVE FINANCIAL STATEMENTS AS OF JUNE 30, 1992 AND 1991

Together With Auditor's Report Thereon

July 18, 1992

To the Executive Board

THE STATE ASSOCIATION OF FREE WILL BAPTISTS

I have audited the balance sheets of the OKLAHOMA FREE WILL BAPTIST BOOKSTORE, as of June 30, 1992, and 1991, and the related statements of income, fund balance and cash flows for the years then ended. These financial statements are the responsibility of the Bookstore's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits 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 audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly the financial position of the Oklahoma Free Will Baptist Bookstore as of June 30, 1992 and 1991, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Robin L. Byford, CPA

OKLAHOMA FREE WILL BAPTIST BOOKSTORE
BALANCE SHEETS
JUNE 30, 1992 AND 1991

	<u>1992.</u>	<u>1991.</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 1,900	\$ 3,751
Accounts receivable, net of allowance or doubtful accounts of \$1000 in 1992 and 1991	27,217	29,621
Inventory (Note 1)	178,061	133,278
Prepaid expenses	<u>724</u>	<u>1,117</u>
	\$207,902	\$167,767
PROPERTY AND EQUIPMENT (Note 1)		
Land	\$ 5,000	\$ 5,000
Building	22,500	22,500
Building Improvements	39,828	39,828
Automobiles	11,500	11,500
Furniture, fixtures and equipment	<u>79,100</u>	<u>45,997</u>
	\$157,928	\$124,825
Less: Accumulated depreciation	<u>(99,684)</u>	<u>(90,105)</u>
Net Property & Equipment	<u>\$ 58,244</u>	<u>\$ 34,720</u>
Deposits	<u>1,506</u>	<u>--0--</u>
	<u>\$267,652</u>	<u>\$202,487</u>

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

Accounts payable	\$ 48,455	\$ 17,342
Accrued liabilities	2,931	1,956
Current portion of long term debt	<u>21,676</u>	<u>6,000</u>
	\$ 73,062	\$ 25,298

LONG TERM DEBT

Notes payable (Note 2)	\$ 40,113	\$ 1,000
Total Liabilities	<u>\$113,175</u>	<u>\$ 26,298</u>
FUND BALANCE	<u>\$154,477</u>	<u>\$176,189</u>
	<u>\$267,652</u>	<u>\$202,487</u>

The accompanying notes are an integral part of these financial statements.

OKLAHOMA FREE WILL BAPTIST BOOKSTORE STATEMENTS OF INCOME AND FUND BALANCE FOR THE YEARS ENDED JUNE 30, 1992 AND 1991

SALES	<u>1992</u>	<u>1991</u>
Retail	\$180,199	\$169,830
Sunday School	258,662	253,898
Vacation Bible School	19,038	21,985
Postage and handling	<u>14,628</u>	<u>12,644</u>
	\$472,527	\$458,357
COST OF GOODS SOLD	<u>313,949</u>	<u>315,824</u>
GROSS MARGIN	<u>\$158,578</u>	<u>\$142,533</u>

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Salaries	\$ 78,964	\$ 65,393
Office supplies and postage	24,718	19,836
Utilities and telephone	12,573	9,946
Depreciation (Note 1)	9,579	8,385
Insurance	13,016	9,906
Payroll taxes	5,947	4,902
Advertising and promotion	6,177	4,128
Repairs and maintenance	5,271	3,057
Automobile	4,146	3,565
Professional Meetings	3,038	2,228
Miscellaneous	2,265	2,187
Legal & Accounting	4,700	4,700
Interest	3,934	1,801
Bank Charges	978	1,157
Rent	4,739	619
Transfers to State Association	--0--	--0--
Bad debt expense	<u>1,292</u>	<u>500</u>
	\$181,337	\$142,310

OTHER INCOME

Interest	\$ 857	\$ 797
Golf Tournament	190	--0--
Contributions	<u>--0--</u>	<u>685</u>
	\$ 1,047	\$ 1,482
NET INCOME	<u>\$(21,712)</u>	<u>\$ 1,705</u>
FUND BALANCE, beginning	<u>\$176,189</u>	<u>\$174,484</u>
FUND BALANCE, ending	<u>\$154,477</u>	<u>\$176,189</u>

The accompanying notes are an integral part of these financial statements.

OKLAHOMA FREE WILL BAPTIST BOOKSTORE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 1992 AND 1991

	<u>1992</u>	<u>1991</u>
<u>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:</u>		
Net Income (loss)	\$(21,712)	\$ 1,705
Adjustments to reconcile net income to net cash flows from net operating activities:		
Depreciation	9,579	8,385
(Increase) Decrease in current assets:		
Accounts Receivable	2,404	(877)
Inventory	(44,783)	(21,683)
Prepaid Expenses	393	(376)
Increase (Decrease) in current liabilities:		
Accounts Payable	31,113	11,409
Accrued Liabilities	<u>975</u>	<u>540</u>
Total Adjustments	<u>(319)</u>	<u>(2,602)</u>
Total cash flows from operating activities	<u>\$(22,031)</u>	<u>\$ (897)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Acquisition of equipment	(33,103)	\$ (6,208)
Payment of Deposits	(1,506)	--0--
Total cash flows from investing activities	<u>(34,609)</u>	<u>\$ (6,208)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds for issuance of long term debt	\$ 62,000	\$ --0--
Principal payments on long term debt	<u>(7,211)</u>	<u>(6,000)</u>
Total cash flows from financing activities	<u>\$ 54,789</u>	<u>\$ (6,000)</u>
Total Increase (Decrease)	\$ (1,851)	\$(13,105)
Cash at the beginning of the year	3,751	16,856
Cash at the end of the year	<u>\$ 1,900</u>	<u>\$ 3,751</u>

The accompanying notes are an integral part of these financial statements.

PROPOSED BUDGET JULY 1, 1993 - JUNE 30, 1994
OKLAHOMA FREE WILL BAPTIST BOOK STORE
FAMILY TRADITIONS BIBLE & GIFT

SALES

Retail	\$375,000	
Curriculum	\$255,000	
Vacation Bible School	\$ 20,000	
Shipping and Handling	\$ 15,000	
TOTAL SALES		\$665,000

SELLING, GENERAL & ADMINISTRATIVE EXPENSES

COST OF GOODS SOLD

Retail	\$262,500	
Curriculum	\$181,000	
VBS	\$ 14,000	
TOTAL COST OF SOLD		\$457,500

Salaries & FICA	\$ 95,500	
Advertising & Promotions	\$ 8,500	
Employee Insurance	\$ 6,000	
Supplies & Postage	\$ 18,000	
Telephone & Utilities	\$ 14,500	
Repair & Maintenance	\$ 10,000	
Insurance: Building, Contents		
worker's comp	\$ 8,000	
Freight & UPS	\$ 8,000	
Equipment & Auto	\$ 10,000	
Miscellaneous	\$ 12,000	
Rent	\$ 17,000	
TOTAL EXPENSES		\$665,000

OKLAHOMA FREE WILL BAPTIST BOOKSTORE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1992 AND 1991

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General--The financial statements of the Bookstore have been prepared on the accrual basis of accounting, wherein income and expense are recorded as they are entered or incurred.

Inventories--Inventories are recorded at the lower of cost or market using the first-in, first-out method of accounting.

Property and Equipment--Property and equipment are recorded at cost. Depreciation is computed using the straight-line method based

on the estimated useful lives of the related assets as summarized below:

Building and improvements	40 years
Furniture, fixtures & equipment	3 to 10 years

Income Taxes--No provision for income taxes has been made as the Bookstore is a non-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

(2) NOTES PAYABLE

Note Payable to Association of Free Will Baptists payable in monthly installments of \$500, unsecured	\$ 1,000
Note payable to a bank in monthly installments of \$1,028, bearing interest at 8.5% adjusted annually based on New York Prime, final payment due April 1997, secured by accounts receivable, furniture & fixtures, and equipment.	48,789
Note payable to a bank interest at 8.5% and is payable in full at maturity on July 12, 1992, unsecured.	<u>12,000</u>
Total Notes Payable	<u>\$ 61,789</u>

Future principal maturities in each of the following fiscal years are as follows:

June 30, 1993	\$21,676
June 30, 1994	9,289
June 30, 1995	10,110
June 30, 1996	11,003
June 30, 1997	<u>9,711</u>
Total	\$61,789

HILLSDALE FREE WILL BAPTIST COLLEGE
AUDITED FINANCIAL STATEMENTS
JUNE 30, 1992 AND 1991

August 20, 1992

To the Board of Directors

Hillsdale Free Will Baptist College

We have audited the accompanying balance sheet of Hillsdale Free Will Baptist College as of June 30, 1992 and 1991 and the related statements of changes in fund balances and current funds, revenues, expenditures and other changes for the years ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards, and the standards for financial and compliance audits contained in the U.S. General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities, and Functions. Those standards require that we 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hillsdale Free Will Baptist College as of June 30, 1992 and 1991, the changes in its fund balances and its current funds, revenues, expenditures and other changes for the years then ended, in conformity with generally accepted accounting principles.

Robin L. Byford, CPA

HILLSDALE FREE WILL BAPTIST COLLEGE

BALANCE SHEETS

JUNE 30, 1992 AND 1991

ASSETS

	<u>1992</u>	<u>1991</u>
CURRENT FUND		
Unrestricted		
Cash	\$ 7,345	\$ 27,996
Student accounts and notes receivable	42,716	44,212
Bookstore inventory	12,124	8,703
Office supplies	1,586	1,489
Investments (Note 2)	<u>1,735</u>	<u>6,686</u>
Total Unrestricted	<u>\$ 65,506</u>	<u>\$ 89,086</u>
Restricted		
Cash	\$ 13,895	\$ 51,994
Due from Current Fund-Unrestricted	48,719	--0--
Investments (Note 2)	<u>53,113</u>	<u>51,098</u>
Total Restricted	<u>\$115,727</u>	<u>\$103,092</u>
Total Current Funds	<u>\$181,233</u>	<u>\$192,178</u>

LOAN FUND (Note 3)

Cash	\$ 19,930	\$ 19,333
Notes receivable	<u>296,984</u>	<u>302,972</u>
Total Loan Fund	<u>\$316,914</u>	<u>\$322,305</u>

ENDOWMENT FUND (Note 4)

Cash	\$ 3,256	\$ 3,936
Investments	126,788	214,028
Receivable from Current Fund	<u>108,500</u>	<u>--0--</u>
Total Endowment Fund	<u>\$238,544</u>	<u>217,964</u>

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND FUND BALANCE

	<u>1992</u>	<u>1991</u>
CURRENT FUND		
Unrestricted		
Accounts Payable	\$ 15,768	\$ 61,955
Accrued liabilities	--0--	158
Due to Current Fund--Restricted	48,719	--0--
Due to Endowment Fund	108,500	--0--
Fund Balance	<u>(107,481)</u>	<u>26,973</u>
Total Unrestricted	<u>\$ 65,506</u>	<u>\$ 89,086</u>
Restricted		
Scholarship funds	\$104,828	\$101,518
Restricted gifts	<u>10,899</u>	<u>1,574</u>
Total Restricted	<u>\$115,727</u>	<u>\$103,092</u>
Total Current Funds	<u>\$181,233</u>	<u>\$192,178</u>

LOAN FUND (Note 3)

Fund balance	<u>316,914</u>	<u>322,305</u>
Total Loan Fund	<u>\$316,914</u>	<u>\$322,305</u>

ENDOWMENT FUND (Note 4)

Fund balance	<u>\$238,544</u>	<u>\$217,964</u>
Total Endowment Fund	<u>\$238,544</u>	<u>\$217,964</u>

ASSETS

PLANT FUNDS

Unexpended plant fund		
Cash	\$ 35	\$ 35
Receivable from current fund	<u>--0--</u>	<u>--0--</u>
	<u>\$ 35</u>	<u>\$ 35</u>

Investment in plant (Note 1)

Land	\$ 55,000	\$ 55,000
Buildings	1,838,120	1,838,120
Land Improvements	156,159	156,159
Equipment	458,435	457,685
Library books	68,248	68,248
Construction in Progress	--0--	--0--
	<u>\$2,575,962</u>	<u>\$2,575,212</u>
Total Plant Funds	<u>\$2,575,997</u>	<u>\$2,575,247</u>

The accompanying notes are an integral part of these financial statements.

LIABILITIES

	<u>1992</u>	<u>1991</u>
PLANT FUNDS		
Unexpended plant fund		
Fund balance	<u>\$ 35</u>	<u>\$ 35</u>
Investment in plant		
Notes payable (Note 6)	\$ 390,729	\$ 400,511
Net investment in plant	2,185,233	2,174,701
	<u>\$2,575,962</u>	<u>\$2,575,212</u>
Total Plant Funds	<u>\$2,575,997</u>	<u>\$2,575,247</u>

HILLSDALE FREE WILL BAPTIST COLLEGE
STATEMENTS OF REVENUES, EXPENDITURES AND TRANSFERS
FOR THE YEARS ENDED JUNE 30, 1992 AND 1991

	<u>1992</u>	<u>1991</u>
REVENUES		
Educational and General--		
Student tuition and fees	\$403,241	\$403,326
Restricted and unrestricted gifts	316,242	228,590
State Association of Free Will		
Baptists allocation	98,878	96,415
Organized activities relating		
to education departments	15,473	15,514
Rental of facilities	33,311	29,173
Interest and other	<u>25,342</u>	<u>31,319</u>
Total Educational and General	<u>\$892,487</u>	<u>\$804,337</u>
Student Aid	<u>\$ 28,603</u>	<u>\$ 31,574</u>
Auxiliary Enterprises--		
Residence halls	\$ 78,497	\$ 99,238
Food services	107,665	132,773
Student union	855	1,524
Bookstore revenues	<u>32,590</u>	<u>30,539</u>

Total Auxiliary Enterprises	<u>\$219,607</u>	<u>\$264,074</u>
Total Revenues	<u>\$1,140,697</u>	<u>\$1,099,985</u>
EXPENDITURES		
Instruction	\$240,509	\$206,206
Library	28,591	20,301
Operation and maintenance of physical plant	70,541	80,567
Organized activities related to educational departments	8,822	8,893
General administration	143,449	141,076
General institutional	233,715	195,208
Promotional	136,631	162,427
Student services	26,113	26,401
External studies	<u>5,516</u>	<u>2,553</u>
Total Educational and General	<u>\$893,887</u>	<u>\$843,632</u>
Student Aid	<u>\$118,304</u>	<u>\$134,828</u>
Auxiliary Enterprises--		
Residence halls	\$ 61,663	\$ 66,739
Food services	99,597	115,100
Athletics	69,528	52,131
Bookstore purchases	<u>21,638</u>	<u>22,006</u>
Total Auxiliary Enterprises	<u>\$ 252,426</u>	<u>\$ 255,976</u>
Total Expenditures	<u>\$1,264,617</u>	<u>\$1,234,436</u>
EXCESS OF EXPENDITURES		
OVER REVENUES	<u>\$(123,920)</u>	<u>\$(134,451)</u>

TRANSFERS

To--		
Plant fund--unexpended for future projects and building fund	\$ ----	\$ ----
Plant fund--investment	<u>(10,532)</u>	<u>(14,128)</u>
Total Transfers	<u>\$(10,532)</u>	<u>\$(14,128)</u>

NET INCREASE (DECREASES) IN FUND BALANCES	<u>\$ (134,452)</u>	<u>\$ (148,579)</u>
--	----------------------------	----------------------------

The accompanying footnotes are an integral part of these financial statements.

HILLSDALE FREE WILL BAPTIST COLLEGE STATEMENT OF CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 1992

	<u>Current Fund</u>	<u>Loan Fund</u>
REVENUES AND OTHER ADDITIONS		
Unrestricted current fund revenues	\$ 700,235	--0--

Private gifts--restricted	33,024	--0--
Private gifts--unrestricted	382,096	--0--
Federal funding & Matching	--0--	783
Interest income and other	25,342	691
Interest on loans receivable	<u>--0--</u>	<u>7,514</u>
Total Revenues and		
Other Additions	<u>\$1,140,697</u>	<u>\$ 8,988</u>

EXPENDITURES AND OTHER DEDUCTIONS

Educational and general		
expenditures	\$ 893,887	\$ --0--
Auxiliary enterprises expenditures	252,426	--0--
Student aid expenditures	118,304	--0--
Office Expense	--0--	1,493
Student Loan Defaults	--0--	11,722
Administrative cost	<u>--0--</u>	<u>1,166</u>
Total Expenditures and		
Other Deductions	<u>\$1,264,617</u>	<u>\$ 14,381</u>

TRANSFERS AMONG FUNDS

Total transfers from current		
fund--unrestricted	\$(10,532)	\$ --0--
Transfer from plant fund--unexpended		
to plant fund--investment	--0--	--0--
Transfer from plant fund--debt retirement		
to plant fund--unexpended	<u>--0--</u>	<u>--0--</u>
Total Transfers	<u>\$(10,532)</u>	<u>\$ --0--</u>

NET INCREASE (DECREASE)

FOR THE YEAR	\$(134,452)	\$ (5,392)
FUND BALANCE, JUNE 30, 1991	<u>26,973</u>	<u>322,305</u>
FUND BALANCE, JUNE 30, 1992	<u>\$(107,481)</u>	<u>\$ 316,913</u>

The accompanying footnotes are an integral part of these financial statements.

Plant Fund

Endowment Fund	Unexpended	Investment in Plant
<hr/>	<hr/>	<hr/>
\$ --0--	\$ --0--	\$ --0--
20,580	--0--	--0--
--0--	--0--	--0--
--0--	--0--	--0--
--0--	--0--	--0--
--0--	--0--	--0--
<u>--0--</u>	<u>--0--</u>	<u>\$ --0--</u>

\$ 20,580

\$ -0-

\$ -0-

\$ -0-

\$ -0-

\$ -0-

-0-

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\$ -0-

\$ -0-

\$ 10,532

-0-

-0-

-0-

-0-

-0-

-0-

\$ -0-

\$ -0-

\$ 10,532

\$ 20,580
217,964

\$ -0-
35

\$ 10,532
2,174,701

\$ 238,544

\$ 35

\$ 2,185,233

HILLSDALE FREE WILL BAPTIST COLLEGE SCHEDULE OF EXPENSES—JUNE 30, 1992

	General Instruc	Library	Maint.	Organized Activity	General Admin	Instruc Fonal	Promotion	Student Services	External Student	Student Aid	Residence Halls	Food Services	Athletic	Bookstore Purchases	TOTAL
SALARIES, BENEFITS	\$229,407	\$19,200	\$30,643		\$129,583	\$104,069	\$57,011	\$20,259	\$1,680			97,088	\$23,166		\$615,018
FOOD PURCHASES												97,088			97,088
SCHOLARSHIPS															82,602
UTILITIES						28,399				82,602	46,089				156,089
TRAVEL	3,908	265	473		8,507		14,330	198							14,883
STUDENT SALARIES										34,197			17,653		51,850
PROMOTIONAL GROUPS							24,002								24,002
SUPPLIES	1,563	582	10,400		638	10,488	2,403	363	128		1,380				28,725
REPAIRS	360		12,374			49,744					5,324	592		50	64,040
INTEREST															18,670
BOOK PURCHASES		2,954							1,824					21,588	24,542
PERIODICAL PURCHASES		5,100													5,100
PUBLICATIONS							16,125	10	1,113		53		1,810		17,988
MISCELLANEOUS	598	64	25		456	15,787	807								16,710
INSURANCE			14,383												14,383
ADVERTISING, PROMO							12,702								12,702
POSTAGE	952	37			1,715	135	8,504		321						11,664
BAD DEBT EXPENSE						4,121									4,121
TELEPHONE						8,595									8,595
EQUIPMENT	883	387	2,244		378	108	747				8,817	1,917	19,016		34,478
HARVESTER YEARBOOK				8,822											8,822
OFFICIALS													6,535		6,535
MUSIC DEPARTMENT	2,838														2,838
RESTRICTED PROJECTS															12,268
BOARD OF TRUSTEES					2,172	12,268									14,440
COMMENCEMENT								2,411							2,411
INTRAMURALS													618		618
FINANCIAL AID EXPENSE										1,505					1,505
SPIRITUAL LIFE															2,872
COURSE DEVELOPMENT								2,872	450						3,322
TOTAL	\$240,569	\$28,591	\$70,541	\$8,822	\$143,449	\$233,715	\$136,631	\$26,113	\$5,516	\$118,304	\$61,663	\$99,597	\$69,528	\$21,638	\$1,264,617

HILLSDALE FREE WILL BAPTIST COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1992 AND 1991

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General--The significant accounting policies followed by the Hillsdale Free Will Baptist College (the College) are described below to enhance the usefulness of the financial statements to the reader.

Accrual Basis--The financial statements of the Hillsdale Free Will Baptist College have been prepared on the accrual basis of accounting except for depreciation. Depreciation is not taken on depreciable assets comprising the physical plant in conformity with the reporting objectives of accounting for resources received and used rather than the determination of net income. The statement of current funds related to the current reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

Fund Accounting--In order to ensure observance of limitations and restrictions placed on the use of the resources available to the College, the accounts of the College are maintained in accordance with principles of "fund accounting." This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate account are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Tax Exempt Status--The College is exempt from federal income taxation under Internal Revenue Code Section 501(c) (3).

Reclassifications--Certain reclassifications of prior year amounts in notes payable have been made for consistency with the presentation of current year amounts.

NOTE 2--INVESTMENTS

Investments exclusive of physical plant are recorded at cost; investments received by gift are carried at market value at the date of acquisition. As of June 30, 1992 and 1991, investments of the restricted and unrestricted funds were composed of the following:

<u>Unrestricted Fund</u>		<u>1992</u>	<u>1991</u>
Investor Diversified Services Funds	\$	--0--	\$ 1,951
Other		<u>1,735</u>	<u>4,735</u>
		<u>\$ 1,735</u>	<u>\$ 6,686</u>
<u>Restricted Fund</u>			
Investor Diversified Services Funds	\$	2,623	\$ 607
Certificates of Deposit		<u>50,490</u>	<u>50,490</u>
		<u>\$ 53,113</u>	<u>\$ 51,097</u>
Total Investments		<u>\$ 54,848</u>	<u>\$ 57,783</u>

NOTE 3--LOAN FUND

The loan fund reflects activity with respect to the Perkins Student Loan program which is funded primarily by the Department of Education. The College provides matching funds equal to one-ninth of the Federal funds received. This program along with the College Work-Study, Pell Grant and Supplemental Educational Opportunity Grant program disbursements are reflected in separate financial statements.

NOTE 4--ENDOWMENT FUND

During the fiscal year ended June 30, 1983, the governing board of the College determined that certain funds were to be retained and invested as an endowment. The board stipulated that the principal is to remain invested and the interest income is to be placed in the current unrestricted fund. Gifts to the Endowment Fund totaled \$20,580 and \$23,560 for fiscal years ending June 30, 1992 and 1991, respectively.

The following is a schedule of the book values and market values of investment in the Endowment Fund:

	<u>June 30, 1992</u>		<u>June 30, 1991</u>	
	Book	Market	Book	Market
Investments:	<u>Value</u>	<u>Value</u>	<u>Value</u>	<u>Value</u>
Cert. of Deposit	\$ 41,435	\$ 41,435	\$127,284	\$127,824
Limited Partnership	61,074	46,599	61,074	49,590
Bond UIT	<u>24,279</u>	<u>24,506</u>	<u>25,670</u>	<u>25,165</u>
	<u>\$126,788</u>	<u>\$112,540</u>	<u>\$214,670</u>	<u>\$202,579</u>

NOTE 5--CURRENT FUND BORROWINGS

Loans from the Current Fund-Restricted and from the Endowment Fund were made during the year to cover negative cash flows in the Current Fund-Unrestricted at various times during the last two years. At June 30, 1991, these borrowed restricted funds were fully repaid from the unrestricted fund. At June 30, 1992, balances remained unpaid to both the Current Fund-Unrestricted and the Endowment Fund.

NOTE 6--NOTES PAYABLE

As of June 30, 1992 and 1991 the College had the following long-term notes payable in the Plant Fund and Current Fund:

	<u>1992</u>	<u>1991</u>
11.5% note payable to a bank, interest due monthly, principal due in full 10-15-91; collateralized by 1st Real Estate Mortgage \$ --0--		\$248,093
9.125% note payable to a bank, interest due monthly, principal due in full 1-26-92; collateralized by certificates of deposit. \$ --0--		100,298
8.0% note payable to a bank, due in monthly payments of \$3860 through April 1995, collateralized by real estate.	342,650	--0--
8.5% mortgage payable to a bank, due in monthly installments of \$483 through December, 1999 collateralized by real estate.	31,806	35,003
9% note payable to a bank, monthly payments of \$320.26 through May, 1995, collateralized by automobile.	11,736	12,580
6% note payable to affiliated organization, no maturity, unsecured.	<u>4,537</u>	<u>4,537</u>
Total Notes Payable	<u>\$390,729</u>	<u>\$400,511</u>

The following is a summary of the principal due in the next five years and thereafter:

For the Year Ended

<u>June 30</u>	<u>Amount</u>
1993	\$ 27,627
1994	27,183
1995	29,571
1996	287,238
1997	4,070
Thereafter	<u>15,040</u>
Total Notes Payable	<u>\$390,729</u>
<i>Interfund Borrowing</i>	<i>157,244</i>

TOTAL
\$547,948

NOTE 7--TAX SHELTERED ANNUITY PROGRAM

The College offers a tax sheltered annuity program to its permanent employees under Internal Revenue Code Section 403(b). Employees can make elective contributions and the College matches up to 5% of the employees salary. For the years ending June 30, 1992 and 1991, the College made contributions of \$16,795 and \$12,029, respectively to the participants accounts.

HILLSDALE FREE WILL BAPTIST COLLEGE
BUDGET PROPOSAL

<u>ITEM</u>	<u>Proposed 92/93 Budget</u>	<u>Projected 93/94 Budget</u>
REVENUES		
Student Tuition & Fees	502,670	560,857
Gifts--Unrestricted	270,000	297,000
--Restricted	0	0
--Have A Heart	0	0
Oklahoma Coop	112,200	115,500
Sales & Service	57,650	63,415
Organized Activities	6,500	7,150
Other	62,420	68,662
Residence Halls	93,500	102,850
Food Services	134,700	148,170
Student Union	1,000	1,100
Student Aid	<u>30,321</u>	<u>33,353</u>
TOTAL REVENUES	<u>\$1,270,961</u>	<u>\$1,398,057</u>

EXPENDITURES

Salaries & Benefits	601,892	662,081
Travel	39,660	43,626
Equipment	17,700	19,470
Postage	13,100	14,410
Supplies	26,780	29,458
Board of Trustees	3,000	3,300
Ex. Studies Textbooks	1,500	1,650
Ex. Course Development	800	880
Publications	19,800	21,780
Repairs	14,750	16,225
Music Department	12,500	13,750
Spiritual Life Activities	2,200	2,420
Commencement	1,200	1,320
Utilities	73,500	80,850
Telephone	7,500	8,250
Restricted	0	0
Promotional Groups	16,000	17,600
Advertising & Promotion	13,600	14,960
HARVESTER	8,000	8,800
Book Purchases	33,000	36,300
Periodicals	6,000	6,600
Insurance	15,200	16,720
Intramurals/Officials	7,000	7,700

Food Purchases	119,481	131,429
Student Aid	130,587	143,646
Miscellaneous	<u>18,500</u>	<u>20,350</u>
<u>TOTAL EXPENDITURES</u>	<u>\$1,203,250</u>	<u>\$1,323,575</u>

TRANSFERS

Plant Fund, Investment	62,711	68,982
Future Projects	5,000	5,500
Reserve (Cushion)	<u>0</u>	<u>0</u>
<u>TOTAL TRANSFERS</u>	<u>67,711</u>	<u>74,482</u>
<u>TOTAL EXPENDITURES/TRANS</u>	<u>\$1,270,961</u>	<u>\$1,398,057</u>
<u>SURPLUS (DEFICIT)</u>	<u>\$0</u>	<u>\$0</u>

STATE MISSION BOARD REPORT

The Mission Board has been involved in four missions the past year.

WOODWARD. This church became self-supporting and was organized in May four years after services began. When the charter was closed two weeks after the organizational service, there were 133 members. Attendance and income continue to increase and Pastor Allen Mabra stated that there have discussions concerning adding needed classrooms in the near future.

HUGO. Thanks to churches, associations, and individuals across Oklahoma and some out of State, all funds to pay off the new building have been raised and this work is debt-free. Mike Fields and the congregation have an unique situation in owing nothing at all here. New families continue to visit the church and attendance has increased since school started this fall. Pray that outreach efforts will be productive in reaching those in the Hugo area.

FORT GIBSON. A 50x80 multi-purpose building has been constructed in addition to the present building. The outside is finished and most of the inside of the metal building has been built as funds are raised by the congregation. By State Association time, all should be completed. Attendance is averaging around 120 and this work will be self-supporting by January, 1993. Please pray for Danny Hester as he labors here.

just turned **TULSA.** The direction was changed from a south Tulsa mission to the former Trinity Temple Free Will Baptist building in Tulsa. The congregation there disbanded and turned all assets over to the State Mission Board. Orville Hood began conducting services here August 5, 1992 and averaged 52 the

first month. The Mission Board agreed to support this work one year. Please pray for the outreach and evangelization of this needy area.

Director Berton Perry has been involved in working at the construction of buildings, promoting in churches and associations, mission conferences, missionary scheduling, and office and bookkeeping duties.

Our future plans include beginning black churches in the state and the continuation of starting churches in other targeted areas.

We are very grateful for your encouragement and financial support toward this work of the Lord!

OKLAHOMA STATE ASSOCIATION OF
FREE WILL BAPTISTS
BOARD OF CHURCH EXTENSION,
MISSIONS AND EVANGELISM

Financial Statements
As of June 30, 1992 and 1991
Together With Auditor's
Report Thereon

August 18, 1992

To the Executive Board

THE STATE ASSOCIATION OF FREE WILL BAPTISTS

I have audited the balance sheets of the Oklahoma State Association of Free Will Baptists Board of Church Extension, Missions and Evangelism as of June 30, 1992 and 1991, and the related statement of revenues, expenditures, and fund balances for the years then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits 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 our audits provide a reasonable basis for my opinion. As described in Note 1, the Board's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenue and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligations are incurred. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of the Oklahoma State Association Board of Church Extension, Missions and Evangelism as of June 30, 1992 and 1991, and the related statements of revenues and expenditures for the year then ended.

Robin L. Byford, CPA

OKLAHOMA STATE ASSOCIATION OF FREE WILL BAPTISTS
BOARD OF CHURCH EXTENSION, MISSIONS AND
EVANGELISM
BALANCE SHEET
JUNE 30, 1992 AND 1991

ASSETS

	<u>1992</u>	<u>1991</u>
Unrestricted:		
Cash	\$ 21,286	\$ 8,742
Endowment trust (Note 2)	1,000	1,000
Land, Buildings & Equipment (Note 1)	<u>--0--</u>	<u>--0--</u>
	<u>\$ 22,286</u>	<u>\$ 9,742</u>
Restricted:		
Cash	<u>\$ 9,199</u>	<u>\$ 9,199</u>
<u>TOTAL ASSETS</u>	<u>\$ 31,485</u>	<u>\$ 18,941</u>

LIABILITIES AND FUND BALANCE

<u>Unrestricted:</u>		
Liabilities	\$ --0--	\$ --0--
Fund Balance	22,286	9,742

Restricted:

Liabilities	\$ --0--	\$ --0--
Fund Balance	<u>9,199</u>	<u>9,199</u>
TOTAL LIABILITIES AND		
FUND BALANCE	<u>\$ 31,485</u>	<u>\$ 18,941</u>

The accompanying notes are an integral part of these financial statements.

OKLAHOMA STATE ASSOCIATION OF FREE WILL BAPTISTS
BOARD OF CHURCH EXTENSION, MISSIONS AND
EVANGELISM
STATEMENTS OF REVENUES, EXPENDITURES
AND FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 1991 and 1991

<u>REVENUES</u>	<u>1992</u>	<u>1991</u>
Restricted Donations:		
Mission Churches (Note 3)	\$ 79,700	\$101,949
Home Mission Church--Mexico	10,049	4,250
Church Growth Book	236	1,184
Miscellaneous	365	--0--
Other Restricted Donations	<u>20,712</u>	<u>24,461</u>
Total Restricted Donations	\$111,062	\$131,844
Co-operative Revenue	52,971	51,651
Interest Income	<u>1,098</u>	<u>716</u>
TOTAL REVENUES	\$165,131	\$184,211
<u>EXPENDITURES</u>		
Mission Church Expenses (Note 3)	\$ 4,829	\$ 39,397
Home Mission Church--Mexico	9,912	4,250
Church Growth Book	--0--	1,459
Designated	365	--0--
Salaries and benefits	107,036	113,603
Travel and promotion	19,866	14,870
Telephone	2,635	2,719
Office supplies and postage	1,823	2,052
Other--Medical insurance and audit	<u>6,120</u>	<u>4,696</u>
TOTAL EXPENDITURES	\$152,586	\$183,046
<u>EXCESS OF EXPENSES</u>		
OVER REVENUES	\$ 12,545	\$ 1,165
FUND BALANCE, beginning	<u>18,941</u>	<u>17,776</u>
FUND BALANCE, ending	<u>\$ 31,485</u>	<u>\$18,941</u>

The accompanying notes are an integral part of these financial statements.

OKLAHOMA STATE ASSOCIATION OF FREE WILL BAPTISTS
BOARD OF CHURCH EXTENSION, MISSIONS AND
EVANGELISM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1992 and 1991

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Oklahoma State Association of Free Will Baptists Board of Church Extension, Missions and Evangelism is an auxiliary function of the State Association of Free Will Baptists created to assist in the establishment of Free Will Baptist churches in the state of Oklahoma.

The Board uses the fund method of accounting, whereby the fund balance represents the equity the Board has in its assets.

The Board uses the cash basis of accounting for recognizing revenues and expenses.

The Board owns no significant fixed assets. Therefore, no depreciation is necessary.

The Board is exempt from federal and state income taxation under Section 501(c)(3) of the Internal Revenue Code.

Salaries and benefits expenses of Mission Church ministers are included in salaries and benefits.

Restricted cash represents unexpended restricted donations.

NOTE 2--ENDOWMENT TRUST

Funds of \$1,000 are on deposit with the National Free Will Baptist Association as of permanent endowment trust for future use of the Board.

NOTE 3--MISSION CHURCH DONATIONS AND EXPENSES

The following is a summary of donations received and expenses paid by mission for the years ending June 30, 1992 and 1991:

	<u>June 30, 1992</u>		<u>June 30, 1991</u>	
	Donations	Expenses	Donations	Expenses
<u>Mission Churches</u>	Received	Paid	Received	Paid
Elk City Building	\$ --0--	\$ --0--	\$ 256	\$ --0--
Elk City	--0--	--0--	7,496	247
Sand Springs	5,423	--0--	6,314	413
Vinita	--0--	--0--	10	--0--
Hugo Building	9,164	699	25,554	28,608
Hugo	36,058	1,500	32,912	--0--

Woodward	4,636	--0--	17,007	10,022
Enid	--0--	2,300	107	107
Greater Tulsa	11,974	330	--0--	--0--
Fort Gibson	<u>12,445</u>	<u>--0--</u>	<u>12,293</u>	<u>--0--</u>
TOTAL	<u>\$79,700</u>	<u>\$ 4,829</u>	<u>\$101,949</u>	<u>\$39,397</u>

PROPOSED BUDGET

July 1, 1993 to June 30, 1994

TOTAL INCOME		\$372,500
Coop	\$ 52,500	
Designated	145,000	
Loans	175,000	
TOTAL DISBURSEMENTS		\$372,500
Salaries	\$140,000	
Travel and Promotion	30,000	
Office, Phone, Postage	5,500	
Expense for missions	22,000	
Loans	175,000	

BUDGET

July 1, 1992 to June 30, 1993

TOTAL INCOME		\$346,000
Coop	\$ 51,000	
Designated	145,000	
Loans	150,000	
TOTAL DISBURSEMENTS		\$346,000
Salaries and benefits	\$140,000	
Travel and promotion	30,000	
Office, Phone, Postage	5,500	
Expense for mission churches	15,000	
Loans	155,500	

OKLAHOMA FREE WILL BAPTIST CHRISTIAN EDUCATION BOARD REPORT

The past year has been a rewarding year for the Oklahoma Free Will Baptist Christian Education Board. 1,719 Oklahoma Free Will Baptists attended our nine events and 47 were saved. Our programs continued to grow and minister to the needs of our people.

The State Youth Conference was held on November 7, 1991 on the campus of Hillsdale FWB College. Rick Caldwell was the keynote speaker and Mark Brawley provided the music. 369 attended, representing 41 churches. 12 teens made decisions to "Pierce the Darkness."

The second annual Teen Leadership Conference was held on December 26-28, 1991 at the First FWB Church, Ada. 22 teens from 12 churches participated. Oklahoma pastors Keith Burden, Charlie Murphy, Randy Wilson, and Layman Gary Curry were the speakers.

The Young Ministers Retreat was held on January 24-25, 1992. Rev. and Mrs. Keith Burden challenged and encouraged these young ministers and their wives. There were 32 in attendance representing 16 churches.

The Senior Adult Retreat once again had the blessing of having the Oklahoma Minister's Quartet preach and sing. 44 senior adults from 12 churches attended on March 23-25, 1992. We are excited about the expansion of this program.

The Single Adult Retreat heard former Oklahoma Youth Pastor, Jeff Stegall. On March 27-28, 1992, 25 single adults from 10 churches attended.

The 1992 Oklahoma State Competition was held on the campus of Oklahoma Baptist University on May 16, 1992. 300 entries with over 800 in attendance met for the day long event. 130 entries advanced to the National Youth Conference in Indianapolis, IN. Two of our young people were selected for the National Youth Evangelistic Team. Regina Henry, West Tulsa; and John Kannady, Liberty Heights were selected based on their high scores at the national competition. Once again, Oklahoma had an impressive list of first place winners.

The first ever Oklahoma Youth Evangelistic Team was formed from the 16 top scorers of state competition. The team performed at Teen Camp and at the National Youth Conference. They are presently preparing for the 1992 State Youth Conference.

35 young people were saved and 26 made commitments to Christ during the 1992 camping season. A new campground, Crosspoint on Lake Texhoma, provided the needed facilities for exciting camps. Teen Camp was held on the week of June 15-19, 1992. Junior Phillips was evangelist to the 129 campers and 24 adult workers. Junior Camp was held the week of June 29-July 3, 1992. Bruce Bennett was the evangelist for 214 campers and 33 workers. A total of 400 attended camp representing 37 churches.

Please continue to pray for our ministry as we continue to minister to our people and serve our Lord.

Yours In Christ,

Paul Allen, Promotional Secretary
David Huett, Chairman

OKLAHOMA FREE WILL BAPTIST
CHRISTIAN EDUCATION BOARD

For the Year Ended
June 30, 1992

By
Duard B. Thomas, P.C.

Board of Directors:

We have examined the statements of cash receipts, disbursements and fund balance of Oklahoma Free Will Baptist Christian Education Board for the year ended June 30, 1992. Our examinations were made in accordance with generally accepted auditing standards and, accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 1 the statements of cash receipts and disbursements are summaries of the cash activity of the Organization and do not present certain transactions that would be included in the financial statements of the Organization presented on the accrual basis of accounting, as contemplated by generally accepted accounting principles. Accordingly, the accompanying statements are not intended to present financial position or results of operations in conformity with generally accepted accounting principles.

In our opinion, the accompanying statements present fairly the cash receipts and disbursements of Oklahoma Free Will Baptist Christian Education Board for the year ended June 30, 1992.

Duard B. Thomas, P.C.

OKLAHOMA FREE WILL BAPTIST CHRISTIAN EDUCATION

BOARD

STATEMENT OF CASH RECEIPTS,
DISBURSEMENTS AND FUND BALANCE
FOR THE YEAR ENDING JUNE 30, 1992

RECEIPTS

Cooperative Giving	\$ 21,188.18	
Designated Giving	300.00	
Competition Fees	5,518.00	
91 Youth Camp Fees	9,037.75	
92 Youth Camp Fees	9,087.00	
Youth Conference Fees	3,359.00	
Teen Leadership Conference Fees	1,035.00	
Young Ministers Retreat Fees	385.00	
Singles Retreat Fees	245.00	
Senior Adult Retreat Fees	693.00	
Bank Interest	<u>189.82</u>	
TOTAL RECEIPTS		\$ 51,037.75

DISBURSEMENTS

Meeting and Mileage	\$ 2,699.55	
Competition Expense	5,779.39	
91 Youth Camp Expense	10,889.16	
92 Youth Camp Expense	14,076.41	
Telephone & Office Supplies	671.65	
Youth Conference Expenses	4,513.64	
Promotion	1,901.53	
Teen Leadership Conference Expenses	1,753.62	
Young Ministers Retreat Expenses	958.80	
Singles Retreat Expenses	881.17	
Senior Adult Retreat Expenses	1,737.52	
Secretary	6,000.00	
Capital Expenses	<u>.00</u>	
TOTAL DISBURSEMENTS		\$ 51,862.44

NET CHANGE IN FUND BALANCE	(824.69)
FUND BALANCE JULY 1, 1991	5,673.32
FUND BALANCE JUNE 30, 1992	4,484.63

4,848.63

OKLAHOMA FREE WILL BAPTIST
CHRISTIAN EDUCATION BOARD
NOTES TO FINANCIAL STATEMENTS

NOTE 1--SUMMARY OF SIGNIFICANT POLICIES

The Organization policy is to prepare its financial statements on a cash basis. Under this basis, revenues are recognized when received rather than when earned, and expenditures are generally recognized when paid rather than when incurred. Consequently in the case of this organization expenditures are normally paid in the month following when they were incurred. This, however, does not materially affect the financial statement.

NOTE 2--CAPITAL EXPENDITURES

Since the organization has chosen to report on the cash basis all capital expenditures for equipment are expensed and not capitalized. Therefore, the fund balance is reduced by the full cost of the expenditure even though the equipment may have a residual value.

OKLAHOMA FREE WILL BAPTIST
CHRISTIAN EDUCATION BOARD
PROPOSED BUDGET
1993-1994

RECEIPTS:

Cooperative Giving	\$ 21,000.00	(6% of
Designated Giving	500.00	350,000)
Competition	6,000.00	
93 Youth Camp (1)	18,000.00	
94 Youth Camp (2)	38,000.00	
Youth Conference	5,000.00	
Teen Leadership Conference	1,200.00	
Ministers Retreat	600.00	
Senior Adult Retreat	1,000.00	
Bank Interest	300.00	
TOTAL RECEIPTS		\$ 91,600.00

DISBURSEMENTS:

Meeting and Mileage	\$ 3,000.00
Competition	6,000.00
93 Youth Camp (1)	20,500.00
94 Youth Camp (2)	41,000.00

Telephone and Office Expenses	800.00	
Youth Conference	6,000.00	
Promotion	2,000.00	
Audit	200.00	
Teen Leadership Conference	2,000.00	
Minister's Retreat	1,100.00	
Senior Adult Retreat	2,000.00	
Secretary	6,000.00	
Convention	500.00	
Capital Expenses	500.00	
TOTAL DISBURSEMENTS		\$ 91,600.00

HISTORICAL COMMISSION REPORT

WE HAD HOPED to report a great year but another year has passed and little has been done in the area of preserving for posterity the work of Free Will Baptists in this area. WE HAD HOPED to become more self-supporting as THE HISTORICAL COMMISSION has no funds and is dependent upon the Executive Department for any expenditures. We request we be allowed to spend up to \$500 again this year as we did not spend any money during the last year because of the file cabinet purchase.

WE HAD HOPED to receive a lot of cooperation but feel a sense of futility in not receiving it from associations, churches and people in sending minutes, information on churches and ministers not sending in their personal profile sheet.

WE HAD HOPED to have materials on ministers deceased given to us by family or friends so we could produce some monographs on some prominent early leaders, but to date little help has been given or offered. WE HAD HOPED to have opportunity to buy some materials, but have not acted when we could because of a lack of funds. Most materials, except minutes, are not in any large quantities but we have already ordered some materials to preserve these minutes, pictures, slides, articles, etc. We hope to have an updated list of missing minutes ready by the State Meeting.

WE HAD HOPED if you have or know of materials that should be preserved by the HISTORICAL COMMISSION, that you would contact one of the members about it. We plan to put up a plaque (or have it up) with names of those making significant contributions of materials or money. We invite you to visit the Historical Room and view the collection in the S.E. corner of the library at Hillsdale. HOPEFULLY this year will be our greatest year. Thank you for helping to make it so.

THE HISTORICAL COMMISSION

Dan L. Farmer, chairman

Dr. Thomas Marberry, clerk

DeArthur Yandell, member

