

PROCEEDINGS**BONCLARKEN, FLAT ROCK, NORTH CAROLINA**

The 200th Annual Meeting of the General Synod of the Associate Reformed Presbyterian Church was held at the denominational conference center at Bonclarken. The “Pre-Synod Conference on Worship” was held on Monday and Tuesday.

Monday, June 7, 2004

At 7:00 P.M Donald Fairburn presented the lecture “Christian Worship and History.”

At 8:00 P.M. John R. deWitt led the worship service.

Tuesday, June 8, 2004

At 8:30 A.M. Dale Johnson presented the lecture “Reformation Worship.”

At 9:30 A.M. John S. Kimmons led the worship service.

Following the scheduled break William B. Evans presented the lecture “Post Reformation Worship.”

Special Synod Week Activities

The Orientation for New Delegates was held Tuesday at 1:00 P.M.

A Minister’s Wives Fellowship was held Tuesday at 10:00 A.M.

Erskine Theological Seminary hosted a luncheon on Wednesday for alumni, prospective students and friends of the seminary.

The Women’s Synodical Union held an informal drop-in from 3:00 until 4:30 P.M. Wednesday at Synodical Hall for all women who attended Synod.

Tuesday, June 8, 2004**7:00 P.M.**

Opening with an informal Psalm singing, the 200th annual meeting of the General Synod of the Associate Reformed Presbyterian Church began at 7:00 P.M. with the worship service and the Sacrament of The Lord’s Supper.

The flowers in the Chapel were placed in honor of Douglas and Ruth Jones’ 50th Wedding Anniversary, June 4, 2004. Mr. Jones is Past Coordinator; and in memory of Dr. William H. F. Kuykendall, former Moderator and long-time editor of *The Adult Quarterly*.

OPENING WORSHIP

7:00 P.M.

Informal Psalm Sing..... Earl Linderman

Accompanist Mrs. Harriet Linderman

7:30 P.M.

Prelude Gabriel Statom, organ and Ellen Bulow, piano

*Call to Worship Psalm 100 Wayne A. Frazier, Moderator

* The Hymnbook 141 “O for a Thousand Tongues to Sing”

* The Invocation and Lord’s Prayer

Anthem “Walkin to Jordan” (Althouse) Back Creek Choir

Memorial Service James A. Hunt

 The Listing of Deceased Teaching Elders (Since last Synod)

 The Listing of Deceased Ruling Elders (Calendar Year 2003)

The Prayer of Thanksgiving and Petition

*The Hymnbook 425 (first tune) “For All the Saints”

Scripture Reading Luke 15:11-32 Wayne A. Frazier, Moderator

Sermon Wayne A. Frazier, Moderator

Anthem “Hallelujah” (Beethoven) Back Creek Choir

*The Apostles’ Creed The Hymnbook p. 12

Call to the Table Matthew Merrill & John Dawson

*Bible Songs 242 “I Love the Lord”

*The Benediction Wayne A. Frazier, Moderator

*The Postlude

*Congregation stands

Wednesday, June 9, 2004

7:00 A.M.

C. E. Linderman led the informal morning Psalm singing on the Dining Room Porch.

C. W. Todd led the opening worship service.

Retiring Moderator W. A. Frazier called the first session of the 200th Synod meeting to order.

Director of Bonclarken, J. T. Brice, welcomed the delegates to the conference grounds.

Principal Clerk C. R. Beard constituted the roll of Synod and announced the results of the voting in the Presbyteries on amendments 33 and 34 to the *Form of Government*. Both amendments were approved by a majority of those voting in the Presbyteries. (See **Appendix** for the Official Roll of Synod).

W. A. Frazier presented his Retiring Moderator’s Address.

RETIRING MODERATOR'S ADDRESS

Fathers and brethern, these past two years serving Christ and the ARP Church have been a great privilege. And in case you thought I was mistaken, I have learned that it is actually two years---one year as moderator-elect and another year as moderator. These years have afforded a great opportunity to grow in appreciation of our beloved denomination and to grow in grace as I have learned again and again that what Christ said to Paul is true, "...my grace is sufficient for you for my power is made perfect in weakness. Therefore, I will boast all the more gladly about my weaknesses so that Christ's power may rest on me." (II Cor. 12:9)

I thank Back Creek Church and staff and my family especially my wife, Jane, since she has not been able to travel with me due to her responsibilities with the Back Creek Christian Academy and Montreat College as an instructor in Charlotte. I also thank Frank Hunt, Vice-Moderator, Ed Hogan, Beth Willis, and Wilf Bellamy who have been particularly helpful during these busy days. Their servant heart is a gift to all of us.

I have grown in my love and affection for this portion of Christ's body as I have attended most all of the boards, committees, and commission meetings. I've brought greetings to presbyteries including: Canadian, Catawba, First, Mississippi Valley, Second, and Florida through Frank Hunt. I've represented the ARP Synod by preaching or bringing greetings to Faith (MD), Covington, Brighton, Pisgah, Coddle Creek, Devenger Road, Erskine College, First Columbia, New Albany, and Bethel Korean. I also attended the meeting of NAPARC as an ARP delegate.

What is most important is not what I have done, but what God is doing among us.

God in his providential purposes among us is giving the ARP Church a **"Time of Celebration & Change!"**

I. CELEBRATION

We Celebrated the 200th Anniversary of the Synod of the South at last Synod. We looked at our history and theological heritage. We rejoiced that God has sustained the Synod of the South! **We also Celebrated a renewed and reinvigorated bond between the ARP Synod and Erskine College and Seminary** when we met in **Due West** last **summer**. May we continue to function together on the same theological and confessional page to the glory of God!

And we have Celebrated the establishment of the Canadian Presbytery extending the geographical boundaries of the ARP Synod fulfilling a facet of the Great Commission.

Though we have not always been faithful, Christ, the King and Head of the Church, has been faithful.

To Him be the glory! The ARP Church along with **Celebration** is also experiencing **Change**.

II. CHANGE

Now we have entered our third century as a denomination in a Post-modern, Post-Christian era. The question for this century will continue to be: "Can we adapt without changing the essence of the gospel?" But we must change or we will inevitably change the changeless gospel by the traditions of men.

We are facing many **Changes**:

Ministry Changes. These are essential as we have entered an urban century with a growing diversity of people that's quite different from our rural past. Will we "Reach Our Neighbors Where They Are"?

Synod Staff Changes. Within 3 years all of our current directors will have retired and new directors will assume their places. Our continuity is not in Moderators, Directors, Teaching or Ruling elders, but in Jesus Christ who changes not! Pray earnestly for these search processes!

Organizational Changes. I urge you to consider & implement the changes suggested by the **Committee on Organization**. Let's wisely make the most of this providential opportunity as we have staff transitions.

The Possibility a Revised Book of Worship. The Special Worship Committee which you instructed me to appoint has requested an extension to fulfill your 3 directives. They think that it would be best to rewrite our Book of Worship to give it a better theological foundation and to bring it into conformity with the WCF since there is some confusion in its present edition. This committee has outlined an orderly process for revising our Book of Worship. (In the midst of change, we must be absolutely clear about the biblical and theological foundations of our worship.)

Medical Insurance Changes. We must continue to stand together as the body of Christ for us to have a strong denominational health insurance program for all. Escalating costs is something all of us face, the only thing that will make it worse is for our ARP group to shrink in size. We have moved from 420 family units to 365. Churches and pastors who pull out due to costs are forgetting that we are a connectional church and that one way we express the unity of Christ's body is in pooling our resources for medical care costs. Younger families and those without pre-existing conditions may be able to get cheaper insurance rates elsewhere, but what has happened to the biblical injunction of the strong caring for the weak? Your Board of Benefits has been doing due diligence in the midst of escalating medical costs. You will be pleased this year and they are posturing us for what we pray is a better future.

God has been working **Celebration** and **Change** among us. I thank you for the wonderful privilege of serving. I'm sure that you will give to our new moderator the same support, prayers and cooperation that you have given me! There are strategic years for the ARP Synod. Let's covenant together to earnestly pray that we may make the most of these providential

opportunities. By God's grace the best is yet to come for the Associate Reformed Presbyterian Church. Thank you!

Retiring Moderator Frazier presented Moderator-Elect F. M. Hunt, II to the Synod. His son, Frank M. Hunt, III, escorted Mr. Hunt to the podium. Mr. Frazier placed the Moderator's Shield around Mr. Hunt's neck and made brief remarks. Mr. Hunt expressed to the Retiring Moderator the appreciation of the Synod and presented the Retiring Moderator's Bible to Mr. Frazier. The General Synod rose in a round of applause.

Moderator Hunt presented his Moderator's Challenge to the Synod.

MODERATOR'S CHALLENGE

Fathers and Brethren, it is with humility that I thank you for the honor of serving our Lord and Savior, Jesus Christ, and His church as moderator of the General Synod of the Associate Reformed Presbyterian Church.

As a life long member of the Associate Reformed Presbyterian Church, it is with real excitement and enthusiasm for our church that I see the challenges God has placed before us. He has providentially led the Woman's Synodical Union to select as their Bible study for the year, the Book of Esther, in which Mordecai said to Esther, "Who knows but that you have come to...position for such a time as this." This might well be God's challenge for us today. I firmly believe that God is calling the Associate Reformed Presbyterian Church to awaken and bring the Gospel message anew to His people. With virtually all our major boards and agencies acquiring new leadership soon, God's timing is perfect to give us the opportunities to step forth in meeting the challenges of "such a time as this."

We have new missions (both home and abroad), new churches, and a new Presbytery, all giving us the opportunity to grow God's Kingdom, while at the same time, with the changes occurring, awaken and strengthen our existing work to be leaven for good through Jesus Christ in our various areas of service. Preaching and teaching the Word of God is essential and must be stressed for as Romans 10:13&14 tell us, "For everyone who calls on the name of the Lord will be saved. How, then, can they call on the One they have not believed in, and how can they believe in the One they have not heard? And how can they hear without someone preaching to them?"

As we hold this 200th annual meeting of the General Synod of the Associate Reformed Presbyterian Church (to quote from a recent publication of Outreach North America) "we have come to a clear understanding of who we are in God's Kingdom, what we believe, and what we stand for. Our commitment to the Reformed faith remains strong." The reformed faith must continue to be even more strongly preached and taught from the Word of God.

The very first Larger Catechism answer stated: "Man's chief and

highest end is to glorify God and fully to enjoy Him forever,” and the Shorter Catechism tells us, “The Word of God, which is the only rule to direct us how we may Glorify and enjoy Him.” If we truly believe what we are affirming in the confession of faith and catechisms, glorifying God will be the basic principle in all we do, and we will stress teaching and preaching the Word of God as found in the scriptures.

With these statements in mind, we have selected “Glorifying God” as the emphasis for Synod in 2005. To Glorify God is to honor, praise, exalt, and magnify Him. Harper’s Bible dictionary defines “Glorifying God” as “recognizing God’s majesty, power and worth through worship and praise, and the act of seeking to carry out His will in personal character and in the service of others.” By “energizing the laity” and “reaching our neighbors where they are” as our last two yearly emphases state, we are glorifying and will glorify God. To Glorify God is foundational for all our activities as individuals and as a denomination of the church of Jesus Christ. As we continue to hold firmly to the Westminster Confession of Faith and Catechisms, one of our challenges is not to become Pharisaical in our relations with and attitudes toward other Christians and churches.

The first half of 2005 we will have as monthly emphases Glorifying God through our worship, witness, work, service, family and stewardship.

Let us say with the Psalmist in Psalms 34:1-3, “I will extol the Lord at all times; His praise will always be on my lips. My soul will boast in the Lord; let the afflicted hear and rejoice. Glorify the Lord with me, let us exalt His name together.” Also, saying with the Apostle Paul from Romans 15, “may the God who gives endurance and encouragement give you a spirit of unity among yourselves as you follow Christ Jesus, so that with one hear and mouth, you may Glorify the God and Father of our Lord Jesus Christ.”

Let us continue to step forth in unity to meet the challenges and seize the opportunities, which God is placing before us to Glorify His name. As the prophet Isaiah said, “...Those who hope in the Lord will renew their strength. They will soar on wings like eagles; they will run and not grow weary, they will walk and not faint.”

It is very evident to me, that God has kept the Associate Reformed Presbyterian Church true to His Word as expressed in the Westminster Confession of Faith and Catechisms “for such a time as this.”

I Cor 15:1-2, and last verse (58) “Now, brothers, I want to remind you of the gospel I preached to you, which you received and on which you have taken your stand. ²By this gospel you are saved, if you hold firmly to the word I preached to you. Otherwise, you have believed in vain. ⁵⁸Therefore, my dear brothers, stand firm. Let nothing move you. Always give yourselves fully to the work of the Lord, because you know that your labor in the Lord is not in vain.”

Moderator Hunt introduced members of his family to the Synod: Margaret, (Mrs. F.M. Hunt II); F.M. Hunt III and his wife Lauren; Louise and her husband Bill Watkins; Kennedy Watkins; Kerry Hunt; Mrs. R.T. Nelson Jr.; Tom Nelson III.

Moderator Hunt introduced Vice-Moderator J. A. McLurkin to the Synod.

Vice-Moderator McLurkin presented the program.

Moderator Hunt introduced guests and attendees to the Synod:

Special Guests: Chris O'Brien, Pastor, and Gordon Lee, Elder, Calvary Presbyterian Church, LA; Reggie Dupre, and Burton Angelle, Elders, Hope Presbyterian Church, LA; David West, Cumberland Presbyterian Church; Bill Prince, Robert Roane, Don Contino, Christ Church, Burlington (guests of Burlington First Church).

Pages: David Martinez (Canadian Presbytery), Brian Howard (Catawba Presbytery), Harris Bond (First Presbytery) and Joseph Johnson (Second Presbytery).

Ministers Received or Ordained Since the Last Meeting of Synod:
Canadian: William Bryan Murray. **Catawba:** Richard A. Brown, Bryan F. Bult, Thomas D. James. **First:** Bryan Crotts, Stephen M. Crotts, Luke Davis, Todd Jones, Tae Soo Park, Jeffrey Richards, Andrew F. Ward. **Florida:** Robert E. Adams, Robert E. Brown, Christopher Reeder. **Mississippi Valley:** Jodie Gaston, Tim Phillips, David Storment. **Northeast:** Peter Lee, Kent Moorlach, Harand R. Zagarian. **Pacific:** Heung Ik Cha, Ei Ho Kim. **Second:** Paul B. Joyner, Charles Reynolds.

New Missions and/or Congregations That Have Joined the ARP Family Since the Last Meeting of Synod:
Catawba: Christ Church of Habersham, Beaufort, SC, Rev. George Culver, Mission Developer; New Song, Columbia Urban Mission, Reverend David Zimmerman, Mission Developer; Providence Presbyterian Church, Mt. Pleasant, SC, Rev. Richard Brown, Mission Developer. **First:** All Saints Presbyterian Church, Matthews, NC; Faith Chapel, Greensboro, NC, Area. **Mississippi Valley:** Faith Presbyterian Church, Leaksville, MS, Reverend David Storment, Pastor; Hernando Mission, Reverend Stephen Woods, Mission Developer. **Pacific Presbytery:** Korean Trinity Presbyterian Church of NY, Heyng Ik Cha, Pastor.

Seminary and Special Students Under Care of Presbytery: (See **Appendix**).

Synod recessed for a Coffee Break.

Synod reconvened with special music by Ginger Statom accompanied by her husband Gabriel.

J. Paul Bell presided over Synod's recognition of Retired Ministers, Non-Ordained Employees and Missionaries. Those recognized were: Charles Edgar, David Johnston, E. Benton Johnston, Dwight Pearson and Wayne Stanchfield.

Randall T. Ruble introduced Chaplain Ed Brogan of the Presbyterian Council on Chaplains and Military Personnel who addressed the Synod.

Hae Soung Kim spoke to the Synod on behalf of the Korean Government in appreciation for Korean War Veterans, and made special presentations to the Korean veterans of the Synod.

The Synod stood and sang “Onward Christian Soldiers.”

W. A. Frazier presided over the Celebration of the New Canadian Presbytery and introduced Rick Barnes who spoke to the Synod on behalf of the Canadian Presbytery. The members of the Canadian Presbytery were invited to come forward, and Mr. Frazier led in prayer for the new presbytery.

Moderator Hunt appointed his Moderator’s Committees and issued the call for the reports of the Boards for reference to the Moderator’s Committees.

The presbytery memorials were read and referred to the Moderator’s Committee on Memorials.

A motion carried to consider the report of Synod’s Historical Committee at this meeting of the General Synod.

A motion carried that the Memorial regarding the Presbyterian Council on Chaplains and Military Personnel from NE Presbytery be referred to Synod’s Committee on the Minister and His Work for study and that the committee report its findings to the 2005 meeting of the General Synod.

Ed Carson, Chairman of the Board of Stewardship, presented the **Recommended 2005 Allocation of Synod’s Unrestricted Funds**. The recommended allocation was adopted.

**Recommended Allocation of Synod’s Unrestricted Income
for Calendar Year 2005**

In accordance with the procedures adopted by the 1997 General Synod, the recommended allocations for the next calendar year are based on the pledged and/or anticipated unrestricted receipts for the current calendar year. The recommended allocations for 2005 are based on the following estimates:

Anticipated Commitments from Churches in 2004	\$	2,760,013
5% of Market Value of ARP Foundation Endowment		23,956
Betts Endowment		13,088
Estimated Interest for Allocation		2,500
Total Resources for Allocation	\$	2,799,557

The overall increase in funds is @2.28%.

In the event that the actual pledges and/or anticipated receipts for calendar year 2005 exceed the anticipated amounts, the program agencies of the General Synod (Bonclarken, Covenant Discipleship, Erskine, Out-

reach North America, Publications, and World Witness) will be invited to present requests for additional funding. The Board of Stewardship, or its successor, will review the requests and submit its recommendations to the General Synod. Should the General Synod approve the recommended funding model for the Board of Publications, the Board of Publications would not be included.

The recommended allocation of funds for calendar year 2005 is reflected in **column 6** of "Recommended Allocations for 2005." Other information presented:

Column 2 reflects the amounts approved by the General Synod for 2004.

Column 3 reflects the approved amount as a percentage of the total funds to be allocated for 2004.

Column 4 reflects the amounts requested by Synod's Boards and Committees, or in the absence of a request, the last requested amount.

Column 5 reflects the **lesser** of the amount requested or the amount based on the percentage approved for 2004.

Column 6 reflects the dollar recommendation of the Board of Stewardship.

Column 7 reflects the recommended amounts as a percentage of the total funds recommended for allocation.

The anticipated resources are insufficient to meet the expressed needs of all agencies. In determining the recommended allocations, the Board of Stewardship considered approved and existing commitments, reserves, and the resources each agency will have available from other sources. The primary approach was to provide the lesser of the requested amount or the same percentage of expected funds as was allocated for 2004.

Obligations incurred by the Commission/Committees, Executive Board of Synod, and Board of Stewardship are paid and no reserves are carried forward. The Board of Stewardship is recommending that the Board of Publications be included in this group. No reserves are carried forward from allocations made to Administrative Services, ARP Foundation, and Benefits. The allocation to Erskine takes into consideration funding for the Chaplain.

The Board of Stewardship reminds the members of the Court that budgets should be reviewed in Moderator Committees and/or when the Court considers reports.

AGENCY	Approved by General Synod Synod For 2004	Approved %	Requested for 2005	Lesser of Same % or Requested	Recommended for 2005	% of Total
Boards and Agencies						
Administrative Services	\$ 163,729	5.98%	\$ 180,721	\$ 167,471	\$ 167,471	5.98%
Annuities & Relief	6,795	0.25%	6,795	6,795	6,795	0.24%
ARP Center Facility	14,820	0.54%	15,000	15,000	15,000	0.54%
ARP Foundation	28,437	1.04%	86,107	29,087	29,087	1.04%
Executive Board	96,500	3.53%	100,748	98,706	98,706	3.53%
Stewardship & Contingency	41,880	1.53%	50,000	42,837	47,705	1.70%
Commission & Committees						
Ecclesiastical Com.	-	0.00%	-	-	-	0.00%
Historical Concerns	7,500	0.27%	7,500	7,500	7,500	0.27%
Inter-Church Relations	15,786	0.58%	17,118	16,147	16,147	0.58%
Lay Ministry	17,209	0.63%	21,500	17,602	17,602	0.63%
Minister & His Work	9,594	0.35%	9,594	9,594	9,594	0.34%
Nominations	3,500	0.13%	3,500	3,500	3,500	0.12%
Theological & Social Con.	1,500	0.06%	1,500	1,500	3,000	0.11%
Worship	18,772	0.69%	28,275	19,201	19,201	0.68%
Sub-Total for Non-Program	\$ 426,022	15.58%	\$ 528,358	\$ 434,940	\$ 441,308	15.76%
Bonclarken	\$ 143,533	5.24%	\$ 143,533	\$ 143,533	\$ 143,533	5.13%
Covenant Discipleship	202,667	7.40%	247,875	207,299	207,299	7.40%
Dunlap	-	0.00%	-	-	-	0.00%
Erskine	557,496	20.37%	686,246	570,238	570,239	20.37%
Erskine Student Union	500	0.02%	500	500	500	0.02%
ONA Operations	650,960	23.78%	715,211	665,839	665,839	23.78%
Publications	104,861	3.83%	108,007	107,258	105,000	3.75%
World Witness	650,960	23.78%	700,000	665,839	665,839	23.78%
	2,310,977	84.42%	\$ 2,601,372	\$ 2,360,506	\$ 2,358,249	84.24%
TOTALS	\$ 2,736,999	100.00%	\$ 3,129,730	\$ 2,795,446	\$ 2,799,557	100.00%

The Report of Synod's Special Committee on Organization was presented, opening with a history by Retired Moderator Neely Gaston. Ron Beard made a brief introductory statement, and introduced a panel consisting of Hal Morris, Chip Smith, Neely Gaston, and himself.

The Synod discussed each section, and adopted the recommendations as amended by a new recommendation number two:

"That recommendation #2 be deleted and substituted in lieu thereof the following: That each board prayerfully consider the recommendation on Central Services at its Fall meeting and submit comments, questions and recommendation to the Special Committee not later than January 1, 2005."

Report of the Special Committee on Organization To 200th Meeting of the General Synod History of Committee

The impetus for the **Special Committee on Organization** is found in the Moderator's Challenge presented at the 2001 meeting of the General Synod. Moderator Neely Gaston stated:

"That's the lesson for us today. We can't wait for the future to happen and then try to react. We must plan for the future today. ... Almost all of our agency and board department heads will be retiring in the next five years. Now is the time to prepare for the future. I am asking the General Synod to approve the formation of a special committee that will study the organization of each board and agency and its relationship one to the other. It is my hope that we can maximize ministry opportunities through such an endeavor. Our Purpose Statement adopted in 1990 calls us to evaluate and change church structure and priorities in order to meet the challenges of the future while preserving the best of the past." (2001 Minutes of Synod, p. 9)

In response to the Moderator's challenge, General Synod adopted an enabling motion:

"That a special ad hoc committee of General Synod be appointed by the Moderator for the purpose of reviewing the makeup and duties of General Synod's Boards and Committees. The committee is to present a preliminary report at the General Synod of 2002. The final report and recommendations of the committee are to be presented to Synod for consideration in 2003." (2001 Minutes of Synod, p. 10)

In October 2001, the Moderator appointed the following to serve on the Special Committee (herein after "the Committee":

Mrs. Wilfred (Ann) Aheron (WSU, Advisory)

Mr. Robert M. Alexander (Vice-Moderator, Advisory)

Reverend C. Ronald Beard
 Reverend Wilfred A. Bellamy
 Reverend John D. Cook
 Mr. J. Edward Cox
 Reverend J. Barry Dagenhart (Vice-Moderator Elect, Advisory)
 Reverend J. Allen Derrick
 Reverend H. Neely Gaston (Moderator, Advisory)
 Mr. Ed Hogan (Director of Administrative Services, Advisory)
 Reverend D. O. Jones (General Synod Coordinator, Advisory)
 Mr. Floy Jumper
 Mr. Harold N. Morris
 Mr. David W. Sides (Moderator-Elect, Advisory)
 Mr. Guy H. Smith, III (General Synod Treasurer, Advisory)

In subsequent years the newly elected Moderator-Elect and Vice-Moderator Elect were added as Advisory Members:

Reverend Wayne A. Frazier (Moderator-Elect and then as Moderator)
 Mr. Frank M. Hunt, II (Vice-Moderator Elect and then Moderator-Elect)
 Reverend James D. McLurkin (Vice-Moderator Elect)

The first meeting was held November 9, 2001. At that meeting, and based on the expressed intent of the Moderator in presenting the challenge, it was determined that the action of the General Synod should be interpreted widely for the purpose of defining the context of the study. Additionally, the committee adopted a preliminary Purpose Statement as the basis for evaluating the organizational structure for the General Synod, noting that the statement may be restated as the work of the committee progressed.

The following became the “Guiding Principles” for the committee:

Guiding Principles of the Committee

Rooted in and shaped by a living tradition, we are part of the new creation in Christ which God is bringing into existence. Therefore we are committed to:

- The worship of the Triune God
- The Holy Scriptures as the basis for our faith and activity
- Unity with other believers in Christ
- Total stewardship of life – time, talents and money – including tithing through the local church
- Excellence in education and equipping leaders for tomorrow
- Loving and caring for one another and for all of God’s creation
- Spreading the Gospel to all parts of the world
- Evaluating and changing church structures and priorities in order to meet the challenges of the future while preserving the best of the past

To this end and in humble reliance upon the enabling power of the Holy Spirit, we covenant together to pray steadfastly that God will open doors

of opportunity so that we may declare the riches of Christ.

“Let us not grow weary in well-doing, for in due season we shall reap, if we do not lose heart.” Galatians 6:9

Following the initial meeting and responses from committee members the work of the committee was divided into two areas:

Task Force A: Its primary focus was to examine the number, makeup and duties of General Synod’s Boards and Committees.

Task Force B: Its primary focus was to examine the *Form of Government* and legal structure to determine what changes if any need to be made as the Associate Reformed Presbyterian Church faces the challenge of being a national church. The Executive Board of Synod approved the expanded scope of the committee at its meeting March 22, 2002.

The Committee did not make a formal report to the 2002 meeting of the General Synod. The work of the committee was noted in the report of the outgoing Moderator:

“I covet your prayers for the special committee studying the makeup of our boards and committees. We are not only looking at the various organizational structures in our denomination, we are also considering specific suggested revisions to the Form of Government that will enable us to function as a national church.” (2002 *Minutes of Synod*, pages 327 – 328)

There were two other references to the work of the committee:

- a. The Board of Stewardship reported that it had requested the Moderator to refer to the committee “the method for funding the ministries of the denomination.” (2002 *Minutes of Synod*, p. 373)
- b. A motion was adopted “That the Special Committee to Study Organization be directed to study the potential problems created by the proliferation of small presbyteries with regard to automatic representation on Boards and Committees of the General Synod.” (2002 *Minutes of Synod*, pages 381 – 382)

An interim report was made to the 2003 General Synod. (2003 *Minutes of Synod*, pages 157 – 161). The committee was continued for another year.

In the 2003 report, the committee observed that it had “arrived at interim destinations rather than final conclusions.” A year later the committee is presenting some “final conclusions” and recommendations. However, we submit that there are matters that await “final conclusions.”

As the observations, conclusions, and recommendations of the committee are considered, it is important that the particulars be considered within the context of the whole. As the specific recommendations are considered, we encourage the court and members of the court to be very familiar with the following:

- The interim report presented to the 2003 meeting of the General Synod (2003 *Minutes of Synod*, pages 157 – 161)
- Goals for General Synod’s Special Committee on Organization
- Assumptions Underlying the Pursuit of the Goals
- Principles for Organization of Boards

We again commend the members of the Boards and Committees of the General Synod and staff leadership for their input and cooperative atti-

tudes.

Goals for General Synod's Special Committee on Organization

1. To undertake a comprehensive study of the administrative organization of the ARP Church as authorized and modified by the General Synod by "reviewing the make-up and duties of the General Synod's Boards and Committees."
2. To recognize that while the different parts of the organization, or individuals and groups within the organization have significance in and of themselves, and can be addressed separately, they belong to a connectional denomination.
3. To promote the unity of the organization by encouraging mutual understanding and trust, and by drawing upon the resources and experience within the organization to tap the best thinking available.
4. To enhance the effectiveness of General Synod's Boards and Committees by working with them to develop uniform standards and procedures that reflect sound business and management principles within a Biblical framework by
 - a. assisting the organization to make the best use of all its resources, especially its human and financial resources;
 - b. enhancing all essential functions, systems and procedures, while seeking to optimize the operating effectiveness of all;
 - c. identifying and recommending for reduction or elimination all non-essential functions, systems and procedures, bureaucratic processes, waste, excess, and related costs.
5. To enhance the communications flow throughout the organization and other ARP Church constituencies.
6. To develop a series of practical steps to implementation once the details of the study are agreed upon, and ownership of the findings is established.
7. To assist in the development of a strategic plan for the organization, having short and long-term goals, incorporating the findings of the study.

Assumptions Underlying the Pursuit of Goals

In the pursuit of our goals, we have been directed by the following assumptions. They are incorporated in the body of the report.

1. That in all matters the health and well being of the Associate Reformed Presbyterian (ARP) Church is to be protected and encouraged.
2. That the ARP Church is essentially made up of two major entities, the one ecclesiastical and the other organizational.
 - a. The ecclesiastical body of the ARP Church is recognized by its courts:
 - The Session of the Local Church
 - The Presbytery
 - The General Synod

- b. The organizational body of the ARP Church is recognized by its Boards (and the agencies created by the Boards), Committees, and Commission. As used in this report “agency” or “agencies” refers to the administrative and management functions developed by a Board to implement the ministries assigned to the Board.

Exhibit A, “Principal Clerk and Coordinator” reflects two essential roles in the affairs of the denomination. The Principal Clerk relates to “Ecclesiastical Functions” while the Coordinator relates to “Organizational Functions.”

- 3. As Goal #2 states: “To recognize that while the different parts of the organization, or individual and groups within the organization have significance in and of themselves, and can be addressed separately, *they belong to a connectional denomination.*”
- 4. That the proper functioning of the courts of the church is of paramount importance if a “Presbyterian Form of Government” is to prevail. Therefore the work undertaken by this committee must emphasize the roles of Session, Presbytery and the General Synod each in proper proportion and discipline. Exhibit B, “Empowerment and Service” reflects the committee’s understanding of empowerment, service, and accountability.
 - a. In some cases action is recommended that will enhance or reinforce what already exists, while in other cases it points to ways in which the proper functioning of a court may be restored.
 - b. That Boards (and agencies created by Boards), Committees, and Commissions should not operate independently from the General Synod, nor from the Presbyteries and Churches of the denomination, but are the servants of, and an integral part of all. (See Exhibit C, “Integration vs Independence.”)
 - c. That the notion of top-down leadership and/or administration and/or independence within the ARP Church is undesirable and contradicts a Presbyterian Form of Government.
 - d. The committee holds firmly to the conviction that change should not be implemented by mandate from this committee. We do, however, urge all boards and committees to seriously consider the implementation of the findings of this report.
- 5. That the “court of the Church next higher than the Session is the Presbytery, which has the oversight of a group of congregations within a specific geographical area. It is the essential court of the Presbyterian system in administering its general order, the higher courts being constituted simply by a wider application of the general principles of the Presbytery.” (*Form of Government*, Chapter XII.A) This report makes frequent reference to the “primacy” of the Presbytery.
- 6. That while operating effectiveness and efficiency are strategically important, and the report will make several recommendations concerning them, the committee has strictly maintained its

spiritual integrity.

7. That Christian stewardship must become a more important issue and be consistently taught in the life of the church. There is a need to practice the tithe and seek re-commitment to it on the part of individuals and congregations.

The work of the committee has been consistently accompanied by praise to God for all that is past. However there is clear recognition of the need to change some of the procedures and operations in the interests of relevance for the present and future.

Principles for Organization of Boards

A particular charge of the Committee on Nominations is to nominate to the General Synod those persons best qualified to serve on Synod's boards and committees. Sessions are encouraged to present the opportunities for service to challenge members of the congregation to seek opportunities for service in accordance with their spiritual gifts.

1. Boards are entrusted by General Synod to provide oversight of the ministries assigned to the board and shall develop policies and procedures to assure accountability at all levels of the ministry assigned to the Board.
2. Boards are accountable to the General Synod to ensure that their board is providing oversight of its particular mission on behalf of General Synod. Board Chairmen should serve as primary contact in relating to General Synod.
3. Board Chairmen are to approve reimbursements to Directors.
4. Executive Sessions of Board Meetings should include the Moderator, Moderator-Elect, and Coordinator, unless the Board determines otherwise for a particular reason.
5. Presbytery representatives are responsible for conveying the input of their sending Presbytery to the board, and for reporting regularly to their Presbytery regarding the work of the board and its actions.
6. Presbyteries are urged to elect committee chairmen who have a genuine desire to serve Presbytery and Synod in their respective roles.
7. Where possible, Presbytery representation should be divided equally between teaching and ruling elders.
8. Board Chairmen are expected to attend an orientation session conducted by the Coordinator at the beginning of their term of office.

Recommendations for Consideration

1. Financial Matters

1. New ARP Foundation/Board of Stewardship

- The consolidation (merger) of the Board of the ARP Foundation with the Board of Stewardship, and possibly with the addition of the Dunlap Ministry.

- The replacement of a part-time consultant with a full-time Director of Stewardship Ministries.
- The assumption of responsibility for assisting Presbyteries and Churches in stewardship education.
- The development of multiple investment instruments.
- The spin-off of an Investments Committee to manage the investments of the ARP Foundation.
- The spin-off of a Finance Committee.

2. The Board of Stewardship (Merged into ARP Foundation/ Board of Stewardship)

- The consolidation (merger) of the Board of Stewardship, with the Board of the ARP Foundation and possibly with the addition of the Dunlap Ministry.
- Responsibility for the allocation of General Synod's funds passes to the Finance Committee.
- Capital Campaigns and their initiation and conduct to be discussed by a Special Committee of General Synod

3. The Investment Committee:

- The Investment Committee is charged with the management of investment funds of the denomination and its agencies as entrusted to it.
- The intent is for boards and agencies of the denomination to view the committee as their investment committee.
- The Investment Committee may also manage funds from Presbyteries and Churches.
- Membership will be five at-large members serving four year terms and the Treasurer of General Synod as an ex-officio member. Advisory members include representatives from each denominational agency or board with funds invested with the Investment Committee, plus the Moderator and Moderator-Elect, Chief Administrative Officer, and the Coordinator.
- Members are required to have knowledge applicable to their responsibilities.
- The Investment Committee will meet quarterly. Three of those meetings may be via conference call.
- The Investment Committee reports to General Synod.

4. The Finance & Administration Committee

- The Finance & Administration Committee will replace the Committee on Administration of the Executive Board and is charged with financial resources committed to the General Synod and for the administrative functions of the denomination, including:
 1. Development of the annual allocation of Synod's Denominational Ministry funds
 2. Serve as the Audit Committee for General Synod including selecting the auditor for General Synod and all its legal entities, and unifying audit procedures.

3. Responsibility for the ARP Center or other administrative facilities
 4. The administration of special offerings
- Membership of the committee will be five at-large members serving four year terms. Treasurer of General Synod is an ex-officio member of this committee. Advisory members include the Moderator, Moderator Elect, Chief Administrative Officer and Coordinator.
 - Members shall have knowledge applicable to their responsibilities.
 - The committee will meet twice a year one of which may be via conference call.
 - The committee reports to General Synod.

Exhibit D, "Restructuring of Financial Responsibilities" reflects the responsibilities and reporting relationships at present and as proposed.

5. The Board of Benefits

- Presbytery Chairmen of Minister and His Work Committees/Commissions will become ex-officio members of the Board of Benefits.
- The Board of Benefits uses the Investment Committee as its investment advisory committee for retirement plan matters, and, where appropriate, asks the Investment Committee to manage its plan investments.

Recommendations for Consideration

2. Central Services

Preamble

Central Services would be a new department brought into being to serve the administrative and support services of all boards and their agencies, replacing the present Administrative Services. The intent is to undertake to manage all those tasks and routine responsibilities that are currently managed separately in a more efficient and costs effective manner and to free the boards (and the agencies created) to concentrate on the assigned area of ministry.

Recognizing the magnitude and distinctive requirements of Erskine College and Erskine Theological Seminary the ensuing applications do not necessarily include Erskine. However, to the extent that such services would enhance the effectiveness of Erskine's operations, the services of Central Services will be extended to Erskine.

Recommendations for Consideration

There would be four sub-departments in Central Services:

1. Financial Services:

- Manages all financial functions for all boards and their agencies including accounting/bookkeeping, accounts payable and accounts receivable.
- Centralizes all purchasing, initially for all agencies and eventually for the entire denomination in all its parts – cost containment, pricing, efficiency.

2. Human Resources & Benefits:

- Responsible for medical insurance matters, records, negotiations with providers, etc.
- Responsible for managing the denomination's retirement plan.
- Responsible for human resource issues to provide standardized guidelines for staff hiring and evaluation, staff policies, and implementing a standardized compensation plan.

3. Publications & Promotion:

- Coordinates and consolidates all print matter to deliver a consistent denominational image, standardized appearance and presentation, and as may be expedient, consider unified/integrated publications and advertising needs of the denomination
- Maintain the production of the ARP Magazine as at present, but integrate into the department's functions.

4. Administrative Support:

- Undertake core responsibilities of the present administration in such matters as the Minutes of Synod, Plan Book, Book Selling, etc.
- Provide administrative support to the agencies/departments of the denomination beyond those already described in this section. Over time, explore way in which all agencies can be served through this department.

Chief Administrative Officer:

1. Central Services will have a senior officer who is responsible for receiving the reports of his four departments. Primarily, however, he is to be an experienced financial manager, preferably a CPA having extensive organizational and managerial skills.
2. Under his given title he will serve the denomination and its agencies as Chief Financial Officer. It is anticipated that the majority of his time and strengths will be expended in the financial area.
3. The Chief Administrative Officer (CAO) will report to the Executive Board of Synod.

Exhibit E reflects the envisioned structure for Central Services.

Recommendations for Consideration**3. Committees and Commission****1. Committee on Historical Concerns:**

- Dissolve the committee
- Assign the following duties to the Historian
- To encourage congregations to collect historical materials of the Associate Reformed Presbyterian denomination and its congregations; to preserve permanently items connected with our history and the writing of it; to encourage the availability for research the materials at the Department of History, Montreat, NC and at the McCain Library, Erskine College, Due West, SC.

- To cooperate with the Department of History, Montreat, NC, in securing and protecting historical records connected with our church. To serve as liaison to the Department of History and to receive and review its annual report.
 - To encourage at Erskine College Library the maintaining of a file on congregations, ministers, and other historical information of the General Synod. To cooperate with the Curator of ARP Materials at McCain Library, Erskine College.
 - To solicit, secure, and edit historical material and to recommend to the Executive Board the publishing of specific historical information.
 - Report to the Executive Board of General Synod (changes duty #5 – “To report annually to the General Synod”)
 - Budget included in Executive Board budget (eliminates duty # 6 – “To prepare an annual budget for submission to the General Synod”.) Eliminate duty #1 of the Historian (“To assist the Committee on Historical Concerns...”)
- 2. Committee on Inter-Church Relations:**
- The General Synod has assigned to the Principal Clerk the duty “to receive and send all official communications on behalf of the General Synod. The Principal Clerk should be added as either an Ex-Officio or an Advisory member of the Committee.
- 3. Committee on Lay Ministry:**
- Conduct a self-review of the duties and responsibilities of this committee to ascertain which are being performed, and determine which duties, if any, should be absorbed into the activities of other boards or committees.
- 4. Committee on Minister and His Work:**
- No Change.
- 5. Committee on Nominations:**
- No Change.
- 6. Committee on Theological and Social Concerns:**
- No Change.
- 7. Committee on Worship:**
- The Committee on Worship is currently undertaking a study to determine how to maintain its focus on worship in the future and cease being perceived as the “music committee.”
 - The Committee on Worship is to focus its attention on worship, especially as the committee responsible for implementing the findings of General Synod’s Special Committee on Worship. It should continue to maintain a Music Conference Planning sub-committee.
- 8. Ecclesiastical Commission on Judiciary Affairs:**
- No change.

9. Translations Committee:

- The Special Committee on Organization was asked by the Executive Board to discuss the matter of the translation of the Standards of the Associate Reformed Presbyterian Church into languages other than English. The Committee discussion resulted in the following:
- The translation of the Standards is to be encouraged.
- The integrity of the translation must be assured.
- The translation may not be a private undertaking by an individual.
- The translation must be a team effort led by an ARP Church-approved fully bilingual individual.
- General Synod reserves the right to authorize (or otherwise) a translation.
- Executive Board is charged with the responsibility of determining the suitability of the translators.
- The ARP Church reserves the right to publish or not to publish a translation.
- Authorized translations will bear the *imprimatur* (official seal) of the ARP Church.

Recommendations for Consideration**4. Boards****1. Board of Publications:**

- Dissolve the current Board of Publications
- Create a Department of Publications and Promotions in Central Services.
- Publications and Promotions reports to the Chief Administrative Officer.
- All publications and promotions of all agencies, except Erskine, are produced via the Department of Publications and Promotions
- Consider ways in which Erskine may be of assistance to the Department of Publications and Promotions.

2. Board of Covenant Discipleship:

- Reintroduce and emphasize Christian Education in congregations as the primary thrust of the agency, and proactively plan for this.
- Especially focus on the Christian Education training needs of the ARP Church.
- Review and abide by the requirements as stated in the Manual of Authorities & Duties. (Conferences are excellent in quality but are not the primary intent as expressed in the Manual of Authorities and Duties.)
- Consider the use of contract leaders and short-term staff for conferences rather than full-time staff.
- Question the rationale/justification for an office at Bonclarken

3. Board of Outreach North America:

- Re-emphasize the primacy of Presbyteries

- Re-emphasize the importance of evangelism as being of primary importance in the ARP Church, in Presbyteries and congregations.
- Give priority to training for evangelism on a consistent basis in all Presbyteries and congregations.
- Encourage Presbyteries to plant churches and to work with them closely.
- In recruiting church-planters, or potential church-planters, always work in harmony with the Presbyteries responsible, and where possible, also with the pastor and congregation of the individual.
- Encourage Presbyteries to encourage established congregations to plant daughter churches and teach them how to do it.
- Presbyteries should be encouraged to consider outreach to and involvement in multi-ethnic communities, and provide training accordingly.

4. Board of World Witness:

- Re-emphasize the primacy of Presbyteries and encourage the Presbyteries to recruit and hear the testimonies for those sensing a call as a missionary. If a missionary candidate is an Associate Reformed Presbyterian they must be approved by their Session (if not a Teaching Elder) and by their Presbytery.
- World Witness missionaries are encouraged to maintain a vital relationship with the sending church and Presbytery
- The independent operations of World Witness should be replaced by a more integrated and involved relationship with Presbyteries and congregations. As an “arm” of the ARP Church, all tendencies to independent operation should be revised.
- The Board of Benefits should manage the benefits program of World Witness.
- World Witness must cooperate with Centralized Services.

5. Board of Bonclarken:

The Committee is suggesting to the Board of Bonclarken a clear distinction between the Bonclarken Homeowners Association (BHA) and the operation of Bonclarken. Further, the Committee is suggesting a clear distinction between the two functions of Bonclarken and will address them separately.

A. Bonclarken Homeowners' Association

- Bonclarken homeowners are responsible for their own property. This may include common grounds, roads, maintenance, garbage collections, repairs, etc. A defined line is drawn between what is owned and operated by Bonclarken Facilities Management (BFM) and the property owners.
- Bonclarken homeowners may purchase goods and services from BFM but they are separate and may make neither claims nor demands on BFM.
- In this sense Bonclarken homeowners are free to purchase their services as needed from whom they choose. They have no

organizational relationship with BFM.

- BFM should continue to have a member of the board of BHA in an ex-officio capacity.

B. Bonclarken Facilities Management:

- BFM owns all the properties of Bonclarken excepting those owned by BHA.
- It is the responsibility of BFM management to operate BFM year round and to be profitable.
- BFM is responsible for the maintenance of its property.
- BFM functions in similar fashion to a commercial resort or hotel, it maintains its accommodations, handles its reservations, and provides food service.
- The marketing endeavors of BFM are oriented to its facilities.
- BFM has no programs.

C. Bonclarken Ministries:

- Bonclarken Ministries (BM) owns no property.
- BM owns its own (Bonclarken) programs and contracts with BFM for the purchase of services, for which it pays BFM at a profit to BFM.
- BM also is prepared to conduct programs for other organizations and agencies that will pay BM for its services. BM will contract with BFM for the services it requires to meet the needs of its client.
- If the services required by the client cannot be provided at Bonclarken by BFM, BM is free to contract with another provider and honor the client in that way.
- Thus, any organization wishing to conduct a program, retreat, camp or conference at Bonclarken BM is the provider. BM ascertains if BFM has space and opportunity available to accept the client. BM establishes a contract with BFM to provide the requested services.
- Rates are established by BFM, sales are made by BM. The intent is that profit be made through transfer pricing between the two entities, and that the ministry of Bonclarken overall be enhanced.
- The marketing endeavors of BM are oriented to its programs.

Exhibit F reflects the suggested structure for the Board of Bonclarken.

Varia

There are several matters of significance that have not been included in this report.

1. Restructuring of the Woman's Synodical Union. The WSU has proposed significant changes to be voted on at the annual meeting in July.
2. Proposed revision of denominational ministry funding. This is anticipated to be an item of high priority for the proposed Finance Committee. In this regard the present system of denominational ministry funding is in need of review and possibly revision. It is anticipated that in the future, funds will flow from congregations to Presbyteries and

thence to General Synod and its causes.

3. Missions/chapel nomenclature, jurisdiction, adherence to the Standards, and changes in the Standards will be items for further consideration.

Recommendations

The Committee presents the following recommendations for the consideration of the Court:

1. That the General Synod affirm the following sections of this report as the basis for further consideration of particular suggestions and recommendations:
 - a. Guiding Principles
 - b. Goals for General Synod's Special Committee on Organization
 - c. Assumptions Underlying Goals
 - d. Principles for Organizing Boards
2. That the concept of "Central Services" be endorsed as a desired objective. **[Deleted. See Proceedings]**
3. That the recommendations pertaining to Committees be approved. (Recommendations for Consideration, Section 3.)
4. That each Board consider this report at its Fall meeting and submit comments, questions, and recommendations to the Special Committee not later than January 1, 2005.
5. That authority be granted for the implementation of any of the provisions of this report that are acceptable to a particular board or committee.
6. That the Special Committee on Organization be continued for another year for the following particulars:
 - a. To receive comments and recommendations from Boards and Committees for which specific observations and/or recommendations have been made.
 - b. To work with Boards and Committees to implement changes that reflect consensus agreement.
 - c. To make specific recommendations to the 2005 General Synod on matters that might require a determination by the General Synod.
 - d. To continue its review of the Standards (for purposes previously stated) to determine if specific recommendations are needed.
 - e. To consider such other matters as may be directed by the General Synod.
7. That there be a time of special prayer, expressing gratitude to God for that which has come before and ask for His guidance and blessings on the future before us.

Respectfully,

C. Ronald Beard

Chairman, Special Committee on Organization

Exhibit A

Principal Clerk & Coordinator

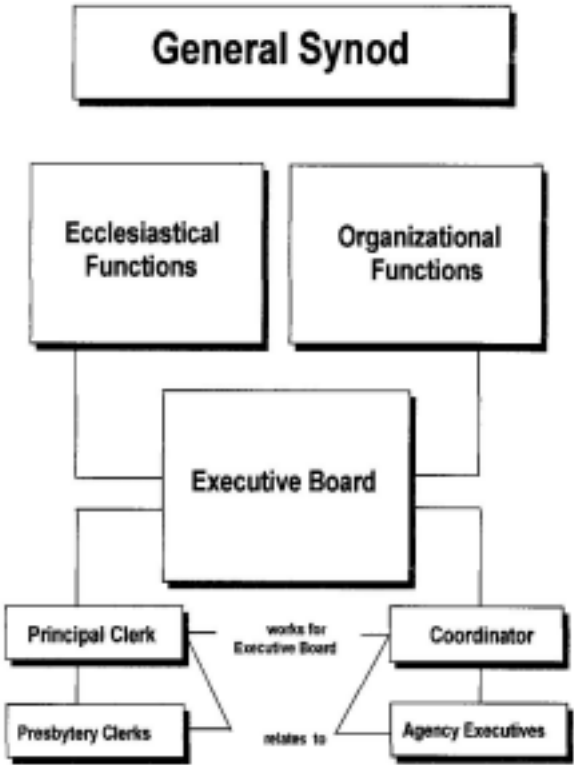
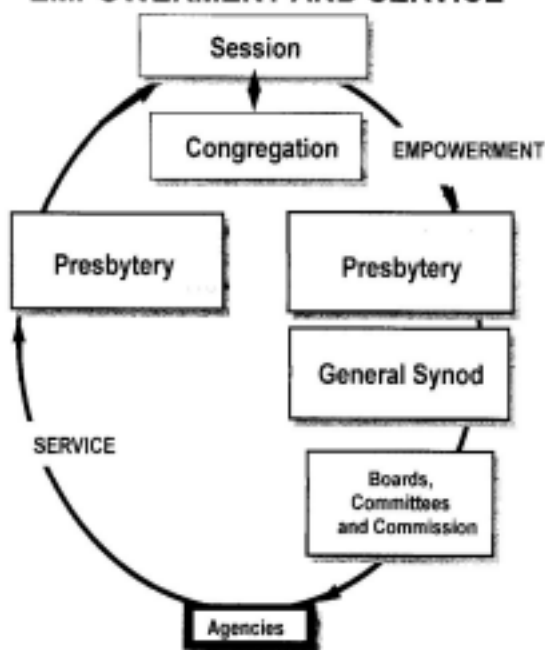


EXHIBIT B

EMPOWERMENT AND SERVICE

- * CONGREGATIONS, THROUGH THEIR SESSIONS, EMPOWER PRESBYTERIES, BY THEIR MEMBERSHIP AND INVOLVEMENT, AND BY THEIR FUNDING OF ACTIVITIES.
- * PRESBYTERIES EMPOWER GENERAL SYNOD BY THEIR INVOLVEMENT AND FUNDING.
- * GENERAL SYNOD ESTABLISHES BOARDS, COMMITTEES AND COMMISSIONS TO DO ITS WORK.
- * BOARDS EMPOWER AGENCIES. AGENCIES SERVE PRESBYTERIES AND THROUGH THEM THE CONGREGATIONS BY MINISTRY, PROMOTION OF THEIR AREA OF ACTIVITY, TRAINING, INFORMATION AND STIMULUS TO PRAYER.

Exhibit C

Integration and Independence

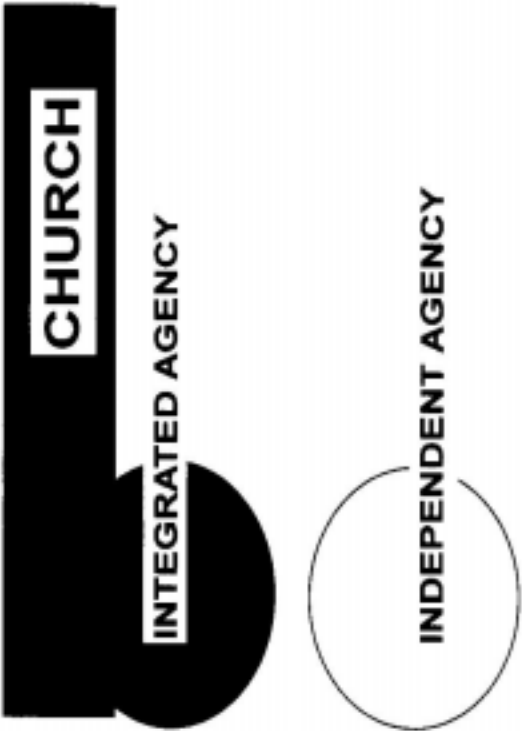


EXHIBIT D

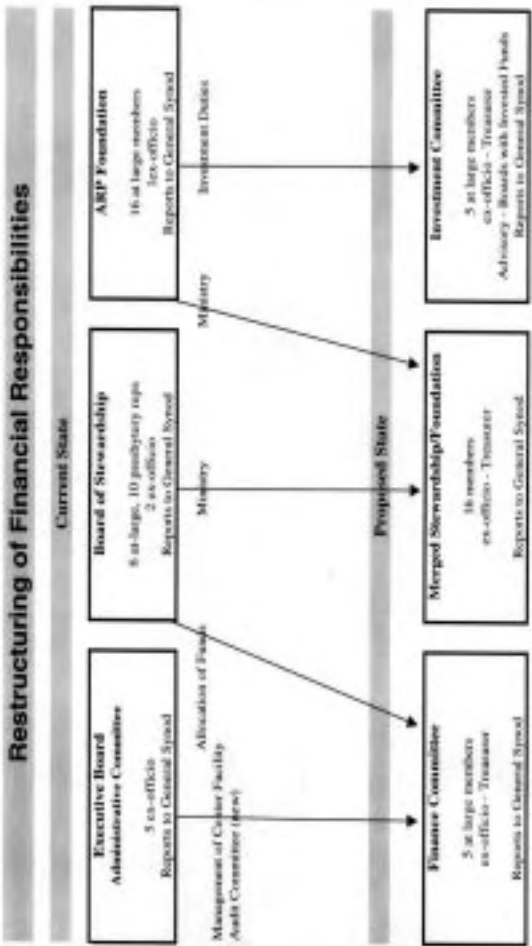


EXHIBIT E

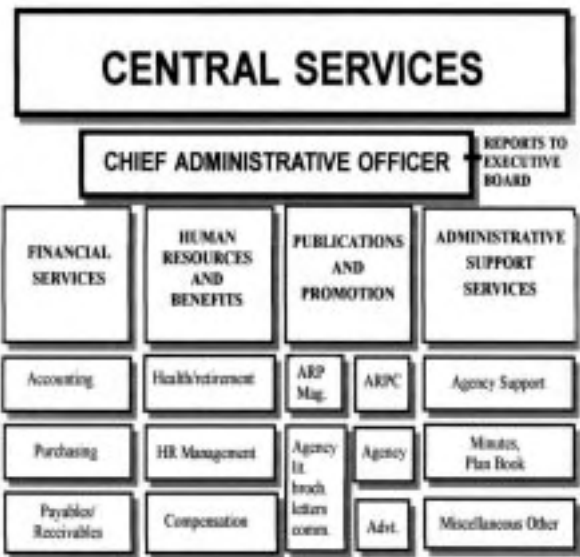


EXHIBIT F



Following announcements, the session closed with prayer and the Benediction pronounced by James A. Hunt.

Wednesday, June 9, 2004
1:45 P.M.

Robert B. Johnson led the afternoon worship service. William L. Barron closed with prayer.

Synod recessed for the Moderator's Committees meetings.

Wednesday, June 9, 2004
7:15 P.M.

John C. Dorr, Jr. led the worship service.

Mrs. Patsy Ratchford, President of the Women's Synodical Union, presented the President's address to Synod.

WSU PRESIDENT'S ADDRESS

It is an honor and a pleasure for me to speak before you this evening, and, most especially, to represent the Woman's Synodical Union.

God has been leading us through a process of evaluation, discovery and renewal which began several years ago. In the Fall of 2002, we appointed a Task Force to evaluate the overall structure of the Woman's Synodical Union and recommend a course of action. This followed a study that strongly suggested changes needed to be made to the WSU for its continued viability and growth. This group has done a tremendous job by seeing how we can take our long-standing values into a new day. (I want to pause here and recognize the members of the Task Force, who have spent many long hours working on this report, praying and seeking God's will every step of the way, and to thank them for their willingness to serve. It has been and continues to be a labor of love. They are: Jana Evans, Chairman; Ann Aheron; Kathy Barron, Nicole McCoy and Cathy Wilson.)

The Task Force presented its final vision report at the WSU Board Meeting in March. As you would expect, the board had a lengthy discussion, resulting in several refinements, which gave the Executive Board a feeling of ownership. The report was approved, along with a revised constitution and by-laws.

The report will now be considered at the WSU Annual Meeting in July. In preparation for this meeting and with a strong desire that our ladies will fully understand the proposed changes, we will not make the mistake of under-communicating the new plans, which, we believe, God has given us. Already, Task Force members have met with several Presbyterial Boards to answer questions. They have received an overall positive response, even from some who are late-adopters to new ideas. An informational meeting is also scheduled for delegates and others who are interested on the morning of July 26th prior to the Annual Meeting. As I have said, we want everyone to know about these changes—which are not changes in our mission or values, but changes in our methodology.

If the delegates to the Annual Meeting approve the report, it will be overtured to the Presbyterials for consideration at their annual meetings in August. If approval is given by the Presbyterials, the vote will be certified at the 2005 Annual Meeting. **We believe that our women need to focus on women ministering to women and supporting the denomination through the local church.** Some highlights of the report are:

- The name of the organization would be changed from Woman's Synodical Union to A.R.P. Women's Ministries, which we think more closely defines our organization in the 21st century. This would be the third name change—in 1915, the Presbyterial Unions joined together to become the Woman's Synodical Missionary Union. Later, in 1949, the name was changed to the Woman's Synodical Union to reflect more extensive participation in all phases of the work of the denominations.
- A new vision statement would read, "A.R.P. Women's Ministries is an organization which encourages and equips the community of A.R.P. women to minister together for God's glory and purpose." A simple message, but one that immediately strikes a chord.
- The proposed organizational structure would include a position for a paid administrator. As a central resource person, this position is integral to the success of the new structure. Another vital part of the structure would include women representatives from all Presbyteries, even if they do not have organized Presbyterials.

We realize that change is difficult and all of us tend to be creatures of habit. But the intent of change is to help God fulfill His promise, "Behold, I make all things new." Toward that end we should always evaluate and be willing to reform what we do. As Presbyterians we understand what it is to be "reformed and always reforming." If approved, it will take time to implement and a lot of details will need to be worked out.

Our women continue to grow spiritually through prayer, Bible studies and fellowship, as they meet together in circles, Bible study groups and retreats. This year, with an emphasis on women ministering to women, we have focused on biblical womanhood. Through the study of Esther and Susan Hunt's "Legacy of Biblical Womanhood," and articles in *The Associate Reformed Presbyterian*, our ladies are being reminded of God's wonderful, unique design of women. This Fall, we will begin the study of Philipians and at the Annual Meeting in July, our ladies will vote on the study for 2005-2006, which will be Jeremiah.

Love is the foundation upon which our ladies go out to serve, utilizing their many gifts and the giving of their time, as they tailor their ministries around the needs of their local churches and communities. Through meal ministries, they provide food for the sick and for grieving families. They teach in Sunday Schools and Vacation Bible Schools. They provide nursery workers for Sunday worship services. They host craft workshops to make gifts for the Bonclarken Gift Shop. They send gift boxes and church

bulletins to college students and to those who serve in the military. They reach out into the community through many volunteer programs, whether it is tutoring or helping in a battered woman's shelter.

The women are also trying new things and are coming up with some really neat ideas that may involve the whole church. An example is in the area of stewardship. One church has a "seed money" program for their Sunday School. Everyone, no matter how old, was given \$5 to use for God. They were to follow the example of the five talents. One of the Kindergartners more than doubled her \$5, invested it again and earned more money than she gave for missions.

Our budget for 2003-2004 is \$250,000. There appears to be no strong change in the trend in giving, up or down, keeping in step as to what is being demonstrated Synodwide. The women continue to support missionaries, Pam Brunson and Judi Hodges, through Jubilee Birthday offerings. We also support Outreach North America, Bonclarken, Erskine College and Seminary, Covenant Discipleship, Camp Joy and other denominational agencies, including *The Associate Reformed Presbyterian* magazine.

I beseech you, as our Spiritual leaders, to encourage the ladies in your churches as they minister to one another and to others—remind them of their special gifts of nurturing, comforting and encouraging. When we begin the good works God has created us as women to do, our immediate family and our church family will be the beneficiaries, to the Glory of God!

John H. Dawson presided on behalf of the Inter-Church Relations Committee as greetings from Fraternal Delegates were received.

The Fraternal Delegates spoke as follows:

Mr. Drew Gordon, of The Reformed Presbyterian Church of North America; The Rev. Dr. Donald Fortson, of The Evangelical Presbyterian Church; The Rev. Dr. L. Roy Taylor, of The Presbyterian Church in America; The Rev. Mr. Donald Taws, of The Orthodox Presbyterian Church.

Mr. Dawson concluded the Inter-Church Program with prayer.

The Report of the Committee on Inter-Church Relations was presented and adopted.

REPORT OF THE COMMITTEE ON INTER-CHURCH RELATIONS

The Committee met on February 3, 2004 at the ARP Center in Greenville, SC. Also in attendance was John Mariner of World Witness who reported and advised on the ARP Synods of Mexico and Pakistan and conferred with us regarding cooperative ventures on the mission field.

Ecumenical Organizations

The ARP continues as a member of two ecumenical organizations: (1) The International Conference of Reformed Churches (ICRC) and (2) the North American Presbyterian and Reformed Council (NAPARC).

The International Conference of Reformed Churches. The ICRC will not meet until 2005, but it held a student conference in Edinburgh, Scotland, hosted by the Free Church of Scotland. We sent Mr. Clinton Davis (student at Erskine Seminary) and Miss Erica Johanson (student at Erskine College) to the conference which was held 8/27-9/1.

North American Presbyterian and Reformed Council. NAPARC consists of seven member churches: The Korean-American Presbyterian Church (KAPC), the Orthodox Presbyterian Church (OPC), the Presbyterian Church in America (PCA), the Reformed Church in the United States (RCUS), the Reformed Presbyterian Church in North America (RPCNA), Eglise reformee du Quebec (ERQ), and the ARP.

NAPARC met in November 2003 at Pittsburgh, hosted by the RPCNA. In addition to the member churches the following visitor churches were represented: Canadian Reformed Churches, Evangelical Presbyterian Church (EPC), Free Reformed Churches, Presbyterian Reformed Church and the United Reformed Churches in North America (URCNA). The ARP delegation consisted of Moderator Wayne Frazier, Jack Whytock, Marty Taylor and John Dawson (who was elected chairman of NAPARC).

Through letter, William B. Evans announced the completion of translation of G. I. Williamson's *The Westminster Confession of Faith for Study Classes* as well as *Topical Harmony of the Westminster Confession of Faith and the Three Forms of Unity* and the NAPARC *Preface* into Spanish.

Because several NAPARC churches have positions on women serving in military/combat roles, the Council formed a committee to encourage a common witness on the subject. The Council approved the following motion: *That those NAPARC churches who have not studied and adopted positions relative to Women in the Military, be encouraged to do so and to consider the work of the four NAPARC churches who have already adopted positions opposing women in military combat.*

The Council set aside time to talk about matters relating to church union. Each member church took the opportunity to speak about their historical perspective and disposition that would influence the process and prospects of church union. Also discussed were ways (conferences, etc.) that the people in the various churches could personally connect with those in other NAPARC churches.

Churches in Fraternal Fellowship

North American churches in fraternal fellowship with the ARP are the CRC, Evangelical Presbyterian Church (EPC), KAPC, OPC, PCA, and RPCNA. In 2003 at the various assemblies/synods, the ARP was represented by the following: David Sides, CRC; Bob Cara, PCA; Dean Turbeville, OPC; John van Eyk, EPC; Jack Whytock, KAPC; Kurt Young, RPCNA.

OPC. The OPC Committee on Ecumenism met with our delegation (Jack Whytock, Marty Taylor, David Johnston and John Dawson) after the meeting of NAPARC as part of their desire for "periodic substantive meetings with their [fraternal] brothers." The meeting's tone was open as we sought and received forgiveness for times our churches may have wronged each other. It was also an encouraging time where we renewed

our commitment to one another in our common mission of the gospel of Jesus.

Churches in Fraternal Correspondence

Churches in fraternal correspondence with the ARP are the Cumberland Presbyterian Church (CPC), the Cumberland Presbyterian Church in America (CPCA), and the Presbyterian Church U.S.A. (PCUSA). These churches were sent letters of greeting.

URCNA Meeting. After the meeting of NAPARC, our delegation (Jack Whytock, Marty Taylor, David Johnston and John Dawson) met with representatives of the URC. The URC is a fairly new synod, many of the churches coming out of the CRC. The purpose of the meeting was to begin to exchange background information and become better acquainted.

Indian Presbytery. We have received inquiries from a newly formed presbytery in India. We have written them, to encourage them in the Lord. We are studying a process for dealing with such requests from foreign countries.

Fraternal Delegates/Representatives to be Sent in 2004

ARP delegates/representatives are scheduled to be sent to: NAPARC, EPC, PCA.

Fraternal Delegates/Representatives to be Invited in 2004

The following will be invited: EPC, PCA, KAPC, OPC, RPCNA.

Officers for 2004-2005

Chairman — John Dawson

Vice-Chairman — Jack Whytock

Secretary — Charles Clendinen

Proposed Budget for 2005

The Committee approved the following 2005 budget:

	2004	2005
General Office Expense	\$ 150	\$ 150
Committee Travel	5,000	5,000
ARP Fraternal Delegates/Rep.	10,000	10,000
Hosting Fraternal Delegates	1,000	1,000
NAPARC Dues	500	500
ICRC Dues	3,580	3,580
Total	\$ 20,230	\$ 20,230

Recommendations

1. The proposed Committee 2005 budget be approved.
2. All other actions of the Committee, as herein reported, be affirmed.

Respectfully submitted,

John Howard Dawson, Chairman

The Report of the **Committee on Lay Ministry** was presented and adopted.

REPORT OF THE COMMITTEE ON LAY MINISTRY

The Cornerstone Conference for young adults was held at Bonclarken on February 4-6. Mr. John Basie, Director of Graduate School and Seminary Admissions at Columbia International University in Columbia, South Carolina, was the speaker. The music was led by Mike & Tara Vaughan of Greenwood, South Carolina. Attendance was 35. The 2005 conference will be held at Bonclarken on February 6-8. Lee & Jennifer Duffie of the Greenwood, SC, Church, co-directors of this event have resigned, and a replacement is being sought.

July 9-10 are the dates for the Laity in Action Conference which will be held at Bonclarken. This family event includes a children's program and child-care. The Rev. Mark Ross, Associate Pastor for Teaching at First Presbyterian Church, ARP, Columbia, South Carolina, is the main speaker. He will deliver four messages—one on Friday afternoon, one on Friday evening, and two on Saturday morning. Co-sponsors of the conference are the Committee on Lay Ministry and the Alliance of Loyal Laity.

Two awards are presented each year at the Laity in Action Conference. One award, the Onesimus Award, is presented to individuals who show themselves slaves for Christ and the Gospel. In 2003, Mr. & Mrs. Tony Bloemsma of the Reformation ARP Church in Hendersonville, NC, and Mr. Robert Davidson of the Pressly Memorial Church, Statesville, North Carolina, were recipients of this award. The second award, the Barnabas Award, is given to churches who prove to be an encourager to other churches. The 2003 recipients of the Barnabas Award were the Pressly Memorial Church, Red Level, Alabama, and the DaySpring Church in Cleveland, North Carolina.

The Family Bible Conference will be held July 26-29 at Bonclarken. The emphasis is "Our Heavenly Citizenship." This conference is jointly sponsored by the Woman's Synodical Union and the Committee on Lay Ministry. Conference personnel include: Director—Rev. Dean Turbeville; Assistant Director—Rev. Rob Patrick; Treasurer—Mr. John Barron; WSU Director—Mrs. Harriett Moore; WSU Assistant Director—Mrs. Tracey Smith; and WSU Treasurer—Mrs. Leila Grace Cooper. The Morning Bible Teacher is the Dr. Sinclair B. Ferguson, Professor of Systematic Theology at the Texas Campus of Westminster Seminary in Dallas. The Evening Worship Leader is the Rev. Bill Shishko, pastor of the Franklin Square Orthodox Presbyterian Church in Long Island, New York. The Woman's Synodical Union meets prior to the conference on July 25-26.

We offer to assemble Work Teams to assist congregations and agencies with special projects. Volunteers furnish their own transportation and bring their own tools. Meals, lodging, and supplies are provided by the church or agency needing the help. You may contact the Director of Lay Ministry for additional information if you have a need.

Limited funding is available to assist presbyteries, clusters of congregations, or individual congregations who desire to sponsor events for laymen at the local level. Make application through Tom Patterson (P. O.

Box 1283, Mooresville, NC 28115-1283; 704-663-2611; arphighroad@earthlink.net).

Elected as officers for the 2004-2005 term are:

Mrs. Nicole McCoy, Chairman

Mr. Jeff Hathcock, Vice-Chairman

Mrs. Anne Alexander, Secretary

Tom Patterson continues as the Director of Lay Ministry for the Synod.

Recommendations

1. That the Rev. Dean Turbeville be appointed as Director and the Rev. Rob Patrick as Assistant Director of the 2005 Family Bible Conference.
2. That Mr. John Barron be appointed as Treasurer for the Family Bible Conference for another 2 year term.
3. That sessions and pastors promote attendance at the Laity in Action conference, the Family Bible Conference, and the Cornerstone Conference.
4. That sessions call on their people to pray daily for the work and ministry of the local congregation, the presbyteries, and the General Synod and challenge the laymen to have a systematic study of the Scripture and also to set aside a time for daily devotions.
5. That laymen be challenged to familiarize themselves with our doctrinal standards as found in the *Westminster Confession of Faith*.
6. That opportunities to prepare and equip lay people for effective Christian service and opportunities to involve laymen in ministries be provided through the local congregations and also through the work teams provided through this committee and that encouragement to participate in community-based ministries be given through the local congregation.
7. That the retreat and conference ministries be given proper promotion within each congregation.
8. That sessions be encouraged to designate one Sunday in the month of October as a day to celebrate and emphasize the role of laymen in the church.
9. That the Budget for 2005 be approved as follows:

Laity in Action Conference	\$	2,500
Family Bible Conference	\$	7,500
Area Laity Workshops	\$	500
Cornerstone Conference	\$	1,750
Director of Lay Ministry	\$	3,500
Cooperative Work with A.L.L.	\$	3,000
Committee Expenses	\$	6,000
Total	\$	24,750

Respectfully submitted,

John Schafer, Chairman

Tom Patterson, Director of Lay Ministry

The Report of the **Committee on the Minister and His Work** was presented and adopted. Prayer for our chaplains was offered.

REPORT OF COMMITTEE ON MINISTER AND HIS WORK

The membership of the Committee on Minister and His Work encompasses the Chairman of each presbytery's committee/commission, the Director of Outreach North America, and the Vice-President of Erskine Theological Seminary (ETS). The Coordinator of Synod, Moderator and Moderator-Elect of Synod, and the Director of Administrative Services serve as advisory members.

The Committee meets on an annual basis to share information and, working cooperatively, to develop resources and procedures to enhance the ministry of the Church. The Committee also serves as the coordinating agency for its cooperative efforts with the Presbyterian Council on Chaplains and Military Personnel. As this report is considered, the Court is reminded that the concerns expressed and the actions recommended and/or suggested reflect the experiences of those dealing with these matters.

Assistance to Ministers and Churches

Chapter X.E.1 of the *Form of Government* clearly prescribes the authority of presbytery in effecting calls for its ministers. The *Form of Government* does not, however, prescribe the manner in which this requirement will be carried out. It is, therefore, incumbent on every presbyter and denominational official to ensure that our individual efforts do not violate either the letter or the intent of this provision in the *Form of Government*. Our individual efforts must always complement this presbytery responsibility.

The General Synod, through the Committee on the Minister and His Work, has sought to develop programs to assist the minister and/or candidate, the search committee, and the presbytery. Forms for the minister/candidate and for the church have been developed and the Committee on Minister and His Work has oversight of the program to secure and maintain these forms. The Office of Administrative Services, ARP Center, maintains and administers the forms in accordance with procedures approved by the Committee:

- a. Access to data forms is restricted and forms are released in accordance with the instructions indicated thereon.
- b. Specific data forms are released only to the chairperson or secretary of a search committee or to the chairman of a Presbytery Committee/Commission on Minister and His Work.
- c. At the request of a search committee, and in those circumstances where the church has completed a "church profile," matching data forms will be released.
- d. When a data form is released to a church the presbytery chairman is notified.
- e. If a minister has requested or indicated a desire to have his data form circulated in the absence of a specific request or data match,

the data form is submitted to the chairman of each presbytery Committee on Minister and His Work. These data forms will be submitted to churches at the discretion of the presbytery chairman.

All ministers are encouraged to have a data form on file, and to update the form on a periodic basis. Churches are reminded of the opportunity to complete and utilize the “Church Profile” when they are seeking a pastor. The Committee has begun the process for updating these forms.

The following information on data forms is provided (generally reflecting activities from April—March):

	2001	2002	2003	2004
• Requested by Churches	223	194	202	356
• Provided to Churches	243	160	242	317
• Requested No Forms Available	13	11	12	14
• Requested Not Mailed:				
At Request of Individual	9	4	10	25
Just Relocated	3	0	0	2
• Sent at the Request of Individual	22	12	30	45
• Sent to Non-ARP Churches*	0	0	1	1
• Requests for Updated Forms	23	16	28	25
• Requests by Non-ARP's for Forms	32	21	26	10
• Church Profiles Distributed to Churches	7	10	5	20
• Church Profiles Completed by Churches	1	1	1	5
• Seminary Students' Data Forms				
Distributed	22	23	28	94

*At request of Minister

The Committee has asked Administrative Services to include on the General Synod web-site a list of those congregations seeking a pastor. The churches to be listed for a particular presbytery will be determined by the Presbytery Chairman.

Annual Reviews

Calls to Associate Reformed Presbyterian Ministers must provide for an annual review of the terms of the call. In the opinion of the Committee, this review of the terms of the call should be done in the context of a ministry evaluation – for both the minister and the congregation. Some presbyteries have begun to develop procedures and guidelines for conducting ministry evaluations. Presbytery representatives to the Committee have been asked to share their work with each other.

The annual review should also address the monetary needs of the Pastor. We ask that the presbyteries encourage the churches to consider, as a minimum, an annual cost of living increase in compensation. Information on the Consumer Price Index is available on the WEB at <http://stats.bls.gov/news.release/cpi.toc.htm>.

Orientation Program for New Ministers

The orientation program is designed to build inter-personal relationships among new ministers and to build relationships between ministers and those who are engaged in the ministries of the denomination. We continue to urge ministers to make every effort to attend an orientation program in the first two years of ministry. We encourage presbyteries to insist on this.

The orientation schedule is a one-day program held at the ARP Center. Orientation programs are scheduled for the last Tuesday in April and the last Tuesday in September. Details may be found in the *Plan Book*. The General Synod will reimburse out-of-pocket expenses for those participating in the orientation program.

Preventative Maintenance

The *Form of Government of the Associate Reformed Presbyterian Church* enumerates many “Public” and “Private” pastoral responsibilities that have the potential for placing the pastor in very vulnerable circumstances. He is expected to exhort and comfort, counsel with, visit, advise, comfort, and pray with members of his congregation and often to those outside the congregation.

Preventative maintenance does not always preclude breakdowns. There is growing evidence that ministers too are subject to decisions and actions that can interrupt, derail, or destroy effective witness and ministry. Committee members are encouraging each other and, through this report, we encourage our fellow presbyters, to address such occurrences on the basis of the “Theology of Church Discipline” as set forth in Chapter 1 of the *Book of Discipline* – “the free love of God in Christ expressed in both mercy and judgment.”

Catawba Presbytery has established a new committee, to become active in July 2004, to meet these and similar needs. The Committee has asked Catawba Presbytery to share with other presbyteries information as they go forward in this process.

Uniform Written Exams

Uniform Written Exams are prepared and updated periodically under the auspices of the Committee. Copies of the exam may be secured from the Office of Administrative Services. The Presbytery Chairmen will review the current exam during the coming year for the purpose of possible updating at its next meeting. Presbytery Chairmen will be sharing with each other exams that are currently being used.

Consideration of Associate Reformed Presbyterian Ministers and Students

For many years this Committee has recommended, and the General Synod has approved, a recommendation to the churches that preference be given to Associate Reformed Presbyterian ministers when considering a call. At least one presbytery requires its churches to exhaust consideration of ARP ministers prior to considering others. Consider the following (as of April 11, 2002):

# Churches	264	# Ministers	389
# With Installed Pastor/MD	<196>	# in Pastoral Ministry	<222>
# Churches in Yoked Pastorate	< 17>	# Retired/Disabled	< 76>
# Churches in Yoked Pastorate	8	# Missionaries (WW)	< 14>
Net Vacancies	59	# Erskine	< 10>
# Total Receipts < \$60,000	< 40>	# Chaplains	< 11>
		# Synod	< 5>
Net Viable (?) Vacancies	19	# in Special Ministry*	< 10>
		Net Available (?)	41

*Engaged in Non-Synod, Not-for-Profit Ministries

There are ministers without a call who have demonstrated their qualifications for ministry by virtue of their ordination and continuing membership in the Associate Reformed Presbyterian Church (it is recognized and understood that not every minister is suited for every pastoral position). The Committee feels that their commitment to this, the Associate Reformed Presbyterian Church, is deserving of consideration when a church is seeking a pastor.

In like manner, the General Synod has encouraged those churches with the financial resources to consider employing ARP Seminary students in the summer. The opportunity for meaningful, practical experience is an investment in the future.

Presbyterian Council on Chaplains and Military Personnel

Your Committee has the responsibility to keep the General Synod informed of the work of our military and institutional chaplains. The Presbyterian Council on Chaplains and Military Personnel is our endorsing agency for military chaplains and it provides pastoral care and guidance for those chaplains. A report on the work of the Council during the past year is on file at the ARP Center. Representatives on the Council are Ronald Beard (as Stated Clerk), Randall T. Ruble (2005), Don Yancey (2006), and Mr. Terry Wallace (2004). Mr. Wallace is eligible for another term and the Committee has asked him to serve for the term expiring in 2007. He has been elected Treasurer for the Council.

The Committee has reviewed the Memorial from Northeast Presbytery asking that the endorsing agency for Associate Reformed Presbyterian Chaplains be changed from the Presbyterian Council on Chaplains and Military Personnel to the Presbyterian and Reformed Joint Commission. The Committee has not had adequate time to consider the implications of a change. We respectfully request that the Memorial be referred to this Committee for a study on the implications for present and future chaplains, with a report to be made to the 2005 General Synod.

The following are expected to be serving as chaplains at the time General Synod meets:

Gale G. Cotton, USA
R. J. Gore, USA
Lawrence E. Hamrick, USA
Paul B. Joyner, USAF
Michael Kelly, USA
Michael Kiefman, USA
Paul Patrick (Erskine College/Seminary)
Chris Reeder, USAF
C. Stephen Rimmer, USN
James A. Ryan, Jr., USA
David M. Schwabauer, USN
Barry K. Wells, USAF
Brian C. Whitaker, USN
Michael E. Yarman, USA

Members of the court and congregations are encouraged to remember these men in their prayers and to seek opportunities to be supportive of their ministries.

Miscellaneous Items

a. Guidelines for New Churches Being Received Into Presbytery: Guidelines to assist the presbyteries in the process of receiving new churches and ministers were adopted by the 2000 General Synod. If a Presbytery has not yet done so, these guidelines (or others adopted by the presbytery) should be given to the presbytery Committee/Commission **with guidance for their use**. In general, presbyteries have not acted to provide particular guidance for the use of the guidelines.

We continue to call attention to guideline #3 in the "Recommended Guidelines for New Churches Being Received Into Presbytery." ("The session and congregation must confirm in writing their acceptance of the doctrines and theology set forth in the ARP Standards without reservations. If there are a few minor reservations, they are to be clearly stated to the presbytery.")

The General Synod and its affiliated churches are tax exempt and individual churches do not have to file for a separate exemption. However, to be added to the group exemption letter, presbyteries must stipulate in writing that the church to be added has satisfied all requirements for being a part of the denomination. It would seem prudent for the presbytery to have the written affirmation that the church accepts the doctrines and theology set forth in the ARP Standards. Additionally, each new church/mission must secure an Employer Identification Number (EIN) by filing Form SS-4 "Application for Employer Identification Number." IRS is refusing to add new churches to the group exemption granted to the General Synod until such time as the church has an EIN.

b. Policy Statement on Sexual Harassment. Second Presbytery is to be commended for their initiative in developing a policy on sexual harassment. The Committee endorses this policy statement for consideration of all presbyteries and recommends that each presbytery adopt this or a comparable statement on sexual harassment. Adopted statements should be reviewed on a periodic basis to insure compliance with existing laws and policies. Several presbyteries have begun the process for adopting a policy statement.

c. Committee Future. In consultation with the Special Committee on Organization, the Committee has reviewed its purpose. We see a continued role for the committee due to ecclesiastical matters that arise. We do see great value of a closer working relationship with General Synod's Board of Benefits and we are suggesting that the Chairman of each presbytery Committee/Commission on Minister and His Work be added as an ex-officio member of the Board of Benefits. The Committee would plan to meet in conjunction with the Board of Benefits to address Committee matters.

d. Officers for 2004 - 2005 are as follows:

Chairman: William Roberts

Secretary: Ken McMullen

e. Meeting dates for 2005: The Committee will meet in conjunction with the Board of Benefits.

Recommendations

1. That presbyteries encourage
 - a. ministers and seminary students to keep updated data forms on file at the ARP Center;
 - b. congregations to complete a “church profile” before seeking a pastor;
 - c. Pulpit Committees to give preference to ARP ministers and students;
 - d. (or require) ministers to attend the General Synod orientation program within the first two years of ministry; and
 - e. congregations to employ ARP seminary students for the summer months.
2. That presbyteries that have not yet done so seek to develop a program to encourage its congregations to incorporate the annual review of the minister’s call into an annual ministry review.
3. That appreciation be expressed to the Presbyterian Council for the work it does on behalf of chaplains and military personnel.
4. That the Synod pause to offer a prayer of thanksgiving and intercession for the ministry of our chaplains.
5. That Terry Wallace be elected to the Presbyterian Council for the term that expires in 2007.
6. That the Committee be given an opportunity to study and report to the 2005 meeting of the General Synod on implications for present and future chaplains if a change is made in the endorsing agency.
7. That presbyteries be encouraged to require (from congregations seeking affiliation with the Associate Reformed Presbyterian Church) a written affirmation that the church accepts the doctrines and theology set forth in the *Standards of the Associate Reformed Presbyterian Church*.
8. That presbyteries be requested to review the guidelines approved by the 2000 General Synod pertaining to the reception of churches and ministers and provide guidance for the use of the guidelines to its Committee/Commission on Minister and His Work.
9. That presbyteries be encouraged to adopt a policy statement on sexual harassment.
10. That the 2005 budget be adopted as follows:

	2004	2005
Committee Travel & Meeting Expenses	\$ 2,000	\$ 1,645
General Office	500	500
Presbyterian Council	7,094	7,449
	\$ 9,594	\$ 9,594
11. That all other actions of the Committee as reported herein be affirmed.

Respectfully submitted,
William R. Roberts, Chairman

The Report of the **Committee on Theological and Social Concerns** was presented and discussed. Following discussion, recommendation #2 was referred back to the committee for further study and report to the 2005 meeting of the General Synod. Recommendations #'s 1 and 3 were adopted. The report was adopted.

REPORT OF THE COMMITTEE ON THEOLOGICAL & SOCIAL CONCERNS

Synod's Committee on Theological and Social Concerns met on August 21, 2003 and March 19, 2004, at Reformed Theological Seminary in Charlotte, NC, in order to consider the references assigned to it by action of the General Synod of 2003. In addition to these items, other matters of business were assigned to the committee during the course of the year.

Congregational Voting

The first item of business discussed was the motion as amended from the 2004 General Synod stating:

"That the General Synod encourage sessions upon calling congregational meetings to remind congregations who is entitled to vote, and that each communing member is to prayerfully seek the mind of God in voting." (See pages 77 and 72-73, 2003 *Minutes of Synod*).

While the committee agrees with the sentiment of the motion, it deemed no action to be necessary because this is already sufficiently stated in the *Form of Government*. The committee passed the following statement:

"The voting eligibility requirements for a congregational meeting are included in the *Form of Government*, Chapter III, Section G. 'All those eligible to vote, as a part of their wholehearted service to Christ and His kingdom, and in seeking the peace, purity, and prosperity of the church (F.O.G. V.B. and V.C.1.a), should prayerfully seek the mind of God in voting.'"

Recommendation Number One

The Theological and Social Concerns Committee recommends that Sessions regularly remind all members of their responsibilities as members of the church; that families regularly instruct their covenant children regarding their responsibilities as members of the church; and that congregations remember their duty to assist families in the instruction of the covenant children within the congregation.

Non-Communicant Roll of a Church

The second item discussed was the Memorial from Northeast Presbytery relating to the status of non-Baptized children, which was referred to this committee by the General Synod of 2003. (See pages 67, 73-75, 2003 *Minutes of Synod*). The memorial asked if the infant children of communicant members could be included on the non-communicant roll as soon as

they are born or only after baptism.

The process of keeping non-communicant and communicant rolls is directly related to the two sacraments of the Church (thus the word *communicant*). The committee re-affirms that the *Form of Government* and the *Confession of Faith* are unambiguous in that only baptized children of communicant members should be entered onto the non-communicant roll of the church (F.O.G. V.E.4.) This is an appropriate process in that it emphasizes the importance of baptism as a means of grace. We recognize however that even non-baptized children of communicant members are within the visible church, and as such are to be baptized (WCF 28.4.; WLC 166).

Though some believing parents who are communicant members may not yet have come to the Biblical conviction to have their children baptized, yet such children are still a part of the covenant community, and as such the session still has pastoral responsibility for these children. One of the responsibilities of the session is “to encourage parents who are communicant members to present their children for the sacrament of baptism” (F.O.G. XI.B.2.c.). To help the session fulfill their responsibility to these non-baptized children of communicant members, it may be helpful to enter the names of these children into the records of the session until such time as they are baptized.

Recommendation Number Two

The committee recommends that the Memorial from Northeast Presbytery not be adopted. **[Referred back to Committee]**

The Role of Women in the Church

The Memorial from Second Presbytery concerning women in the life of the Church was taken up next. (See pages 67, 73, 179-198, *2003 Minutes of Synod*). A rebuttal paper, to the Second Presbytery paper, prepared by Dr. Tom Richie of Anderson S.C. was distributed to the members who were present at the meeting. It was received as information.

The committee has begun to examine the position paper of Second Presbytery concerning the role of women in the church that was referred to us as a Memorial from the General Synod. We have also considered a rebuttal paper prepared by a member of Second Presbytery.

In light of the importance of the issue as well as ongoing debates in one or more presbyteries regarding the role of women serving as deacons, we are asking for one more year in which to give careful consideration to all of the issues connected to the role of women in the church.

Recommendation Number Three

The committee recommends that it be given one more year to examine the issue, reporting back to the General Synod at the 2005 meeting.

Local Church Fundraising

The Board of Stewardship referred part of the Memorial from Catawba Presbytery (see pages 68-69, *2003 Minutes of Synod*) concerning fundraising in local churches to the committee on Theological & Social Concerns for study and report.

The committee reviewed the memorial from Catawba Presbytery on Stewardship & Fundraising and made the following observations. The term fund-raising is very general and could cover many activities. Whatever the definition, fund-raising is still governed by the biblical principle and policies as discussed in the report from the board of Stewardship and its attachments.

In particular the Committee on Theological and Social Concerns believes that paragraph 9 of the General Synod approved 1965 Statement of Policy of the Board of Stewardship is a concise and strong statement yet one that avoids a rigid legalism. This statement is also included in the memorial and reads:

The Board of Stewardship shall continue to express its opposition to fund-raising schemes such as bazaars, bake sales, etc., recognizing that in most (if not all) such cases, such efforts represent an effort to escape our responsibility to adhere to the principle of stewardship presented in the Bible."

The Committee submitted its conclusions to the Board of Stewardship. The Committee does encourage churches to refer to the Statement of Policy of the Board of Stewardship from the *1965 Minutes of General Synod*.

Women in the Military

NAPARC has developed a coalition committee to see if a joint statement could be made on the issues of "Women in the Military/Combat." The Inter-Church Relations Committee referred the following NAPARC motion to this Committee:

"That those NAPARC churches who have not studied and adopted positions relative to Women in the Military, be encouraged to do so and to consider the work of the four NAPARC churches who have already adopted positions opposing women in military combat."

This matter was received too late by the committee to be able to study it and make any recommendation for this year's report. We will study the issue in the coming year and report back to the General Synod in 2005.

Respectfully submitted for the Committee,
David J. Walkup, Chairman
Kenneth J. McMullen, Secretary.

The Report of the **Committee on Worship** was presented and adopted.

REPORT OF THE COMMITTEE ON WORSHIP

Consistent with Synod's emphasis on restructuring of Boards and Committees, the Committee on Worship spent a considerable amount of time discussing the committee's work on behalf of Synod. A task force was created to consider and refine the focus of this committee. The work of this task force is on going and includes a complete assessment of dealing with

issues of worship within the denomination and reassigning duties for the committee. With this, we feel that the purpose of the Committee on Worship should be to:

1. Educate on issues encompassing Biblical worship and its implications for life and Godliness
2. Uphold the Word and Sacraments as central to corporate worship
3. To keep before the congregations and church courts the requirements of the Book of Worship
4. Encourage the highest standards of Christian worship
5. Promote personal and corporate prayer
6. Encourage family worship and personal devotions
7. Encourage Christian service as an appropriate response to worship
8. Promote the effective use of music within corporate worship
9. Provide resources that enhance worship

Synod's Committee on Worship has discussed at length the scope of the work of this committee and the part the Music Conference plays in that work. The committee believes the Music Conference is an important part of this work, but not the only part. The committee desires to support the Music Conference better and to undertake the task of leading the denomination in the important considerations of worship. Therefore, a sub-committee was appointed to work with the directors of the Bonclarken Music Conference to propose a structure that will provide help and support to the Music Conference leadership.

The 2004 Music Conference will be held July 11-16 at Bonclarken. The theme will be a Christmas theme—"He Comes to Us!" Excellent clinicians have been secured. There will be no increase in registration fees for the 2004 conference.

The Committee on Worship has also discussed ways of include emphasis on worship within existing organizations and conferences. As a result, the Committee on Worship in conjunction with the WSU, will have facilitate a workshop/lecture on worship at the Family Bible Conference.

The committee has also discussed ways of encouraging and promoting the use of Psalm-singing among churches in the denomination. The committee will continue to welcome proposals for projects to be funded as part of the Jean McFall White Memorial Fund for the Preservation of Psalm Singing. Suggestions have included making available recordings of the Bible Songs, supplementary Psalters, and new commissioned musical settings of the Psalms.

The checklist for selecting and evaluating Hymnals and Psalters stands as-is and may be found in the 2003 Report of Synod.

Recommendations

The Committee on Worship makes the following recommendations:

1. That the 2005 budget for the Committee on Worship be approved.
2. That the Music Conference Committee be commended for their work and address the issue of increased registration fees.

3. That Synod's Special Committee on Worship consider the summary of the survey study on the Book of Worship by Brooks Kuykendall.
4. That Synod's Executive Board be aware that the membership of Synod's Committee on Worship be comprised of theologians, clergy, musicians and worship leaders representing all aspects of worship.
5. That Synod's Executive Board allows one participating representative from the current committee to serve on the Moderator's Special Committee on Worship.

Respectfully submitted,

Gabriel C. Statom, Chairman

	2004	2005
	Budget	Proposed
Expenditures:		
Worship Committee:		
Psalter/Hymnal Study or		
Worship Resource Study - White Fund:	\$	\$ 0
Committee Travel/Room/Board:	2,500	2,500
Telephone/Postage:	275	275
Committee Meeting Expenses:	200	200
Lord's Day Alliance:	350	350
Midwinter Music/Worship Workshop now		
Worship Education Fund:	2,000	2,000
Total Worship Committee:	\$ 5,325	\$ 5,325
Bonclarken Music Conference:		
Clinicians, Accompanists, Staff:	\$ 18,400	\$ 18,000
Recreation/Craft Supplies/Night Act. Dir.:	2,950	3,850
Staff Travel:	5,000	5,500
Staff Food and Lodging:	13,000	14,000
Music for Conference:	6,000	6,000
Cassettes/CDs (taping of concert):	500	500
Printing and Mailing, Telephone:	3,700	3,700
Tuning/T Shirts/Addit. Conf. Expenses:	4,900	4,900
Bonclarken Service Fee:	24,000	24,000
Contingency/Equipment Fund:	1,500	1,500
Child Care:	900	900
Nurses:	400	400
Organ/Piano Rental:	1,200	1,200
GRAND TOTAL EXPENDITURES:	\$ 87,775	\$ 89,775
Income:		
Gifts, Conference Registrations:	\$ 60,000	\$ 60,000
Synod Supplement:	27,775	29,775
GRAND TOTAL INCOME:	\$ 87,775	\$ 89,775

The Report of the **Committee on Historical Concerns** was presented and adopted.

REPORT OF THE COMMITTEE ON HISTORICAL CONCERNS

Introduction

The Committee met on August 21, 2003. The Rev. Rabun Williams was elected as Chairman and Mr. Jerry Davis as Vice Chairman.

Church History

Associate Reformed Presbyterians have a rich heritage that is often overlooked by new congregations and missions. In an effort to help assimilate these new churches, the Synod continues to provide a *Set of Six* to each new congregation, to be presented by their Presbytery.

Presbytery Clerks should send written requests to the A.R.P. Center indicating the name of the church or mission and the date of presentation.

Rev. William Roberts serves as the Historian of Synod and is active in encouraging churches and individuals to preserve their histories.

The Historian continues his efforts to build the Historical Concerns Endowment Fund. This fund was established to help the Committee develop and maintain a constant program of Historical preservation. Contributions or inquiries may be sent to:

Historical Concerns Foundation
Associate Reformed Presbyterian Center
One Cleveland Street, Suite 110
Greenville, SC 29601-3696

Devotional Calendar

At the 2003 meeting of the General Synod, several delegated encouraged the Committee to reconsider the possibility of publishing a Bicentennial prayer Calendar. After consulting with the Editor of *The Associate Reformed Presbyterian*, Mr. Ben Johnston, it was determined that the continuation of this project is not feasible.

Bicentennial Memorial

The Committee sent a request to the 2003 Fall Meeting of the Executive Board of Synod that, on the basis of prior actions by the Synod, the Committee be authorized to proceed with the erection of the Bicentennial Memorial Cross and garden area at Bonclarken. The Executive Board approved this request. Subsequently, the Board of Bonclarken expressed serious concerns and reservations about this Memorial and declined to accept it at this time.

Preservation of Church Records

The Department of Church History (PCUSA, Montreat, NC) continues to serve as the official repository for the Associate Reformed Presbyterian Church. The General Synod makes an annual contribution to support this

work. Congregations and individuals have the opportunity of membership in the Presbyterian Historical Society. Sustaining membership is \$10.00 per year (members receive a quarterly newsletter). An active sustaining membership is \$15.00 and in addition to the quarterly newsletter, members receive the quarterly *Journal of Presbyterian History*. Interested persons may write to: Department of History, P. O. Box 849, Montreat, NC 28757.

Congregations and agencies are encouraged to review the *2001 Minutes of Synod* for additional material on the preservation of church records.

The Erskine College Library also maintains selected ARP historical materials, principally General Synod minutes, church and family histories, anniversary materials and other memorabilia, and ARP Publications (with a complete record since 1884). If you know of or have copies of publications prior to that date please contact the Committee on Historical Concerns.

Recommendations

1. That churches and individuals be encouraged to contribute materials and memorabilia related to Erskine College and Seminary, church related family histories, photographs, etc. (For information please contact Mrs. Edith Brawley, Coordinator of A.R.P. Materials, McCain Library, Erskine College, Due West, SC 29639).
2. That churches and presbyteries be encouraged to use the Department of Church History at Montreat for preservation of sessional records, congregational histories, presbytery and Synod records, Synodical records and other like material. (For information contact the Department of Church History, P. O. Box 849, Montreat, NC 28757).
3. That churches, presbyteries and presbyterials be encouraged to promote the sale of the Bicentennial History. (Please contact the A.R.P. Center for copies at \$15.00 plus \$4.00 shipping and handling each).
4. That the Proposed Budget for 2005, to be adjusted to reflect the allocations approved by the General Synod for 2005, be approved.

	2004	2005
Receipts		
General Synod Allocation	\$ 7,500	\$ 7,250
Disbursements		
Curator of ARP Material, Erskine	\$ 500	500
Historian Honorarium	\$ 500	500
Committee Expenses & Travel	\$ 2,800	2,550
General Office Expenses	\$ 500	500
Record Preservation Promotion	1,200	1,200
Department of Church History, Montreat	\$ 2,000	2,000
Total Disbursements	\$ 7,500	\$ 7,250

Respectfully Submitted for the Committee,
Rabun Williams, Chairman

The Report of the **Ecclesiastical Commission on Judiciary Affairs** was presented and adopted.

REPORT OF ECCLESIASTICAL COMMISSION ON JUDICIARY AFFAIRS

The Ecclesiastical Commission on Judiciary Affairs had two referrals from the 2003 General Synod:

- a. The Commission was instructed to investigate matters presented in a motion pertaining to World Witness and to report its findings to the Executive Board of Synod. (*2003 Minutes of Synod*, pages 76-77)
- b. The “matter of the relationship of presbyteries and congregations with regard to the power of presbytery and the responsibilities of congregations” was submitted to the Commission. (*2003 Minutes of Synod*, page 161)

In the matter of World Witness, the Commission met on three occasions following the 2003 meeting of the General Synod: June 30 – July 1, August 28 – 29, and October 29. As instructed by the General Synod, the findings of the Commission were to be presented to the Executive Board of Synod. This was done on October 30, 2003, concluding the work of the Commission on this matter. In its deliberations, the Commission made every effort to maintain confidentiality and all records of the Commission’s activities pertaining to this matter have been placed in the hands of General Synod’s Outside Counsel.

Due to the time required in addressing the matter of World Witness, the Commission has not been able to complete its work with respect to the matter of the relationship of presbyteries and congregations. The Commission began work on this matter in January 2004 and sent requests to all presbyteries for their input. Most presbyteries addressed the request at their Spring 2004 meetings and some of the presbyteries have submitted proposals on how to address the matter at hand. Their replies, some of considerable length, are going to take time to go over and come up with a report.

This is an extremely important matter and the Commission looks forward to being able to continue to work on this report and have it ready for the next meeting of General Synod. The Commission requests that a report on this matter be delayed for one (1) year.

Carl Geisik, Chairman

Ecclesiastical Commission on Judiciary Affairs

The Report of the **Special Committee on Worship** was presented, discussed and adopted.

**REPORT OF THE SPECIAL COMMITTEE ON WORSHIP
APPOINTED BY THE MODERATOR TO CONSIDER MEMO-
RIAL NUMBER ONE FROM FIRST PRESBYTERY
ADOPTED BY THE 199TH MEETING OF THE GENERAL SYNOD**

Last year the 199th Meeting of the General Synod, by its adoption of the memorial from First Presbytery (*Minutes of the General Synod – 2003*, pp. 69f.), directed that the moderator “appoint a special committee of Synod with the following responsibilities:

1. To conduct a study on Reformed Theology relating to the elements and practice of public worship in the ARP Church.
2. To offer such proposals as may be necessary to bring greater clarity to the Book of Worship, while maintaining conformity with the Holy Scripture and the Westminster Standards, and
3. To provide such additional guidance on the conduct of public worship to local sessions and ministers as deemed necessary.”

The Moderator of the 199th General Synod, the Rev. Wayne Frazier, appointed the following members to that committee: Max Bolin (VA), Ray Cameron (FL), Charles Carlisle (S), Charles Edgar (TA), Bill Everett (MV), R. J. Gore (S), Randy Imler (C), Doug Petersen (F), Mark Ross (C), David Sides (F), Gabe Statom (FL), and Jack Whytock (NE). Pacific Presbytery declined to recommend a member to the committee. Mark Ross was asked to serve as convener for the first meeting, and was elected chairman at that meeting. R. J. Gore was elected as Vice Chairman and Ray Cameron as secretary. Dr. Gore, though now in Iraq, has remained active on the committee by e-mail. Since Canada Presbytery came into being on January 1, 2004, Jack Whytock became the representative from Canada Presbytery, and Herschel Carlson was appointed from Northeast Presbytery. The Coordinator of General Synod and the Moderator have also served as *ex officio* members of the committee. It should be noted that two members of the committee, Gabe Statom and Randy Imler, in addition to the *ex officio* members, are also members of Synod’s standing Committee on Worship. This was to facilitate communication and coordination of the work of the two committees.

After the initial meeting by telephone conference call, the committee has met three times in person (with a fourth planned just before the meeting of Synod). We have reviewed the charge given to us by Synod, and have acquainted ourselves with the background to the issue that brought the memorial from First Presbytery to the General Synod. We have begun work on each of the three parts to our work.

The committee has concluded that the most effective way “to bring greater clarity to the Book of Worship” is to revise the Book of Worship. Offering fuller statements for clarification within a report to General Synod would leave that information hidden within the minutes of Synod,

and for the most part unknown to any except those who have been at Synod in the year it was submitted. Even if the report were to be published separately and circulated to the churches, its standing in relation to the existing Book of Worship would perhaps remain in doubt.

Therefore, the committee has concluded that a revision of the Book of Worship is what is needed, and will be most helpful to the churches. We have already begun that work and much has already been accomplished. It is, however, a large work and, like sorting out the intermarriage problems of Ezra's day, cannot be accomplished in a day or two (Ezra 10:13). We are therefore requesting that Synod grant another year of continuation to the committee and that we be given permission to draft a revision of the Book of Worship.

We believe that we can submit that draft at the General Synod of 2005. It is our plan, however, to present that draft "for information only," and to request of Synod that the document be circulated to the members, churches, and presbyteries for study and discussion. We have a plan to recommend to Synod for how the members and churches of our denomination can provide feedback to the committee, to help us in identifying any changes to our work that may be necessary.

More specific detail on this plan will be provided at the 2005 General Synod, if our committee is continued. In brief, however, that plan will call for each presbytery to appoint a standing or special committee to receive the comments of members and churches, and then formulate a general report to the presbytery for its approval. That report should express not just a summary of the many and varied comments that have been received, but a consensus of what the presbytery as a whole recommends about the proposed revision to the Book of Worship, whether additions, deletions, or changes. Our committee will then review the reports from the presbyteries (rather than the individual comments of members and churches) and make whatever changes that are necessary.

When that final revision is complete, probably by the General Synod of 2007, the final draft of the revised Book of Worship will be presented to the Synod for its approval or rejection. Then, if the revised Book of Worship is approved by Synod, it will be circulated to the presbyteries for approval or rejection as a change in our constitution. The 2008 General Synod will then announce the votes of the presbyteries.

Changes to the constitution of the church should never be undertaken without ample time provided for full consideration and discussion of the issue. We believe that the plan outlined above will provide the time which is necessary. Following presentation of the proposed revision of the Book of Worship at the 2005 General Synod, members and churches will then have 6 to 8 months for study and evaluation of the document. We will ask that comments be given to the presbytery committees in time so that by its Spring meeting of 2006 each presbytery can approve a report on the proposed revision. Our committee will then have time to review the reports from the presbyteries before the meeting of the General Synod in 2006 and present a report to Synod summarizing the reactions of the presbyteries.

The **Report of the Board of Benefits** was considered. The Report of the **Moderator's Committee on Benefits** was presented.

- a. That recommendations 1-10 of the Board of Benefits be adopted.
- b. That the Board of Benefits and Mr. Ed Hogan be commended for their faithful service.

The Chairman of the Board of Benefits addressed the Synod.

The recommendations of the Board were adopted. Recommendation "b" of the Moderator's Committee report was adopted.

REPORT OF BOARD OF BENEFITS

"More and more, as difficulties arise, I know with confidence and utmost trust that God truly does care for me, knows my needs, and just when I begin to wonder where the means to meet expenses arises, there comes an answer to prayers! Thank you, with praise to God, for the check just received from the Benevolent Fund. Such a tremendous blessing, for which I am eternally grateful." *Widow of Retired Minister*

"There is no way that I can express our (my wife and I) gratitude to the ARPs for the Benevolent Fund. I'm proud to be an ARP." *Retired Minister*

"I was just elated that I was to receive a gift another year. I am so grateful that God still works through His people. It is so good that I can pay my bills on time which makes a good witness for a Christian." *Widow of Former Minister.*

The Board of Benefits ("Board") is the conduit for the ministry of the churches in the areas of benevolence, insurance, and retirement. The Board expresses its profound gratitude for the privilege of service and thanks you that we can receive on your behalf, the gratitude of those we serve. We covet your continued prayers and earnestly invite and encourage churches and individuals to supplement the Board's efforts in this ministry of caring.

The Board met on two occasions since the last meeting of the General Synod and we share with you our activities and plans.

Audit and Financial Statements

The independent certified public accounting firm of Ron Millard, CPA P.A. audits the financial activities of the Board. The auditor's report for the Associate Reformed Presbyterian Retirement Plan is issued to each member of the Board and is submitted with the official report of the Board to the General Synod. It is also available for review at the ARP Center, Greenville, SC. The other financial activities of the Board are included in the General Synod Audit.

Benevolence

Christmas Benevolent Ministry

Gifts received through the Thanksgiving Offering, the J. C. Lott Endowment, the Christmas Benevolent Fund Endowment, and interest earned on funds held for distribution make possible a ministry to many retired servants of the Church. These funds are used

- To continue the benefit to widows who had been receiving support from the Widow Benefit Fund. This fund was exhausted during 2000. Three widows continue to receive an average of approximately \$250 per month.

- To provide support and love gifts to individuals who
- Qualify to receive a retirement benefit from the ARP Retirement Plan or is receiving a disability benefit payment under the General Synod’s disability program; **and**

- were actively employed in the denomination immediately prior to retirement or disability; **and**

- have served a minimum of five years’ active service in the denomination; **or**

- are a surviving Spouse of a qualified participant, or, if receiving a survivor benefit, was the Spouse when the participant died.

Each Fall the Board contacts all eligible participants to see if they wish to apply on the basis of financial need. Those who feel that they qualify on a need basis are asked to submit financial information.

After funding the Widow Benefit Fund distributions, priority is given to the needs of those who demonstrate financial need and whose family assets are less than \$50,000 (\$70,000 if the individual or family does not own a residence). “Need” is defined as the difference between total family income and 200% of the Government Subsistence Level. The income of all family members residing in the household is included in total family income. There is a maximum monthly benefit of \$500.

A total of \$52,502 was available for distribution during the December 2003 - November 2004 period, as compared to \$52,345 approved in the preceding period. \$8,546 was allocated for the Widow Benefit Fund distributions. At the time the 2003 - 2004 distributions were approved

	Last Report	This Report
Eligible Family Units	99	105
Need Based Applications	5	4
Widow Benefit Fund Participants	3	3
Need Based Grants	2	2
Other Grants	83	90

Pastors and clerks of churches where eligible participants attend or have membership are encouraged to help the Board in this ministry. Please encourage those who might have financial need to make application for assistance. A copy of the correspondence sent to eligible participants and a directory of eligible participants are mailed annually to each church.

Helen W. Carson Widow Assistance Fund

The income from the Helen W. Carson Fund is to be used to provide financial support for the widows of ministers of the Associate Reformed Presbyterian Church who have dependent, unmarried children who are full-time elementary, secondary, college or graduate students **and** are between the ages of 16 and 25.

Widows with eligible dependent children will be informed of this policy immediately following the death of a minister. If the funds are not needed for this purpose, a portion equal to the Consumer Price Index is added to the corpus of the fund, with the balance of the unused income allocated for the widows in the Widow Benefit Fund so long as funds are needed for that purpose.

Insurance

The goal of the Board in the area of insurance is to provide meaningful security at a cost that the churches and agencies of Synod can afford without causing undue hardship on the participating employees. It is becoming more difficult each year to control these costs and the Board makes an effort to balance cost and benefits.

Coverage and Eligibility

The group insurance program provides the following coverage and except as noted, participants must enroll in all coverage areas:

- Medical Insurance. Medical coverage may be waived (if permitted by the presbytery) if the employee is covered as a dependent in another group program. Dependent coverage is optional. Dependent children are covered to age 19, but may be continued to age 25 if the dependent is unmarried and is a full-time student.
- Dental Insurance. Coverage is optional for both employee and dependents. At the present time late enrollment is permitted but coverage is limited to preventive care in the first year following a late enrollment. Coverage of dependent children ends at age 19 but may be continued to age 25 if the dependent is unmarried and is a full-time student.
- Employee Term Life Insurance and Accidental Death Insurance. Coverage amounts are \$10,000 for Erskine employees (they have other optional coverage), \$20,000 for hourly employees, and \$50,000 for salaried employees.
- Long Term Disability Insurance. There is a 90-day waiting period from onset of total disability before benefits begin. The benefit is coordinated with Social Security and provides a monthly benefit equal to 60% of monthly compensation at the time the total disability begins. Erskine employees are not covered in the General Synod program but have a separate policy.

Eligible employees include all full-time employees of churches, General Synod agencies (excluding World Witness which offers a separate program), and the Due West Retirement Center (a ministry of Second Presbytery.) Full-time employees are defined as those employees scheduled to work 30 or more hours per week). Associate Reformed Presbyterian

seminary students are eligible for the medical insurance, with dependent coverage optional. Retired employees (and dependents if the employee had dependent coverage at the time of retirement) may continue dental insurance for a maximum of 18 months or to the date they reach the Medicare eligibility age, whichever occurs first. Medical coverage for retired employees may be continued to Medicare eligibility age provided:

- the retiree has been a participant during the five-year period preceding retirement; and
- the retiree is at least age 55 and the years of continuous service and age are equal to or greater than 65; and
- the retiree is not eligible for other coverage as an employee.

If the retiree has dependent coverage at the time of retirement and the employee reaches Medicare eligibility age before a covered dependent, the dependent may continue coverage at the employee rate until the dependent reaches Medicare eligibility age.

If the retiree does not meet the eligibility above, coverage may be continued for a maximum of 18 months.

Coverage for Erskine employees and all salaried employees begins on the date of employment. Coverage for non-Erskine hourly employees begins on the 91st day of employment. All coverage is conditional on the employee enrolling within the first 30 days of eligibility.

Employees that fail to enroll within the grace period **are not** permitted to enroll at a later date unless the following conditions are met:

- The employee has
- enrolled in the group plan for Employee Life, Employee Accidental Death, Dependent Life (if the employee has dependents), and Long Term Disability, and
- has waived the medical coverage on the basis of being a dependent on another group plan, and
- loses dependent status (for reasons other than failure to pay premiums or for cause), and
- requests enrollment within 31 days of the loss of dependent status; OR
- The employee adds a dependent either by marriage or birth or adoption of a child. If the employee is a participant, dependent coverage may be added. If the employee has not enrolled both the employee and dependents may enroll. Enrollment must be completed within 31 days of the qualifying event.

Eligible Dependents that were not enrolled when first eligible may be enrolled at a later date as outlined above or if the employee has enrolled in the program and

- dependent coverage was waived on the basis of coverage under another group plan, and
- coverage is lost (for reasons other than failure to pay premiums or for cause), and

- there is a request to add dependents within 31 days of the loss of coverage.

Former seminary students will have a second eligibility period at the time they qualify as an employee.

IT IS CRITICALLY IMPORTANT THAT EMPLOYING AGENCIES AND PRESBYTERIES BE AWARE OF THE ENROLLMENT REQUIREMENTS. ALL ELIGIBLE EMPLOYEES MUST BE GIVEN THE OPPORTUNITY TO ENROLL. THE BOARD NEEDS TO BE NOTIFIED WHEN A NEW, FULL-TIME EMPLOYEE IS HIRED.

Benefit Consultant

For several years the Board has retained Gallagher Benefit Services as consultants and broker for the insurance programs. **On an annual basis** Gallagher goes to the market place

- for competitive bids from re-insurers (for specific claims that exceed \$85,000 and for aggregate claims if they exceed 125 % of the expected claims);
- for quotes on fully insured plans for comparative purposes; and
- for proposals from Third Party Administrators (TPA's) for comparison to the current TPA (Kanawha).

In addition, Gallagher advises the Board

- on plan design changes that have potential for impacting future plan costs
- on changes in federal and state guidelines

The skills and expertise of Board members is also very important to the efforts of the Board to design and present meaningful programs. Members bring not only professional skills, but also an awareness of needs and concerns being expressed locally.

Medical Program

Medical, which includes the drug prescription program, is partially **self-insured**. A portion of the premium is used to purchase reinsurance, a portion is used to pay administration cost to the Third Party Administrator and the balance is retained to pay the medical, and drug claims. The following represents the medical expense breakdown for the past four calendar years:

	2000	2001	2002	2003
Paid Medical Claims ¹	81.24%	88.11%	87.10%	86.38%
Stop Loss Premiums ¹	10.25%	7.81%	8.45%	8.79%
Preferred Providers Access Fees	.73%	.66%	.61%	.58%
TPA Administrative Fees	5.05%	2.67%	2.81%	2.71%
Administrative Costs ²	2.73%	.75%	1.03%	1.54%

¹For individual claims that exceed \$85,000 and aggregate claims that exceed 125% of expected claims)

²Represents General Office costs plus Insurance portion of Administrative Services Budget

Usage has and will continue to drive the premium cost. As hospitals and physicians charge more, as the cost of drugs increase, and as utilization

increases costs will continue to rise. While most of these factors are outside the control of individual participants, there are ways in which participants can help control costs:

- monitor claims to make sure that the charges submitted are justified and accurate
- be active participants in determining health care by asking for explanation of recommended tests (make sure the physician is not ordering tests just for his protection)
- use the mail order for maintenance drug prescriptions and ask for generics vs brand names.

Recognizing the difficulties that churches have in meeting the rising health care costs, the Board has had to shift some of the cost to the participants. A four-year comparison is shown to illustrate:

Effective for Calendar Year	< 2002	2002	2003	2004
Single Deductible	\$ 250	\$ 300	\$ 500	\$ 750
Family Deductible	\$ 500	\$ 600	\$ 1,000	\$ 1,500
Out of Pocket Maximum After Ded.	\$ 1,000	\$ 1,500	\$ 2,000	\$ 3,000
Family Out of Pocket Maximum	\$ 2,000	\$ 3,000	\$ 4,000	\$ 6,000
Emergency Room Co-Pay	\$ -0-	\$ 100	\$ 100	\$ 100
Drug Card – Retail Pharmacy				
Generic	\$ 7.50	\$ 10	\$ 10	\$ 10
Preferred	\$ 15	\$ 20	\$ 20	\$ 20
Non-Preferred	\$ 20	\$ 35	\$ 35	\$ 35
Drug Card – Mail Order (90-day)				
Generic	\$ 15	\$ 15	\$ 20	\$ 20
Brand Name	\$ 30	\$ 35	\$ 40	\$ 40
Primary Care Office Visit Co-Pay	\$ -0-	\$ -0-	\$ 15	\$ 15
Specialist Office Visit Co-Pay	4 -0-	\$ -0-	\$ -0-	\$ 30

A second medical plan was first offered in January 2003. This plan increases the single deductible from \$750 to \$1,250, the family deductible from \$1,500 to \$2,500, and the out of pocket maximums to \$5,000 for single and \$10,000 for family. There is an annual savings in family premiums of \$ 641 for the increased risk.

A Health Risk Management Program (HealthStat) was implemented at Erskine College in January 2004, open, initially, to employees at Erskine College/Seminary and employees at the Due West Retirement Center. The primary objective of the service is to detect disease symptoms early before they evolve into significant acute care illnesses. A nurse practitioner is available on Tuesdays (1 – 5 PM) and Thursdays (7:30 – 11:30 AM). These hours may be adjusted from time to time. During the first three months of operation over 103 employees participated in health assessment screenings and @20% were identified as high risk potentials. A number were not aware of their risks. Seventy-eight (78) patients were seen through March.

An effort is being initiated to encourage other participants in the area to utilize HealthStat. There will be an initial cost of less than \$20 for the health evaluation. There will be no cost for subsequent visits to the nurse practitioner for routine office visits. Erskine, on behalf of the Plan, is

developing an on-line appointment program. There are plans to open the program to dependents in the Fall and our benefit consultants are studying the feasibility of offering the program in other areas, particularly for health screening. While directly benefiting only a portion of the covered participants, the potential impact on claims will be beneficial to the entire group. Grateful appreciation is expressed to Jeannie Wells, Erskine College Human Resource Director, for her role in the implementation of this program.

Several changes have been made in the medical plan since the last meeting of the General Synod:

- As reported elsewhere, there was a change in the deductible and out-of-pocket maximums, effective January 1, 2004.
- Effective January 1, 2004, the mental health coverage was changed to increase the annual office visits from a maximum of 31 visits per calendar year to 52 and the lifetime maximum was removed (previously limited to 77). The co-pay remains at 50% after deductible. Outpatient Mental Health charges do not count toward the out-of-pocket maximum.
- Effective at renewal (August 1, 2003) a Preferred Provider Specialist Care Physician co-payment of \$30 was added. The Preferred Provider Primary Care Physician co-payment remains at \$15. (For Plan B the co-pays are \$20 and \$35.)

The medical insurance is renewed in August each year and it has been the practice of the Board to delay implementation of increases as long as possible. For the past two years it has been necessary to pass on the increases beginning in October and the Board has encouraged budgeting for a possible increase in October 2004. An October increase will be implemented only to insure financial viability of the medical plan.

As a part of the renewal process, the consultants and Board:

- Will seek quotes for a fully insured program to compare with costs for continuing as a self-insured plan.
- Will look to a change in provider networks if such a change will significantly reduce the overall aggregate liability.

The **projected** costs for the year 2005 will be submitted to the churches as soon as possible after the August 1, 2004, renewal date. New employees enrolling after August 1, 2004 will be billed at the revised premium rates.

Participants are encouraged to contact our benefit consultant account manager at Gallagher Benefit Services (Donna Childers: donna_childers@aig.com, 1-800-558-0009) or the Kanawha account manager (Sherry Roberts: sroberts@kanawha.com, 1-800-822-1274, ext 5463 or Lee Robertson: lrobertson@kanawha.com, 1-800-822-1274, ext. 5771) to help resolve problems. Additionally, participants are able to go directly to khsonline.com, establish an account, and view claim and eligibility status.

Additional information on the group insurance program can be accessed through our web-site: www.arsynod.org/benefits.html.

Medical Plan Viability

The Board is compelled to express a real and growing concern for the on-going viability of the medical plan UNLESS we are able to maintain the integrity of the group. During the past few years the average number of participating employees has dropped from 425 for plan year 2000 – 2001 to 403 for plan year 2003 – 2004. At the time of this report there are 371 participants. The Board has heard the following reasons for the decline in numbers:

- Some individual employees have waived medical coverage on the basis of being covered as a dependent on a spousal policy.
- Some individuals have been able to get an individual policy that is currently less expensive because of age and/or health condition.
- Individual churches and/or agencies have formed separate groups that have secured better current rates based on the present demographics of their groups.

These losses generally represent a loss of younger and healthier participants, thus increasing the cost (and potential for greater cost) for those remaining in the group. In time, the overall cost to the churches and agencies in the General Synod will be greater as separate groups than will be the cost if group integrity can be maintained. Additionally, we could come to the point that cost for the smaller, older, less healthy employees will make it impossible to maintain a group program.

Dental Program

Effective October 1, 2003 the dental plan was changed from a fully insured plan to a self-insured plan. The premiums were not changed. Kanawha serves as the Third Party Administrator for claim payment. Dental claims are not included in the aggregate stop-loss insurance coverage. There would have been a 3% increase in the dental premium to remain fully insured. There were no changes in dental coverage, but the dental and medical plans will have a coordination of benefits.

Long Term Care

The Board continues to have suggestions that the General Synod have or sponsor a voluntary Long Term Care policy. The Board has investigated these possibilities and has determined that the Board should not endorse any particular provider nor attempt to sponsor a voluntary program. Included with this report is information on Long Term Care that is intended to help individuals and families make informed decisions on Long Term Care.

HIPAA Privacy

As a small health plan (claims less than \$5,000,000) the General Synod Health Plan had until April 14, 2004 to be HIPAA compliant. As a self-insured plan, the primary focus for our Plan pertains to the protection of Personal Health Information (PHI). The Plan Document has been amended to reflect privacy issues, all Health Plan participants have been given a Privacy Notice and Plan Document, training has been conducted for “health plan workers” at the ARP Center, and security policies and

procedures have been developed. Business Associate Agreements have been implemented outlining acceptable usage of PHI by the TPA and consultants. Individual PHI may be used without the participant's consent for Treatment, Payment and Health Care Operations (TPO). The use of PHI for any other purpose must have the written authorization of the participant. Ed Hogan, Director of Administrative Services and Board Secretary, has been appointed Privacy Officer and all questions related to PHI should be addressed to him.

Retirement

The Associate Reformed Presbyterian Retirement Plan is a qualified, non-contributory, defined benefit plan. The Plan covers

- salaried, ordained ARP ministers serving in the pastoral ministry of the Church under the provisions of a Call approved by a Presbytery of the Church,
- career missionaries appointed by World Witness, and
- salaried employees of the Synod or Synod Agency serving in a supervisory capacity.

To be eligible customary employment must be for more than an aggregate of 1,000 hours in a calendar year. Employees are credited with 45 hours of service for each week in which they are employed at least one hour.

Employees of Erskine College and Erskine Theological Seminary are not included in the Plan as they have a separate retirement plan. Effective January 1, 2004, employees serving in the pastoral ministry outside the United States are no longer eligible to enroll in the Plan. Those previously enrolled who have not been terminated from the Plan will accrue credit for Service for vesting purposes. If the amendment to the *Form of Government* is approved, Calls to ministers serving in the pastoral ministry outside the United States must provide for contributions to a locally-accredited and registered retirement plan approved by the presbytery extending the Call.

Participants may retire as early as age 60, with the Normal Retirement Age being 65. Participants who are at least age 64 and who have at least 25 years of Credited Service may retire at age 64 without an actuarially reduced benefit. The Normal Form of Retirement is an annual benefit equal to 3.1% of total career Earnings paid on a monthly basis for the lifetime of the Participant.

If there is a Spouse at the time of retirement, and unless the Spouse has consented in writing to another form of benefit, the benefit paid to the retiring Participant will be actuarially reduced. If the Spouse survives the retired Participant, the Spouse will begin receiving a benefit equal to one-half the benefit received by the retired Participant. With the written consent of the Spouse, the joint and survivor benefit can be changed from the one-half continuation rate to a 2/3, 3/4 or full continuation rate. It is also possible for the Spouse to reject the joint and survivor annuity, with the retired Participant receiving a lifetime annuity. The Board encourages

great caution in the election of this type of benefit.

All benefits are taxable, but for ordained Participants, 100% of the benefit is designated as a housing allowance and is non-taxable to the extent that it is used for that purpose. Board procedures have been established to require third-party verification of ministerial status at the time of retirement for former Associate Reformed Presbyterian ministers. The Form 1099-R to retired ministers lists the benefit payments as "Taxable Amount Not Determined." Retired ministers have been given a copy of the Housing Allowance Resolution and this may need to be filed with their tax return.

The Retirement Committee of the Board of Benefits serves as Administrator of the Plan.

Retirement Plan Trust

SunTrust Bank, Atlanta, serves as Trustee of the Plan and its affiliate, TRUSCO Capital Management, handles investments. Deutsche Banc Alex.Brown serves as an investment consultant to provide performance measurement and monitoring and to assist the Retirement Committee in developing and maintaining investment guidelines. Compensation for the investment consultant is through directed trades. The Board meets with representatives of SunTrust Bank, TRUSCO Capital Management, and Deutsche Banc Alex.Brown twice each year. The relationship between the investment consultant and the investment manager is increasingly supportive and has been very beneficial to the Retirement Committee and Board.

The Board has an Investment Policy Statement to guide the investment managers and this policy statement is reviewed on a periodic basis.

At December 31, 2003, invested net assets available for benefits, on a market basis, totaled \$32,336,798 as compared to \$27,702,798 at December 31, 2002.

Calendar year 2003 resulted in a return on investments of 18.04% as compared to a benchmark of 22.98%. The Retirement Plan Fund is expected to exceed benchmark returns over a five-year time period or a full market cycle. The benchmarks are: 30% of the S&P 500/Barra Growth, 18% of the S&P 500/Barra Value, 6% of the S&P 600 Small Cap Index, 6% of the MSCI EAFE Index (international stocks), and 40% of the Lehman Brothers Government/Credit Bond Index. These benchmarks became applicable for the first quarter 2000. Benchmarks for the 5-year and 10-year periods are based on 60% S&P 500 and 40% Lehman Brothers.

	1 Yr*	3 Yrs*	5 yrs*	10 Yrs*
Total Portfolio	17.9%	2.4%	5.0%	9.4%
Benchmark	23.0%	4.3%	3.0%	9.6%

* Annualized returns

The General Synod funds the Plan, primarily from contributions made by churches and agencies of the General Synod. The General Synod, on recommendation of the Board, establishes contribution guidelines to

ensure adequate funds. The current guidelines ask that churches and agencies contribute 8.5% of the Participant's Earnings. Because of regulations governing qualified plans, the Earnings recognized for Retirement Plan purposes are limited to an amount not to exceed the threshold established for Highly Compensated Employees (HCEs). The maximum Earnings for 2003 was \$90,000 and remains at \$90,000 for 2004. This amount is subject to annual adjustment by the IRS. All funds received for this purpose, except for direct expenses for Plan maintenance, are transferred to the Trustee for investment.

Churches and presbyteries are reminded of the provision in the *Form of Government* (Chapter X, E, 11) that requires a Call to have provision for the church to make contributions to the General Synod in support of the ARP Retirement Plan. Additionally, a change in the *Form of Government* that was proposed for overture will require the Plan to place a Participant on a Leave of Absence status if the terms of a Call (with respect to contributions for the ARP Retirement Plan) are not being met. If a church or agency fails to make contributions for a period of one (1) year, notice will be given to the Participant, to the Clerk of Session, to the Clerk of Presbytery, and to the Chairman of the Presbytery Committee/Commission on Minister and His Work. The failure to meet the terms of the Call within a period of one year from the date of notice will result in the placing of the Participant in a Leave of Absence status until the terms of the Call have been met. In a Leave of Absence status, the Participant does not accrue credit for Service or Earnings, is not covered for the Death Benefit, and is not covered for the Survivor Income Benefit.

Actuarial Valuation

Hunt, DuPree, Rhine & Associates, Inc., a Wachovia Company, is the Plan actuary. The Plan has an actuarial review every three years to determine the minimum contribution level required to maintain the Plan on an actuarial sound basis and to determine if it is possible to provide a change in the benefits. The next actuarial review will be for the Plan Year beginning January 1, 2006.

Plan Change

General Synod 2003 authorized and/or directed certain Plan changes. Those changes were adopted by the Board of Benefits November 7, 2003 and are reported as Amendment Number Two and reflect the following changes:

- Article I (1): Updates definition of "Actuarial Equivalent Table" to conform to IRS requirements.
- Article I (8): Adds the provision to exclude from definition of "Employee" ministers serving in a pastoral ministry outside the United States.
- Article III (2)(b)(ii): Adds provision to recognize Service for vesting purposes for ministers serving in a pastoral ministry outside the United States if they had at least one year of Credited Service prior to service

outside the US.

Amendment Number Three, items (1) – (3), is being proposed to conform the Plan to the expected change in the *Form of Government*. Item (4) was omitted from Amendment Number One approved by Synod in 2003. It clarifies that age 65 factors will be used for all postponed retirements.

Changes in Retirement Plan Participation

The following changes for the period January 1, 2003-December 31, 2003, are reported for historical purposes. Some changes not previously reported are included:

- a. Active Participant and/or widow of deceased Participant retired: C. Ronald Beard (6/1/03); Charles F. Edgar (10/1/03); William M. Harris, Jr. (5/1/03); David R. Johnston (10/1/2003); E. Benton Johnston (11/1/2003); Dwight L. Pearson (7/1/03); Wayne E. Stanchfield (12/1/03).
- b. Terminated Participant retired: C. S. Alexander (11/1/2002); G. Webster Curry (9/1/02); Milad F. Doss (2/1/03); T. L. Owens (10/1/2003).
- c. Active Participant and/or widow of deceased Participant lost by death: Miss Florence Craig (3/12/2003); Fred H. Crisco (9/11/03); Mrs. Vernon F. (Jean) Latham (6/6/2003); Thomas G. Morris (2/17/03).
- d. Inactive Participant lost by death: None
- e. New Participants: Bryan F. Bult (9/3/03); Stephane Cobbett (7/1/02); Bryan P. Crotts (10/26/03); Stephen M. Crotts (10/27/03); Louis F. Quievryn (2/23/03); Eril Scott Meberg (9/1/03); Brian N. Walker (5/25/03); David W. Warf (1/19/03).
- f. Active Participants accumulating Credited Service as an employee of Erskine (E) or as a Military Chaplain (C): R. W. Bell (E); J. L. Carson (E); G. G. Cotton (C); H. N. Gaston (E); L. Hamrick (C); Jr.; M. A. Kelly (C); M. R. Kiefman (C); P. G. Patrick (E); C. S. Rimmer (C); D. M. Schwabauer (C); J. T. West (E); R. D. White (E); M. E. Yarman (C).
- g. Participant reinstated to active participation or had prior Credited Service and Credited Earnings restored as continuous: James A. Loughner (9/1/03); Soko “Seth” Yi (7/13/2003).
- h. Participants not accumulating Credited Service and employment shall be deemed to terminate if the Participant retires, is removed or transferred from Roll of Presbytery, or fails to accumulate an additional Year of Service by the end of the calendar year indicated: Keith S. Andrews (2007); R. K. Barnes (2012)**; T. A. Bloemsma (2007); T. E. Braithwaite*; B. O. Fleming*; W. H. Folds, Jr. (2005); J. G. Goforth (2007); M. A. Hunnemann (2005); Stephen E. Jordan (2006); K. J. Locke (2007); K. I. Lotze (2017); G. W. McBane*; R. A. Mill (2007); J. R. Shearouse (2004)**; P. F. vanDalen*; R. Washington (For Current Service - 2004); A. C. Williams (2006); P. V. Williams (2011); R. M. Williams (2017); P. C. Wing (2011); Stephen R. Woods (2004).

*Termination for failure to accumulate an additional Year of Service not applicable

**Effective 1/1/2004 eligible to accrue additional Credited Service

- i. Participants who terminated employment during the year or have previously terminated employment and have qualified for a vested benefit: R. P. Agnew; C. S. Alexander; Suzanne B. Allers; R. E.

Ashmore; B. J. Bauman; S. C. Berthiaume; J. R. Blevins; D. M. Boggs; D. E. Brisben; S. H. Cain (8/26/03); T. M. Campbell; M. D. Chesser; W. A. Church; D. L. Clubb; M. D. Connor; L. C. Cutherell; T. N. DeHart; Karen M. DeHaven; R. W. Dickson; P. M. Doriani; R. I. Dornbush; C. W. Echols; L. A. Erwin; J. H. Farrar; P. J. Forwood; G. J. Gerard; T. D. Gorden; R. J. Hamilton; D. B. Harding; R. F. Ingram; E. S. Irby; K. E. Jacobs; T. L. Jones; W. E. Kirkpatrick (10/19/03); K. F. Koehler; J. B. Lewis; S. D. Manley; D. W. Matthews; R. F. McAndrew; O. N. McCarter; W. G. McClain; B. McLendon; K. J. McMullen; R. S. Miles, Jr.; Bernard G. Miller (7/28/03); K. F. Muldoon; Lynn H. Naaman-Din; T. M. Oates; J. S. Price; S. C. Reynolds; D. R. Robinson; B. F. Sanders; Melanie D. Seeger (1/31/03); W. T. Sherer, III; R. D. Sherrill; E. M. Sink (3/12/03); D. P. Smith; L. C. Stoker; C. A. Stuck; G. J. Syms; J. E. Taylor; A. L. Toth; W. H. Tyson; M. S. Ulmer; Emily J. vanDalen; D. L. Wakeland; R. M. Wallace, Jr. (5/20/03); W. T. Warren, Jr.; R. Washington; R. A. White; J. C. Whytock (12/31/01); J. M. Williams; J. R. Wright; R. J. Yelverton.

- j. Participants with prior Credited Service and Credited Earnings which will be recognized as continuous on completing five (5) years of continuous service (Eligible for Reinstatement): G. G. Cotton (2005); P. G. Patrick (2006); C. D. Trimmier (2005).
- k. Former Participants removed from participation in the Plan without qualifying to retain a vested benefit: Charles Isaac (3/12/03).
- l. Participants receiving a retirement or survivor income benefit under the Plan at year's end: R. W. Ackerman*; J. E. Adams; C. S. Alexander*; Mrs. Bertha I. Allan-Smith*; L. M. Allison; J. S. Banks; J. C. Barker; C. R. Beard; J. F. Beard; R. E. Beckham; J. M. Bell, Sr.; Mrs. W. H. (Floy) Blair*; W. F. Blakely*; Mrs. E. L. (Betty) Bland*; R. A. Bodey*; J. H. Boyce; W. J. Boyd*; R. D. Bradham*; Mrs. C. D. (Mary Kate) Brearley-Glasser; Mrs. A. C. (Jeanie) Bridges*; P. A. Campbell*; R. M. Canfield; Mrs. J. A. (Grace) Cannon***; J. Coad, Jr.; C. L. Concha; Mrs. P. G. (Imogene) Covone*; Mrs. F. H. (Edith) Crisco*; G. W. Curry*; D. E. Dagenhart; Mrs. L. L. (Betty) Dattler***; B. E. DeWitt*; Milad F. Doss*; C. F. Edgar; D. W. Elliott; Mrs. R. B. (Suzanne) Elliott*; D. R. Ellis; W. N. Falls; J. R. Fee; Mrs. A. A. (Frieda) Fischer*; W. P. Fleming; W. H. Forsyth; C. B. Foster; Carl Geisik; Mrs. W. P. (Mary) Grier*; W. D. Hall; W. M. Harris, Jr.; J. F. Heinsohn; Mrs. J. B. (Mary) Hendrick*; Mrs. R. E. (Judith) Herrmann*; J. E. Hill; Mrs. G. F. (Bertha) Johnson*; D. R. Johnston; E. Benton Johnston; D. O. Jones; Mrs. J. E. (Sarah) Kennedy, II; L. P. Kennerly; Hae Soung Kim; R. A. King; G. C. Knecht****; W. Y. Koh****; W. C. Lauderdale; R. B. Leaptrott, Jr.*; G. W. Letchworth; C. Earl Linderman; W. A. Macaulay*; H. S. Mace; J. L. MacLeod; Mrs. R. B. (Gladys) Marshburn*; K. D. McArthur; C. T. McCants; C. W. Medlin*; Mrs. R. S. (Harriet) Miles***; C. L. Mitchell; W. F. Mitchell****; K. F. Morris; Mrs. T. G. (Martha) Morris*; B. E. Murdock; Mrs. F. J. (Betty) Musselman***; Mrs. J. A. (Ruth) Nguyen*; Mrs. B. R. (Lenore) Nowak***; Mrs. G. R. (Mabel) Oates*; T. L. Owens*; D. L. Pearson;

Mrs. H. E. (Sara) Pressly*; Mrs. J. E. (Jeannie) Pressly*; Sarah H. Pressly; Mrs. W. L. (Elizabeth C.) Pressly*; Mrs. P. E. (Donna) Price*; Troy L. Pritt; H. B. Probes, Jr.; W. O. Ragsdale; C. A. Reed; L. L. Richardson**; Mrs. A. L. (Margie) Roberts*; Robert J. Robinson; David Rodriguez-Enriquez**; Mrs. A. A. (Katherine) Rogers*; O. J. Rundus**; H. T. Schutte Jan Senneker;; R. P. Shaw; R. E. Sherer; Mrs. P. L. (Margaret E.) Sherrill*; H. L. Smith**; J. C. Smith; W. E. Stanchfield; Mrs. J. P. (Mary) Steele*; J. T. Stephenson**; J. W. Stodghill**; W. B. Sutherland; J. R. Thompson**; J. A. Turner**; J. Roger Wade**; Mrs. W. M. (Mary) Wardlaw*; Mrs. H. C. (Addie Jane) White*; J. R. White**; R. A. Whitesides; Z. C. Williams; T. L. Wilson; J. R. Wolff*; E. R. Young.

*As widow of deceased Participant, the J&S Option having been selected or automatic as to those who died after 9/3/91.

**As Participant who had transferred to another denomination or terminated employment with a vested benefit. Benefit is frozen.

***As widow of Participant who had transferred to another denomination or terminated employment with a vested benefit.

****As Participant who retired and has transferred to another denomination.

- m. The following persons may be eligible for Retirement Plan participation at year's end, but enrollment procedures had not been completed. Eligible Employees are covered by the Plan during the first year, but if they have not or fail to enroll within the first year, they are or will not be covered until the enrollment is completed. They do not accrue credit for Service and Earnings and are not covered for the Death Benefit nor for the Survivor Income Benefit: **Catawba:** Richard Brown (Providence), Denny W. Hieber (Neely's Creek). **First:** Song Choi** (Statesville Korean), L. Eugene Frady** (Calvary), Ho Youn Hwang** (Wheatseed Korean), Todd Jones (Christ Community), J. Donald Jordan** (Christ Church), Hyo Gon Kim** (Hychon Korean), John C. Kim** (Bethel Korean), Eung Chu Lee** (Hanwuri Korean), W. H. Maier** (Tunnel Road), L. Morgan** (Chalmers Memorial), John Spence** (Messiah Church Fellowship), J. C. Unda** (Hendersonville Hispanic), Anthony F. Ward (Pinecrest). **Florida:** Robert E. Adams (Faith, Merritt Island). **Mississippi Valley:** William R. Izard** (Covenant Reformed). **Northeast:** Joseph J. Kim (Kwang-Myung). **Pacific:** Chong Hun Byun (Korean Bethel), Hoo Y. Cho** (Calvary Korean, Youngest Choo (Gooly Church of Jesus Christ), Chang Young Kim** (The Peace Maker), Jong Won Kim** (Walking With God), Sung Gu Kim** (Western), Bon Koo** (Young Saeng), Paul K. Oh (Inland), Joseph I. Paek** (ARPC Korean), Man Soon Park (Blessing Mission). **Second:** Charles W. Reynolds (Greenville), Hyon K. "Paul" Shin** (Young Nak). **Tennessee-Alabama:** Dana Crowell (Prosperity, TN). **Virginia:** David Vance** (Redeemer). **General Synod Agency:** None.

**Did Not Enroll Within First Year of Eligibility

- n. Lump-Sum Settlements were made with the following former Partici-

pants who had qualified for a vested benefit with a present value of less than \$5,000: None.

Miscellaneous

Ministers Opting Out of Social Security

Internal Revenue Code section 1402(e) makes it possible for a minister to be exempted from coverage under the Social Security system. The minister must file an exemption application (Form 4361) certifying that he is “conscientiously opposed to, or because of my religious principles I am opposed to, the acceptance (for services I performed as a minister...) of any public insurance that makes payments in the event of death, disability, old age, or retirement, or that makes payments toward the cost of, or provides services for, medical care.” The exemption filing deadline is the due date of the federal tax return for the second year in which a minister has net earnings as a minister of \$400 or more. The application for exemption must inform “the ordaining...body of the church...that he is opposed” prior to the time the exemption application is filed. The apparent purpose for this required notification is to offer the ordaining body (presbytery) and the denomination an opportunity to appropriately counsel applicants regarding the impact of such a decision.

The General Synod has previously taken the position that there is nothing in the Standards of the Church that would support the “religious principles test.” Accordingly, denominational benefit programs are structured to anticipate the benefits provided by the Social Security system. If a minister opts out of Social Security and does not replace these benefits he could create extreme hardship for his family.

Budget for 2005

The Board’s Operating Budget for 2005 is attached to this report and reflects the allocation recommended by the Board of Stewardship. The Board does not carry forward unused funds that are allocated from the Denominational Ministry Fund.

Administrative support for the ministries of the Board is provided by Administrative Services and for several years the Board has provided funding equal to @25% of the Administrative Services Budget as approved by the Executive Board of Synod. The Board has approved funding 50% of its commitment from resources for the insurance programs and 50% from the contributions received for the Retirement program.

Officers for 2004—2005

Chairman: Paul Bell

Vice-Chairman: C. Earl Linderman

Secretary: Ed Hogan

Treasurer: Synod Treasurer, Guy H. (Chip) Smith, III

Meeting Dates

November 4-5, 2004, 1:00 PM (Orientation), Bonclarken

April 21-22, 2005, 2:00 PM, Bonclarken

November 3-4, 2005, 1:00 (Orientation), Bonclarken

Looking Ahead

In our report last year we acknowledged our gratitude to those that served as members of the Ministerial Insurance Committee, Retirement Committee, Ministerial Insurance and Retirement Committee, Board of Annuities and Relief, and Board of Benefits. We expressed our openness for guidance and change that the future might bring.

In our report we expressed the need for better integration and cooperation between the Board and the presbyteries, especially the presbytery committees/commissions on Minister and His Work. We see the need for more churches to identify persons with background and experience in managing benefit programs. General Synod's Committee on Minister and His Work has expressed similar sentiments, requesting that the chairman of the presbytery committee/commission on Minister and His Work be added as an ex-officio member of the Board. The Board welcomes these additions to the Board. We feel, however, that in order to reflect and maintain objectivity in matters of vote, the chairmen should be added as "Advisory" members rather than as "Ex-officio" members.

The Board continues to communicate with the Special Committee on Organization and will be open to the Special Committees recommendations and suggestions.

Recognition and Appreciation

The Board has expressed its appreciation to retiring members Harry Bell of the Johnston Church and to Beth Smith of the Cornerstone Church for their six-years of faithful service. We express appreciation, also, to former member Gerald Gay who resigned when he moved to an area where there is no ARP Church.

Recommendations

1. That the Christmas Benevolent Fund Offering be continued and that it be taken in the Thanksgiving Season.
2. That, through the adoption of this recommendation, pastors (or clerk where there is no pastor) be encouraged to be attentive to the special needs of retired employees and widows of former employees and seek to assist the Board of Benefits in its ministry to these faithful servants.
3. That churches which have not yet done so, consider adding provisions to the call of its minister(s) and professional employees which were suggested in the Report of the Committee on Minister and His Work in 1995 (See Page 16, 1995 *Minutes of Synod.*)
4. That the General Synod endorse Amendment Number Three to the Associate Reformed Presbyterian Retirement Plan Adopted September 1, 1961 As Amended and Restated Effective December 31, 2001.
5. That presbyteries be requested to include in their manual of procedure reference to the definition of "hour of service" in the ARP Retirement Plan.
6. That presbyteries be requested to insure that all calls to ministers that will be employed in the pastoral ministry for 23 or more weeks

in a calendar year include the provision for contributions for the ARP Retirement Plan.

7. That, if it has not been done, presbyteries be requested to give consideration to including in its manual of procedure guidelines for addressing the issue of Social Security exemption with students during the ordination process.
8. That the proposed budget for 2005 be approved.
9. That the membership of the Board of Benefits be changed to add the chairman, or a designated representative, of presbytery's Committee/Commission on Minister and His Work as an advisory member.
10. That all other actions of the Board, as reported herein, be affirmed.

Respectfully submitted
Board of Benefits

Proposed Budget

	2004 Revised Budget	2005 Proposed Budget
RECEIPTS		
Unrestricted for Operations		
General Synod Allocation	\$ 6,795	\$ 6,795
Undesignated Receipts	0	0
Unrestricted Sub-Total	\$ 6,795	\$ 6,795
Designated Estimates for Benevolence		
Christmas Ben. Fund Spec. Offering	\$ 51,005	\$ 41,000
Christmas Benevolent Fund Interest	1,200	900
Lake Wales Christmas Benev.Fund	1,030	1,030
J. C. Lott Trust	5,739	5,894
Benevolent Sub-Total	\$ 58,974	\$ 48,824
Group Insurance Resources		
Group Insurance Premiums	\$5,126,538	\$ 4,236,671
Group Insurance Miscellaneous	19,937	7,792
Group Insurance Sub-Total	\$5,146,475	\$ 4,244,463
Retirement Plan Resources		
Ola B. Hunter Trust for Retirement	\$ 2,886	\$ 1,698
ARP Retirement Plan	891,875	880,394
Retirement Plan Sub-Total	\$ 894,761	\$ 882,092
TOTAL RECEIPTS	\$6,107,005	\$ 5,182,174
DISBURSEMENTS		
Board and General		
Board Travel & Meeting	\$ 2,795	\$ 2,795
Office and Miscellaneous	4,000	4,000
Board and General Sub-Total	\$ 6,795	\$ 6,795
Benevolence		
Benevolence Sub-Total	\$ 58,974	\$ 48,824

Group Insurance

Group Insurance Premiums,		
Claims, Reserve	\$5,113,118	\$ 4,210,031
Group Insurance Adm. Support	33,357	34,432
Group Insurance Sub-Total	\$5,146,475	\$ 4,244,463

ARP Retirement Plan

Audit	\$ 1,500	\$ 1,500
Actuarial Fees	1,000	1,000
Administrative Support	33,357	34,432
Miscellaneous Expenses	250	1,000
Transfer to Trustee	858,654	844,160
ARP Retirement Plan Sub-Total	\$ 894,761	\$ 882,092

TOTAL DISBURSEMENTS	\$6,107,005	\$ 5,182,174
Disbursements Over (Under) Receipts	\$ 0	\$ 0

Amendment Number Two
ASSOCIATE REFORMED PRESBYTERIAN
RETIREMENT PLAN

Adopted September 1, 1961 As Amended and Restated
Effective December 31, 2001

WHEREAS, the Associate Reformed Presbyterian Church ("Church") established an Agreement providing for and creating the Associate Reformed Presbyterian Retirement Plan;

WHEREAS, the Church desires to amend said Plan and Trust Agreement;

WHEREAS, the Church authorized the Board of Benefits of the Associate Reformed Presbyterian Church to enact Plan changes to exclude the participation of ordained ministers serving in the pastoral ministry outside the United States; and

WHEREAS, the Church authorized the Retirement Committee of the Board of Benefits to approve Plan Amendments required for compliance with federal regulations

NOW, THEREFORE, the Board of Benefits hereby amends the Plan as follows (NOTE: For clarification purposes only, changes are indicated by bold type or strikethrough):

(1) Amend Article I (1) to read as follows:

- (1) **ACTUARIAL EQUIVALENT TABLE:** Any reference in this Plan document to actuarial adjustments, actuarial factors, or actuarial equivalent values refers to actuarial equivalent tables, computed on the basis of the ~~Pension-Benefit Guaranty Corporation, UP 84~~ **mortality table, set back one (1) year** and an interest rate of 8% per annum. **For lump sum payouts, the "applicable interest rate" for the month of November and the "applicable mor-**

tality table” as specified by the Commissioner of the Internal Revenue Service pursuant to Code Section 417 (e) (3) shall be used to determine the present value.

(2) Amend Article I (8) to read as follows:

(8) **EMPLOYEE:** A salaried, ordained minister of the Church serving in a pastoral ministry of the Church under the provisions of a Call approved by a Presbytery of the Church, or a career missionary appointed by World Witness, or a salaried employee of the Synod or Synod Agency serving in a supervisory capacity, but excluding employees of Erskine College or Erskine Theological Seminary;. Provided, however,

(1) the term “Employee” shall include only those Employees whose customary employment is for more than an aggregate of 1,000 hours of service in a calendar year or who become disabled while engaged in such employment, and

(2) **for service on or after January 1, 2004, the term “Employee” shall exclude a salaried, ordained minister of the Church serving in a pastoral ministry outside the United States.**

For periods of service on or after January 1, 2004, Hours of service shall be credited on the basis of 45 hours for each week that the Participant qualifies as an Employee.

(3) Amend Article III (2) (b) (ii) to read as follows:

(ii) Service as an employee of Erskine College or Erskine Theological Seminary or service as a Military Chaplain **or service as a salaried, ordained minister of the Church serving in a pastoral ministry of the Church outside the United States under the terms of a Call approved by a Presbytery of the Church,** provided that:

Note: Amendment Number Two was adopted by the Board of Benefits, November 7, 2003, having been authorized or directed by General Synod 2003.

Amendment Number Three

ASSOCIATE REFORMED PRESBYTERIAN RETIREMENT PLAN

ADOPTED SEPTEMBER 1, 1961 AS AMENDED AND RESTATED EFFECTIVE DECEMBER 31, 2001

WHEREAS, the Associate Reformed Presbyterian Church (“Church”) established an Agreement providing for and creating the Associate Reformed Presbyterian Retirement Plan;

WHEREAS, the Church desires to amend said Plan and Trust Agreement;

NOW, THEREFORE, the Board of Benefits hereby amends the Plan as

follows (NOTE: For clarification purposes only, changes are indicated by bold type or strikethrough):

(1) Amend Article I (4) to read as follows:

(4) CALL: As set forth in the *Form of Government of the Associate Reformed Presbyterian Church*, the process and written document for establishing and maintaining an Employee relationship with a salaried, ordained minister of the Church serving in a pastoral ministry of the Church. Effective January 1, 2005, the failure of a particular congregation or agency of the Church to meet the terms of a Call for a time period outlined in the *Form of Government of the Associate Reformed Presbyterian Church* will result in a termination of the Call for Retirement Plan purposes and the Participant will cease to accrue additional credit for Service and Earnings until such time as the terms of the Call are being met or until the Participant is subject to a new Call, whichever first occurs.

(2) Amend Article I (12) to read as follows:.

(11) PARTICIPANT: An Employee, retired Employee, or former Employee, who has met all the requirements of the Plan, and has become included in the Plan as provided in Article II hereof, and who continues to have rights or contingent rights to the benefits payable under the Plan. A Leased Employee shall not be eligible to participate in this Plan. Effective January 1, 2005, a Participant that is qualifying as an Employee on the basis of serving under the terms of a Call will not accrue credit for Service or Earnings during any period of time the Call has been terminated for Retirement Plan purposes in accordance with the *Form of Government of the Associate Reformed Presbyterian Church*.

(3) Amend Article I (8) by adding the following:

(8) EMPLOYEE: A salaried, ordained minister of the Church serving in a pastoral ministry of the Church under the provisions of a Call approved by a Presbytery of the Church, or a career missionary appointed by World Witness, or a salaried employee of the Synod or Synod Agency serving in a supervisory capacity, but excluding employees of Erskine College or Erskine Theological Seminary. Provided, however

- (a) the term "Employee" shall include only those Employees whose customary employment is for more than an aggregate of 1,000 hours of service in a calendar year or who become disabled while engaged in such employment, and
- (b) for service on or after January 1, 2004, the term "Employee" shall exclude a salaried, ordained minister of the Church serving in a pastoral ministry outside the United States, and
- (c) **for service on or after January 1, 2005, the term "Employee" shall exclude a salaried, ordained minister of the Church whose Call has been terminated in accordance with the *Form of Government of the Associate Reformed Presbyterian Church* and the Participant**

will not accrue additional credit for Service and Earnings.

For periods of service on or after January 1, 2004, hours of service shall be credited on the basis of 45 hours for each week that the Participant qualifies as an Employee.

- (4) Amend Article V (3) to read as follows:

- (3) AMOUNT OF RETIREMENT INCOME AT POSTPONED RETIREMENT: Each Participant who shall retire after age 65 ~~his Normal Retirement Date~~ as provided in Section (4) of Article IV, shall be entitled to receive a retirement benefit equal to the greater of (a) the retirement income as provided in Section (1) above, or (b) the Actuarial Equivalent of the retirement benefit such Participant was entitled to at the close of the prior Plan Year.

LONG TERM CARE

Defining Long Term Care

Long Term Care (LTC) is defined as the care an individual needs when they are no longer able to care for themselves independently. This care may be needed as a result of (1) physical injury, (2) cognitive or mental impairment, (3) disabling chronic illness, or (4) simply the reality of how our bodies act with old age and frailness.

When an individual needs LTC, they generally need help with their “Activities of Daily Living” (ADL’s). Most care giving facilities and insurance companies define ADL’s as the following: Bathing, Dressing, Eating, Toileting, Transferring, and/or Continence. Benefits are typically triggered with a loss of 2 out of the 6 ADL’s or a severe cognitive impairment.

LTC insurance can be defined as “Asset Protection”, “Lifestyle Protection”, or “Financial Investment”.

Statistics

- National average for the cost for home care is \$20,000* and the cost of nursing home care is \$50,000.** In thirty years, average costs are expected to more than triple.***
- 40% of the 12 million people who are receiving long term care are under age 65.****
- 60% of the people who reach age 65 will need long term care at some point in their lives.*****

* *Who buys Long-Term Care Insurance in 2000?* Prepared for the Insurance Association of America by LifePlans, Inc., October 2000

** ACLI Study, March 2000

*** U.S. General Accounting Office, January, 2001

**** U.S. Office of Personnel Management, 2001

***** Conning & Company, Long-Term Care Insurance, Baby Boom or

Bust, 1999

Considerations in Purchasing LTC

- A. Model of insurance
 - 1. Reimbursement: Reimbursement for actual expenses incurred.
 - 2. Indemnity: Reimbursement of a fixed benefit regardless of expenses incurred.
- B. Level of Care Available
 - 1. Nursing Home Care: Skilled nursing facility for those needing substantial custodial care for ADL's.
 - 2. Assisted Living Facility Care: Facility that provides limited custodial care for ADL's.
 - 3. Adult Day Care: Facility that provides custodial care for limited periods of time.
 - 4. Home Care: Custodial or skilled care provided in the home.
- C. Contract Provisions
 - 1. Amount of Benefit: Amount policy will pay on a daily or monthly basis.
 - 2. Elimination Period: Period of time before benefits begin.
 - 3. Benefit Period: Period of time benefits will be paid.
 - 4. Inflation Protection: Allows a policy to keep pace with the rising cost of care.
 - 5. Simple
 - 6. Compound
 - 7. None
 - 8. Family Members Eligibility and Discounts
 - 9. Discounts are often available for spouse and other family members.
- D. Company Ratings/Financial Stability

Due to this type of benefit being one that could provide benefits over a long period of time, financial strength of an insurance carrier is required. Also if someone is of a young age when purchasing a policy, that person will want to make sure that the insurance carrier will be in business when benefits need to be paid, thus financial strength is important.

This is to serve as a reference only. Consult a licensed insurance agent for complete details.

The **Report of the Board of ARP Foundation** was considered. The Recommendations of the **Moderator's Committee on ARP Foundation** were presented.

- a. That recommendations 1-7 of the ARP Foundation Board be adopted.
- b. That we commend the Foundation for its diligent work on behalf of the Synod

The recommendations of the Board were adopted. The addi-

tional recommendation of the Moderator's Committee report was adopted.

REPORT OF THE BOARD OF DIRECTORS ASSOCIATE REFORMED PRESBYTERIAN FOUNDATION, INC.

The Directors of the Associate Reformed Presbyterian Foundation ("Board") met twice since the last meeting of the General Synod. These meetings continue to be used to review and evaluate the work of administrators, consultants, and investment managers and to provide leadership and vision to the work of the Board. We express thanksgiving for the opportunity to serve Christ and His Church.

Board Leadership and Support

Officers serving for the period July 1, 2003 — June 30, 2004: Mr. Rodney Shands, Chairman; Mr. Jim Bockover, Vice-Chairman, and Mr. Joe Summerville, Secretary. Officers for the period July 1, 2004 – June 30, 2005: Mr. Rodney Shands, Chairman; Mr. Jim Bockover, Vice-Chairman; and Mr. Joe Summerville, Secretary. We gratefully acknowledge and express appreciation to Mr. E. Kenneth Hoffman as he completes his service.

Mr. William A. Deaton is retained as a consultant to assist individuals and the Board in the establishment of deferred gifts. He can be contacted at 704-376-0705.

Mr. Ed Hogan serves as the Administrative Officer for the Board and staff support is provided by Administrative Services. Cornerstone Management of Norcross, GA (www.cornerstonemgt.net) assists the Board in the development and management of charitable trusts and annuities. UBS Financial Services (formerly UBS PaineWebber) of Atlanta, GA assists the Board (and those the Board serves) in the areas of Investment Policy Planning, Asset Allocation Modeling, Manager Search and Selection, and Performance Measurement.

Ministry

The Foundation continues to provide resources for denominational ministry through the **Associate Reformed Presbyterian Foundation Endowment**. The goal for the Foundation Endowment is that it will grow an average of 10% per year through additional gifts and investment performance. The purpose for the Endowment is to provide a steady flow of resources to supplement those provided by churches through the Denominational Ministry Fund. On an annual basis, five percent of the prior three year ending market value of the Foundation Endowment is contributed to the General Synod as a contribution to the Denominational Ministry Fund. At 12/31/2003, the market value of the Endowment was \$599,964. The net return for the year was 25.18%, following two years of negative returns.

In addition to the Foundation Endowment, the Board:

- Administers a Gift Annuity Fund. Gift annuities become the immediate property of the Foundation and the Foundation agrees to pay a lifetime annuity to the donor. There are immediate tax advantages to the donor and the amount of income is determined by the rate schedule approved by the American Council on Life Annuities. The Foundation is obligated to pay the lifetime annuity. For this reason, all gift annuities are segregated from the Foundation Endowment. At the death of the last beneficiary (two-life limit), the remaining proceeds are distributed to the named beneficiaries. If the Foundation Endowment is a named beneficiary in the annuity, there is no administrative charge. If the Foundation Endowment is not a named beneficiary, there is an annual fee of 1.5% of the market value of the annuity.
- Serves as Trustee for eight (8) charitable trusts. Each trust is administered in accordance with a trust agreement established at the time the trust is established. An investment policy statement is developed in consultation with the donor to provide the expected level of income. Charitable Remainder Trusts pay a fixed percentage over the life of the trust. Income from a Charitable Remainder Unitrusts will be a percentage of the beginning year market value of the fund. At the death of the last beneficiary (two-life limit) the remaining proceeds are distributed to the named beneficiaries. The Foundation Endowment must be a named beneficiary in trusts administered by the Board. Including the Foundation Endowment, twelve (12) denominational ministries are named beneficiaries in the existing annuities and trusts
- Administers Endowment-type funds donated for particular purposes. Often a donor wants to establish a means to provide resources for special ministry within the ARP Church. A Donor Agreement is prepared at the time of the gift and the Board will administer the funds in accordance with the agreement. The Board is careful to make provision for the use of the funds in the event the funds cannot be used for the purpose designated. At the time of this report the following special purpose funds have been donated to the Foundation for designated purposes:
 1. **Special Endowment Fund.** This fund was established by Logan V. Pratt, Sr., a founding director of the Foundation and past member of the Board. All gifts and realized gains and losses on investments are treated as the corpus of the fund and only the net income from interest and dividends is distributed to the specified agencies. In the event that the Foundation should cease to exist, the assets will be distributed to the following six agencies on an equal basis: Bonclarken, Covenant Discipleship (Christian Education), Due West Retirement Center, Erskine College, Outreach North America, and World Witness. Additional gifts of \$26,074.76 were added in 2003. The 12/31/2003 fund balance (at cost) was \$174,536.23 including an income balance of \$8,760.30 (as compared to \$7,437.41 at 12/31/2002). The income balance has been distributed in accordance with the terms

of the fund, with 10% of the income given to the General Synod to help fund the Denominational Ministry Fund allocations. The fund is open for additional contributions. We again express our appreciation to Mr. Pratt.

2. ARP Foundation Crowders Creek Cemetery Fund. Established in 1988, one half of the income is reinvested with the other 50% distributed to the Session of the Crowders Creek Church for cemetery maintenance. If the income distributed to the Session exceeds the amount needed for maintenance or expansion of the cemetery, the excess is to be divided equally between the Boards of World Witness and Outreach North America. The fund is open for additional contributions.

3. Robert Oates Fund for Evangelism Leadership Training. Established with a gift from Mr. and Mrs. Robert Oates in 1989, the fund is to be used “to promote person-to-person evangelism training and experience within the Associate Reformed Presbyterian denomination, especially within the ranks of the teaching elders.” Typically, offering scholarship assistance for attendance and completion of evangelistic courses will do this. First priority will be given to ARP Seminary students at Erskine. Second priority will be given to ministers or staff of ARP churches that have not had the opportunity in the past to attend such training programs. Third priority will be give to ARP Seminary students in seminaries other than Erskine who express a desire for such training. Over \$10,600 has been distributed to date. Should the need exist, the donor has requested, and the Board has concurred, that the corpus can be invaded. Interested persons should contact the Administrative Officer (Ed Hogan) or the Vice President of ETS (Neely Gaston). The fund is open for additional contributions.

- **Administers Donor Advised Funds.** The Board will accept and administer gifts that are to be distributed over a short period of time, using, generally, a money market fund for investment purposes. The funds are distributed to other charities at the discretion of the donor in accordance with the agreement made at the inception of the fund.

Development

The Development and Ministry Committee developed a DVD presentation to communicate the Foundation’s purpose. It is @ 12 minutes in duration and is available for individuals and/or groups. It can be used as part of a seminar presentation. Interested parties should contact the Foundation at the ARP Center, Greenville (864-232-8297 or ehogan@arpsynod.org.) Additional information on the Foundation ministry is available at the Foundation’s website— www.thearpfoundation.org.

In projecting budgeting needs for 2005, the Foundation has projected needs for a full-time staff member for development. This concern has also been conveyed to the Special Committee on Organization.

Investment Management

The Foundation continues to serve as the designated investment advisor for boards, presbyteries, churches and other entities of the denomi-

nation. We encourage the General Synod to continue to seek out members with financial training and experience.

The UBS Financial Services, Inc. PACE Select Advisor Trust is used as the investment vehicle for endowment type funds under the Foundation's umbrella. The PACE Trust is a family of twelve, style-specific, no-load funds managed by institutional investment advisors. This program

- Is designed to promote diversification in the investments. The Foundation recommends that the equity investments be allocated on the following basis: Large Co. Value (26.67%), Large Co. Growth (26.67%), Sm/Md Co Value (13.33%), Sm/Md Co Growth (13.33%), and International (20%). The Intermediate Fixed Income Fund is recommended for non-equity investments. Portfolios are adjusted back to the benchmark each quarter if there is more than a 5% deviation.
- Allows churches and agencies greater flexibility in allocating and reallocating assets to meet particular financial objectives. Each agency determines the asset allocation that most fits their needs and risk tolerance.
- Provides direct reporting on the investments by providing each fund with a monthly statement from the investment manager.
- Provides the best investment manager for a particular asset class. The size of the investment pool allows UBS Financial Services, Inc. to hire the best manager for a particular asset class rather than one investment manager for several asset classes.
- Provides for quicker response when there is the need to change an investment manager if there is a change in the firm due to loss of personnel, style drift, or poor performance.

The Administrative Officer receives monthly statements and facilitates additions and withdrawals. Quarterly performance statements are submitted to the Investment Committee. The consultant meets with the Board at regularly scheduled meetings and is available for telephone conference between meetings. There are now fifty-five (55) separately invested funds (included those references above) invested in the PACE Select Advisor Trust. Additionally, the ONA Endowment is invested primarily with SunTrust Bank. Asset mix ranges from 80% equity to 100% fixed income. At 12/31/2003, the value of funds under the Foundation umbrella was \$8,655,421 at cost, with a market value on that date of \$8,443,453.

The Foundation continues to monitor investment performance. The Board has continued to extol the virtue of patience and consistency, believing that the diversification, quality of investments, and quality of the investment managers will produce the expected results over a full market cycle.

Churches with endowment-type funds with an investment horizon of at least five years are encouraged to contact Administrative Services for additional information.

Audit

The funds under the investment umbrella of the Foundation are audited as a part of the General Synod audit. A copy of the audit is given to the Chairman of the Board and is available for review at the ARP Center,

Greenville, SC.

Administrative

Meeting dates for the remainder of 2004 and for 2005 have been set as follows: September 23—24, 2004 (1:00 PM, Bonclarken); February 28, 2005 (9:00 AM, ARP Center, Greenville); and September 22—23, 2005 (1:00 PM, Bonclarken).

Looking Ahead

As early as October 2000, the Foundation initiated conversations with the Board of Stewardship, noting a weakness throughout the denomination in the area of stewardship. The Foundation helped develop the needs expressed by the Board of Stewardship in its report to General Synod in 2001. When the opportunity arose, following the preliminary report of the Special Committee on Organization to the 2003 General Synod, the Foundation responded to the Special Committee by expressing “approval to the consideration of combining the responsibilities and duties of the ARP Foundation and the Board of Stewardship into an organizational structure with appropriate professional staff direction so as to most effectively and efficiently carry out the duties assigned each board in order to advance within the ARP denomination all aspects of our stewardship.”

The Foundation responded to a request from the Board of Stewardship to form a special task force to consider whether there may be some way to integrate our functions into an inspiring and effective whole-life stewardship presentation and function. The task force was appointed and its findings and recommendations have been endorsed by both boards. The report calls for a merger, blending the work of the two boards in order to minister to the people in our ARP congregations.

The following comments and the specific recommendations are identical to the comments and recommendations presented in the report of the Board of Stewardship.

The task force identified three primary functions in the two boards, with a degree of necessary redundancy if there are two boards:

- Budgeting and Allocation, now primarily in Board of Stewardship. This includes determining allocation procedures; establishing criteria for allocation requests; establishing priorities; developing a Denominational Giving Model; and communications. The goal of this function is to achieve good budget building and appropriate allocations.
- Investment, now primarily in the ARP Foundation. This includes providing appropriate investment alternatives; assisting in the development of investment policy statements for fund owners reflecting risk tolerance and income needs; serving as trustees for charitable trusts; exercising due diligence in monitoring and evaluating investment managers; and assuring accountability to the fund owners. The goal of this function is to maintain integrity and do the work within a ministry context.
- Ministry of Biblical Stewardship, now in both. This is seen as the most lacking aspect of current ministry. The goal of this function is to get

people excited about serving Christ and excited about the opportunities in the ARP Church. Ministry of Biblical Stewardship will involve spiritual growth of people; education through Seminary training, preaching, and prepared materials; vision casting; communication (including feedback); equipping of leaders and members for stewardship leadership and ministry; and accountability for the ministry of Biblical Stewardship.

Critical to the success of a “Ministry of Biblical Stewardship” will be the church’s willingness to commit resources on a short-term basis to help develop Christian stewards in our congregations. There is a need for a person, with appropriate education and experience, to work in the field, helping presbyteries, churches, and individuals understand stewardship as part of personal sanctification. This person’s primary focus will be ministry, divorced from the gathering of funds for ministry.

The report of the joint task force presented two recommendations:

- One board, focusing primarily on the Ministry of Biblical Stewardship with the board, and not staff, casting the vision for stewardship. The Board make-up must include presbytery representatives and preferably not all ministers.
- Two committees under the board’s umbrella, one for budgeting and allocation and the other for investments. These committees would use the existing staff resources of Administrative Services.

The recommendations of the joint task force emphasized a significant paradigm shift embedded in the proposed change. There is the desire to change the focus of stewardship work from meeting the needs of Synod to meeting the spiritual needs of the people in the pews. There is the desire for a teaching ministry to help people with Biblical life management and stewardship information and motivation, believing that when lives have been changed and blessed, resources for ministry at all levels will follow. When people understand Biblical stewardship, they will be excited about participating in the opportunities that are put before them in the ARP Church.

Recommendations

1. That the Board of Stewardship and the Associate Reformed Presbyterian Foundation be authorized to unite their mission and ministry under one board with the following provisos:
 - a. That the approved membership as of July 1, 2004 of both boards constitute the membership of the new board until a revised membership is approved at the next meeting of the General Synod.
 - b. That the newly constituted board present revised by-laws and or policy book to the 2005 meeting of the General Synod, being cognizant of the recommendations of the Special Committee on Organization.
 - c. That the newly constituted board present a proposal to the 2005 General Synod for a field worker to help presbyteries, churches,

and individuals to understand stewardship as part of personal sanctification.

2. That presbyteries, churches, agencies, boards, and other entities of the denomination consider making use of the resources and services offered by the Foundation.
3. That the Foundation's participation in the annual Special Offering be continued.
4. That the Foundation be permitted to carry forward unused General Synod allocations for the current calendar year.
5. That the proposed budget for 2005 be approved.
6. That each session seek to identify persons for recommendation to the Committee on Nominations that have the professional background and the desire to serve as a member of the Board.
7. That the activities of the Board, as reported herein, be sustained.

Respectfully,

Board of Directors, ARP Foundation, Inc.

Rodney Shands, Chairman

Ed Hogan, Administrative Officer

ASSOCIATE REFORMED PRESBYTERIAN FOUNDATION, INC BUDGET

RECEIPTS	2004	2005
General Synod Allocation	\$ 28,437	\$ 86,107
Special Offering	12,000	12,000
Endowment Fund Transfers	23,299	24,347
TOTAL RECEIPTS	\$ 63,736	\$ 122,454
DISBURSEMENTS		
Stewardship Ministries Coordinator	\$ -0-	\$ 87,133
Consultant Retainer & Fees	9,623	5,000
Expenses	5,665	5,665
Advertising & Promotional Materials	3,150	3,307
Promotional Mailings & Misc.	700	700
Contingency	1,500	1,500
Development Sub-Total	\$ 20,638	\$ 16,172
Board & Ministry		
General Office	\$ 683	\$ 717
Administrative Support	2,550	3,750
Board Travel & Meeting Expense	3,366	3,535
Denominational Ministry	23,299	24,347
Board & Ministry Sub-Total	\$ 29,898	\$ 32,349
TOTAL DISBURSEMENTS	\$ 50,536	\$ 135,654
Net Change in Operating Funds	\$ 13,200	\$ <13,200>

Synod adjourned with prayer and the Benediction by Thomas. C. Shoger.

**Thursday, June 10, 2004
7:00 A.M.**

C. E Linderman led the informal morning Psalm singing on the Dining Room Porch.

J. Allen Derrick led the opening worship service with Jeremiah 9:23&24 as the Scripture. David Blugerman led in the opening prayer. Dan Hazen led the Synod in prayer.

The Report of the **Moderator's Committee on Memorials** was presented recommending the adoption of the Memorial from First Presbytery. The Memorial was adopted.

**Memorial
First Presbytery
[Adopted]**

Whereas, currently, under the procedure outlined in our *Book of Discipline* (chapter VII, paragraph 5) a repentant minister who has committed a gross offense and has been legitimately deposed from office, is thereby no longer a member of the deposing Presbytery and is discharged to no particular Associate Reformed Presbyterian Congregation or other Christian Church, and

Whereas, such a minister is in continuing need of spiritual care, counsel, and oversight of brothers in Christ, and

Whereas, such ministers, though still professing Christians, are by a deposition from office without dismissal to another body, in a state of uncertain jurisdiction, being no longer truly a member of the Presbytery (see *Book of Discipline* chapter, III. 6) and yet not a member of a local congregation, and

Whereas, membership in the visible Body of Christ is a significant part of publicly professing faith in Christ and maintaining that profession in the world, and

Whereas, Scripture commands all Christians to be under authority of the elders entrusted with their care (e.g., Hebrews 13:7, 17), and

Whereas, there is procedure by which, when ordained to the Gospel ministry, a man's membership is transferred from a local congregation to the presbytery in which he is to minister (*FOG* X.D.2.j), but there is no such expressed procedure for the reverse within our *Book of Discipline* or *Form of Government*, and

Whereas, the Orthodox Presbyterian Church, a fellow NAPARC denomination, has such a reverse procedure (see *Book of Discipline* VI.B.4.b. in the book of church order of the OPC, 2000 ed.), which would address some of the important concerns of First Presbytery expressed in recent debates concerning deposition, and

Whereas, according to our *FOG*, XII.B.2.r, the Presbytery has the

power to propose to the General Synod such measures as may be of common advantage to the whole Church,

Therefore, we, First Presbytery, memorialize the General Synod to revise chapter VII.5 and chapter III.6 of the *Book of Discipline of the Associate Reformed Presbyterian Church* (2001 ed.) to include the following words in bold:

VII. 5 Revised to read: “Deposition: the censure of deposition is to be announced in the Church by a member of the court. The censure of deposition passed on a pastor shall be publicly read to his congregation by a representative of the presbytery, who shall then declare the pulpit vacant. Only in rare cases of gross offense, the good of the offender and/or the Church may require that the offender, even though he confesses his sin and manifests repentance, be deposed from office. Except in such cases, deposition is to be preceded by suspension to give time for careful consideration before deposition is imposed. **In the case of a pastor who confesses his sin and manifests repentance, and yet the presbytery moves to depose him, upon deposition his name shall be removed from the role of the presbytery and the presbytery shall dismiss him to a particular Associate Reformed Presbyterian Church or other Christian Church that will agree to receive him as a member and offer him spiritual care and pastoral oversight. The presbytery may recommend that the deposed minister, if he be under suspension from the Lord’s Table, be received as a member by the particular church under the censure of suspension (BOD V.A.8) until he gives such evidence of repentance as may warrant its repeal.”**

III.6 revised to read: “Jurisdiction over members ceases upon their expulsion. Original jurisdiction by the presbytery over ministers ceases upon their deposition **and dismissal to a particular congregation.”**

Besides the arguments set forth in the memorial, First Presbytery suggests the Synod consider the following as footnotes for the rationale of this Memorial:

1) References/Resources:

a) Scripture

1 Corinthians 5:1-8

1 Timothy 3:1-7; 5:19-20

Hebrews 13:7, 17

James 5:19-20

b) *Book of Discipline* (BOD):

VII.5—text under consideration with memorial

III.6—another text under consideration with this memorial

1. **Theology of church discipline:** “The purpose of discipline is to bring about the reconciliation of man

to God and man to man and to engage the people of God in the ministry of reconciliation, and to promote the peace, purity, and edification of the church.”

Implication: Especially in the case of a repentant brother, discipline without true love and concern is not true Christian discipline. It takes intentional effort to employ discipline, which has as its goal the purity of the Church.

II.B.1.a-e—the ascending degrees of church censure

c) *FOG*

X.d.2.j—procedure of transfer from congregational membership to membership within the presbytery

XII.B.2.r—presbytery’s “power” to propose this memorial

d) *Westminster Confession of Faith*:

XXX—section on “church censures”

e) OPC Book of Church order/book of discipline— 2000 ed. VI.B.4.b.

Important model from a fellow NAPARC church. It states, “When a minister is deposed from his office, the presbytery shall erase his name from the roll of the ministerial members of the presbytery and dismiss him to a particular church...” Their book of discipline does not spell out what type of particular church the presbytery may dismiss the former pastor to. This is important because it may be best to allow flexibility in what church the presbytery chooses.

2) **Rationale:**

- 1) The goal of the memorial is greater clarity in the BOD that will provide straightforward guidance for the presbytery as it seeks to care for fellow Christian brothers who are no longer members of the presbytery.
- 2) The BOD has a process to ensure oversight of church members up until their expulsion (BOD III.1; 6 and II.B.d-e) or transfer. The BOD does not have a clear process to ensure the oversight of ministers who have been deposed, particularly those who have exhibited repentance. If the BOD is not amended it appears that former pastors who are repentant Christians needing spiritual care and oversight would be left without that official oversight. In contrast, disciplined members of a local congregation are not left without this oversight and care unless they are expelled.

This work was prepared by First Presbytery’s Theological and Social Concerns Committee. First Presbytery adopted this document on March 9, 2004.

Respectfully submitted,
Rev. Jerry Hallman, Stated Clerk
First Presbytery

Memorial
Northeast Presbytery
[Referred to Committee on Minister and His Work]

MEMORIAL FROM NORTHEAST PRESBYTERY, ARPC
CHANGE OF ENDORSING AGENCIES FOR ARP
CHAPLAINS

Whereas, the minutes of the 199th meeting of our General Synod record the names of our nine military chaplains, and two institutional chaplains currently serving from the ARP; and,

Whereas, The Presbyterian Council on Chaplains and Military Personnel (PCCMP) has been, since its creation on January 1, 1973, the endorsing agency for our chaplains, providing pastoral care and guidance to our chaplains, and acting at times in defense of the convictions and religious practices of our chaplains against challenges from their superiors; and,

Whereas, the leadership of the PCCMP for the past thirty years has been from the United Presbyterian Church (U.S.A.) and the Presbyterian Church (U.S.) and, since their merger in 1983, from the Presbyterian Church (U.S.A.), with whom the ARPC is in fraternal correspondence but not in fraternal fellowship (cf. Minutes of 199th General Synod, page 29); and,

Whereas, it is a grievous fact of history that the Presbyterian Church (U.S.A.) has drifted very far away from the faith and practice of the Associate Reformed Presbyterian Church, and sadly this great gulf continues to grow wider; and,

Whereas, denominations with whom we are in fraternal fellowship (i.e., PCA, OPC, RPCNA) and with whom we enjoy brotherly unity in ecumenical councils such as NAPARC, do currently share in the Presbyterian and Reformed Joint Commission (PRJC) as the endorsing agency for their chaplains, with leadership currently provided by the Presbyterian Church in America; and,

Whereas, Northeast Presbytery did survey current ARP chaplains during 2003, securing a majority response, and has documented the unanimous desire from those who responded to have the more conservative PRJC serve as the ARP endorsing agency; and,

Whereas, having a relationship with the PRJC, as a like-minded body, would provide for our chaplains improved social interaction, greater cooperation, better pastoral care, and increased protection from superiors, who, at times, will not tolerate conservative Biblical convictions; and,

Whereas, quotas for military chaplains are no longer based on denominational affiliation; and,

Whereas, Northeast Presbytery can not determine any further pragmatic reason to maintain the PCCMP as the endorsing agency for ARP chaplains;

Therefore, Northeast Presbytery, ARPC, respectfully MEMORIALIZES the General Synod of the Associate Reformed Presbyterian Church

to edify and protect the ministries and careers of our faithful chaplains by transferring our endorsing agency for ARP chaplains from the PCCMP to the PRJC at the earliest possible date.

Approved by **Northeast Presbytery** on January 23, 2004.

Attest:

Rev. G. J. Gerard

Principal Clerk

The Moderator opened the floor for nominations for the office of Moderator of the General Synod, 2005.

John Carson gave a tribute to Bill Kuykendall and nominated W. B. Evans. Doug Jones seconded the nomination.

A motion carried that the nominations be closed and Mr. Evans be elected by acclamation.

Mr. Evans was escorted to the podium by Vice-Moderator James McLurkin and addressed the Synod.

John Carson led in prayer for the Moderator-Elect and for the next year's General Synod.

Rick Lewis informed the Synod about the Camp Joy work of Covenant Discipleship and presented a special plaque of recognition to Ann Brice and the staff of Camp Joy for their ongoing ministry. Mr. Lewis noted the contributions of Bill Kurkendall as editor of the ARP Adult Quarterly, and informed the Synod that Moderator-Elect Evans will begin work as the new editor of the quarterly. David Vickery outlined future plans of the Board.

The **Report of the Board of Covenant Discipleship** was considered. The recommendations of the **Moderator's Committee on Covenant Discipleship** were presented.

- a. That recommendations 1-5 of the Board of Covenant Discipleship be adopted.
- b. That churches encourage families in catechism memorization and recitation.
- c. That board members and personnel of Covenant Discipleship be commended for their work this year

The recommendations of Covenant Discipleship were adopted. The additional recommendations of the Moderator's Committee were adopted.

REPORT OF COVENANT DISCIPLESHIP THE EDUCATIONAL MINISTRY OF THE ASSOCIATE RE- FORMED PRESBYTERIAN CHURCH

Introduction

The basis for Christian education is set forth throughout the Old and New Testaments; but, the cornerstone for a strong, viable Christian

education program is given by Jesus:

“Therefore go and make disciples in all the nations, baptizing them into the name of the Father and of the Son and of the Holy Spirit, and then teach these new disciples to obey all the commands I have given you; and be sure of this—that I am with you always, even to the end of the world.” Matthew 28:19–20 (NIV)

Teaching the Truth of our Hope in Christ Jesus and then equipping learners to become more like Christ is spoken of as a special gift in Ephesians 4:11–16. Then “Why is it that he gives us these special abilities to do certain things best? It is that God’s people will be equipped to do better work for him, building up the Church, the body of Christ, to a position of strength and maturity; until finally we all believe alike about our salvation and about our Savior, God’s Son, and all become full-grown in the Lord—yes, to the point of being filled full with Christ.”

The Board of Covenant Discipleship is the agency of the General Synod of the Associate Reformed Presbyterian Church which serves by presenting the Gospel and nurturing Christian Discipleship based upon a reformed understanding of the scripture with a continuing challenge to develop a biblical world and life view.

Our Mission:

Equipping the Body of Christ to train disciples to be passionate followers of Christ.

We seek to . . .

1. Teach and Train Leaders.
2. Reach Students with the Gospel and disciple them based upon a reformed understanding.
3. Minister to the specific spiritual needs of the Mentally and Physically handicapped.
4. Minister to Families and Senior Adults through conferences and retreats.
5. Provide resources that emphasize a consistent Biblical world view.

This annual report is a summary of the major ministry activities of the Board of Covenant Discipleship for the year 2003 and includes a budget and other recommendations for Synod’s approval.

Board Ministries

The Board of Covenant Discipleship held two meetings this past year February 18-19, 2003; September 16-17, 2003.

The following officers served during 2003: Dr. Charles Steele, Chairman; Rev. Rick Lewis, Vice-Chairman; Miss Lou Ann Aheron, Secretary. These board members were re-elected to serve as officers for the year 2004. The meeting dates for the Board established for 2004: February 17-18, 2004; September 14-15, 2004.

Horizon Conference attendance 395; Quest Conference attendance 415;

Camp Joy 3 full sessions 119 campers and 135 counselors and staff; Appalachian Mission—350 ARP young people and adults from 31 churches conducted Vacation Bible Schools in 18 locations in the states of Kentucky, Tennessee and Virginia ministering to more than 600 children. There were 36 who participated in the summer missions’ trip to Wales (co-sponsored by Covenant Discipleship and World Witness). Twenty-three attended a College Weekend at Bonclarken, 56 attended God’s Third Day Creations in May and 82 Senior Adults attended Bonsenior in October.

Other C.E. Sponsored Programs

Bible Mastery Month was observed in 19 of our congregations. Catechism Recitations: The Children’s Catechism—9 recitations; Westminster Shorter Catechism—2 recitations. Church School Enrollment 15,552.

Use of Curriculum Materials

a. Vacation Bible Schools: Eighty-seven churches reported holding Bible Schools in 2003 with a total enrollment of 6826. Sixty-three had schools for youth and children only; twenty had schools for the entire family. Fifty-two provided nurseries. Some schools reported using more than one type of material. **Materials used:** Augsburg—1; Bible—5; Cook—7; Concordia—3; CRC—1; Gospel Light—22; Great Commissions—6; Group—13; Scripture Press—1; Standard—4; Ventures—1; Other—19; Own—9.

b. Church School: In the Children’s and Youth Divisions, the most popular material is Great Commission, while in the Adult Division, *The Associate Reformed Presbyterian Adult Quarterly* is the most widely used. Listed below are the breakdown of materials used. Consider these figures in light of the fact that 169 churches reported and that some churches used more than one curriculum in a given department.

Literature	Preschool	Elementary	Youth	Adult
ARP	—	—	3	91
Augsburg	-	1	-	-
CRC	11	12	12	3
Cook	23	24	22	25
Bible	11	11	13	31
Great Comm.	45	49	32	14
Scripture Press	-	1	1	-
Standard	5	6	3	-
PCUSA	2	1	2	3
Other	18	15	26	35
Own	2	3	14	24

Recommendations

1. That Covenant Discipleship enter into a partnership with Outreach North America to place a missionary in the Cumberland Gap area where the Appalachian Mission Teams have been serving each summer for the past 25 years.

2. That the Office of Covenant Discipleship be authorized to receive funds from interested individuals and churches in developing the program for an Appalachian Missionary.
3. A motion was made that the General Synod recognize the 25th anniversary of Camp Joy at 2004 Synod.
4. That the Report and actions of the Board of Covenant Discipleship be adopted.
5. That the budget for 2005 be approved.

Respectfully submitted,
Charles Steele, Chairman

Revenues	2004	2005
Contributions		
Total Covenant Discipleship		
DM Allocation	\$ 202,667	\$ 247,875
Total Easter Offering Allocation	14,860	15,306
Total Misc Contributions-Operations	22,143	8,150
Total WSU Contributions	14,860	15,305
Total Miscellaneous Ministry		
Contributions		12,271
Registration and Fees	121,078	111,400
Sales & Subscriptions		
Adult Quarterly Income	53,676	55,287
Interest on Operating Funds	200	206
Special Endow Fund-Covenant Disc	516	531
Total Revenues	\$ 430,000	\$ 466,331
Expenses		
Payroll	\$ 202,727	\$ 217,377
Total Staff Benefits	46,787	56,767
Total Staff Expenses	13,715	13,990
Board/Committee Expenses	12,235	12,602
General Office	27,223	28,476
Total Facility Management	2,472	2,546
Publications Expenses	42,107	43,933
Ministry Disbursements	1,837	1,929
Total Conferences and Training	69,029	70,993
Total Short-Term Mission Trips	11,865	11,865
Total Expenses	\$ 429,997	\$ 460,478

A motion carried as follows:

“That the 200th General Synod relieve the Board of Covenant Discipleship of acting on Memorial #3 from First Presbytery to the 199th General Synod Meeting concerning Morality, and

“That the General Synod direct the Theological and Social Concerns Committee (the intent of the Memorial before it

was amended) to act on this memorial and to report its actions to the 201st Meeting of the General Synod.”

Prayer was offered for the 25th anniversary of Camp Joy and its work by D.L. Pearson.

W. C. Ratchford spoke to the Synod on behalf of the status of and plans for Bonclarken. Grace Hunt spoke to the Synod on the meaning of Bonclarken in her life.

The **Report of the Board of Bonclarken** was considered. The Report of the **Moderator’s Committee on Bonclarken** was presented.

- a. That the recommendations of the Board of be adopted.
- b. That the staff and Board of Bonclarken be commended and thanked for their work.

Recommendations 1-3 of the Board report were adopted. The additional recommendation of the Moderator’s Committee was adopted.

REPORT OF THE BOARD OF BONCLARKEN

Dear Brothers in Christ:

As Chairman of Bonclarken’s Board of Trustees, I want to comment on some of the accomplishments of our Board of Trustees and staff during 2003.

The attention of the Board of Trustees is focused upon meeting the needs of our denomination regarding conference center ministry and operating Bonclarken in a sound financial manner. The board continues to fine-tune the financial management of our conference grounds with the purpose of providing a sound basis upon which to grow the ministry and provide effective programs and services well into the future. We know that generations past have loved and benefited from the ministry of Bonclarken, and we want to assure generations yet to come that our conference grounds will continue to be a place of rest, relaxation, renewal and spiritual growth. We have experienced wonderful blessings at God’s hand, and we feel Bonclarken’s best years are ahead of us.

The Lord blessed our ministry in a number of ways in 2003. The City of Hendersonville has agreed to completely renovate our water and sewer systems and take over the ownership and maintenance of this part of our infrastructure. This has been a major concern of boards for several decades, and at long last this burden has been lifted. While this blessing comes with some costs, the financial outlay is much less than we would have expected and the cumbersome and expensive process of upgrading these antiquated systems has now been laid to rest.

During 2003 we witnessed many young people coming to know Jesus Christ as their Lord and Savior. This occurred during conferences, camps and presbytery retreats. It has long been the emphasis of Bonclarken to

provide a Christian environment in which the young and the more mature can come to know Christ and grow in their faith. To see this happen in such large numbers was very rewarding to our board and staff. Indeed, we served 299 separate groups this past year, more than during any other time in our history, and the opportunities for Christian growth and fellowship were numerous.

We concluded the financial operation of Bonclarken for 2003 with an operating surplus which encourages us that the financial methods we have instituted and the attention focused upon sound financial practices has paid dividends. Additionally, we have reduced the debt on the Youth Activity Building to \$250,000, down from the more than \$400,000 which was owed when the year began. We have funds and pledges equaling \$100,000 toward the remaining debt, leaving only approximately \$150,000 to retire the debt. This is encouraging and reachable—during 2004.

One of the exciting accomplishments of our ministry in 2003 has been the establishment of a “Marketing Team” whose sole purpose is to recruit more churches, Christian schools and organizations to fill our calendar during the cold and slower months of our year. We encourage our churches to invite this team to visit and make a presentation about the activities and ministries available on our conference grounds. We have seen early positive results of this new marketing effort, and we are encouraged that we can broaden our ministry through these proactive measures as well as enhance our financial stability.

As we look to the future and the necessity of change, we have initiated two new subcommittees to address important matters. We have established a “Transition Team” in anticipation of the time when our current director will reach retirement age. Knowing this change lies ahead, we choose to prepare ourselves and provide a platform for a smooth and effective transition. We also realize that facilities and land usage are important matters to consider when planning for effective ministry to more groups and organizations in years to come. Consequently, we have appointed a “Facilities Planning Team” which will consider current, short term and long term facility and land needs. We intend to plan for the future rather than have it slip up on us.

Finally, the Lord blessed Bonclarken with two very special gifts. We received a gift from an ARP family at Pinecrest Church, which will enable us to renovate and improve Terrace Apartments. We plan to make Terrace into a youth facility that will house 40 young people. This is particularly important because of the growth in the numbers of youth attending our camps, conferences and retreats. What a blessing this gift will prove to be as we attempt to meet the needs of a growing ministry. We also received a bequest from the estate of Tom F. McGill of Charlotte, NC. Mr. McGill had been a provider of camp scholarships for many years and had a long history of love and support for Bonclarken. When the estate is settled, it is anticipated that we will receive in excess of \$1,000,000. With recognition of Mr. McGill’s generosity and wisdom, and to the delight of Bonclarken’s board and staff, these funds have been designated to become part of

Bonclarken's permanent endowment. Thereby, many generations will benefit from Mr. McGill's bequest.

The Bonclarken Board of Trustees wishes to thank General Synod for the generous gift you make annually to enable us to meet operating and capital needs. We also wish to thank the many members of our ARP churches whose generous gifts have made it possible for Bonclarken to meet operating and youth ministry needs – specifically the debt on the Youth Activity Building. We encourage your attendance and on-going support as we make plans for Bonclarken's "best years."

Recommendations

We make the following recommendations for your consideration:

1. That General Synod continues to support Bonclarken in the allocation of Synod funds and in the annual special offering.
2. That General Synod continues to encourage all presbyteries, committees and church organizations to use the facilities at Bonclarken more fully for retreats.
3. That the meeting of General Synod be held at Bonclarken beginning on June 7, 2005.

Respectfully submitted,
William C. Ratchford, Chairman
Bonclarken Board of Trustees

	2004 Budget	2005 Proposed
Operating Revenue:		
Rooms	\$ 560,000	\$ 577,000
Food Service	\$ 535,000	\$ 551,000
Activity Fees	\$ 200,000	\$ 206,000
Nibble Nook	\$ 15,000	\$ 15,500
Gift Shop	\$ 35,000	\$ 36,000
Programs	\$ 50,000	\$ 51,500
Camps	\$ 53,000	\$ 54,600
Property Owners	\$ 40,000	\$ 41,000
Miscellaneous	\$ 25,000	\$ 25,800
Total Operating Revenue	\$1,513,000	\$ 1,558,400
Non-Operating Revenue:		
General Synod	\$ 110,000	\$ 113,300
WSU	\$ 9,000	\$ 9,300
Mountain Club	\$ 103,000	\$ 106,000
Churches	\$ 18,000	\$ 18,500
Total Non-Operating Revenue	\$ 240,000	\$ 247,100
Total Revenue	\$1,753,000	\$ 1,805,500

Payroll & Benefits:

Administration	\$ 283,000	\$ 291,500
Maintenance	\$ 118,000	\$ 121,500
Food Service	\$ 142,000	\$ 146,300
Programs	\$ 58,000	\$ 59,800
Guest Services	\$ 98,000	\$ 101,000
Other	\$ 25,000	\$ 26,000
Taxes and Benefits	\$ 229,000	\$ 235,800
Total Payroll & Benefits	\$ 953,000	\$ 981,900

Cost of Sales:

Food Service	\$ 195,000	\$ 200,000
Nibble Nook	\$ 10,000	\$ 10,000
Gift Shop	\$ 9,000	\$ 9,000
Total Cost of Sales	\$ 214,000	\$ 219,000

Other Expenses:

Administration	\$ 105,000	\$ 108,000
Maintenance	\$ 40,000	\$ 41,000
Food Service	\$ 30,000	\$ 31,000
Programs	\$ 70,000	\$ 72,000
Marketing	\$ 30,000	\$ 31,000
Guest Services	\$ 50,000	\$ 52,000
Property Insurance	\$ 85,000	\$ 87,600
Utilities	\$ 169,000	\$ 175,000
Other Expenses	\$ 7,000	\$ 7,000
Total Other Expenses	\$ 586,000	\$ 604,600

Total Operating Expenses	\$1,753,000	\$ 1,805,500
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A motion carried as follows:

“That no further consideration be given for the proposed Bicentennial Memorial Cross and Garden area at Bonclarken and that any funds received for this project be returned to the donors.”

The Report of the Board of Trustees of William H. Dunlap Orphanage, Inc. was considered. (NOTE: Through administrative error, the report submitted to the General Synod by the Board of Trustees of William H. Dunlap Orphanage was the 2003 Report and not the 2004 Report. This was not discovered until after the meeting of the General Synod. Synod did act to approve the recommendations submitted in the 2003 Report, along with a recommendation “that the Dunlap Board be thanked for their faithful and diligent work.” The 2003 Report is not printed herein, but the 2004 Report is included as information. The Dunlap Board will be asked to resubmit recommendation Number 2.)

REPORT OF BOARD OF TRUSTEES WILLIAM H. DUNLAP ORPHANAGE, INC.

[Included as Information]

The Dunlap Board of Trustees (Board) met on two occasions since the last meeting of Synod, November 5-6, 2003, at Bonclarken and March 24, 2004, by telephone conference. Minutes of the meetings have been filed at the ARP Center.

Looking Back

The William H. Dunlap Orphanage (Dunlap) served the Associate Reformed Presbyterian Church for seventy-three years as a home for orphaned and needy children. Since its closing in 1978, the Board has been the arm of the Church seeking to provide care for children who have been deprived of normal parental care. This is done, primarily, through financial support to Christian group homes that provide comprehensive care. The challenge for the Board is to identify and evaluate those ministries that best emulate that which we would do if we were still providing "our" home.

Looking Forward

In its report last year, several ongoing challenges for the General Synod and for the Board were identified

- Shall we be content to focus energy and resources "to support projects related to such children," i.e., orphaned, or fatherless, or helpless, or needy children)?
- Shall we seek to gather greater financial assistance from churches and individuals for this ministry?
- Should the scope of ministry be expanded to include responsibility for providing resources to assist churches to develop child care programs?
- How can Dunlap better partner with churches to identify opportunities for ministry?
- What agency/department should (or will) provide staff support as the agencies are structured and staffed for future ministry?

A task force is looking at these and other issues.

The Board is also developing guidelines for involvement in ministries located outside the geographical areas of our presbyteries and, in particular, ministries located overseas.

We encourage each session to explore opportunities for involvement in ministry to children in the community and to help the Board identify homes that provide comprehensive physical, educational, emotional, and spiritual care in a Christian environment for children. We express thanks to those who have responded. Interested organizations should be encouraged to contact:

William H. Dunlap Fund
Associate Reformed Presbyterian Center
1 Cleveland St., Suite 110
Greenville SC 29601-3696

On receipt of an inquiry, the organization is sent the following:

- Application for Grant
- General Policy and Instructions for Applicants
- Policy Guidelines for the Board of Trustees
- Dunlap Statement of Biblical Christian Faith

Grant applications must be submitted by October 1 to receive Board consideration. To facilitate understanding and evaluation a Trustee is assigned to each applicant. Funding is approved on a calendar year basis and except for ministries that have been approved for an ongoing relationship, funding for current operations generally is limited to five years and is offered on a declining basis.

Additional information and forms for grant application are available on the General Synod web-site: <http://www.arsynod.org/dunlap.html>.

Two ministries, **Palmer Home for Children** and **Collins Home**, have been approved for ongoing relationships. A Dunlap representative serves on each Board:

- Collins Home—David Vickery
- Palmer Home —William B. Everett

These two homes provide opportunities for mission and ministry to individuals and churches. These ministries have been encouraged to inform churches of their ministry and of opportunities for service and involvement. Resources for pastors and other professionals are referenced through the General Synod web site. The Board is recommending that these two homes be approved as “Cooperative Ministries.”

Present Ministry

The following ministries are receiving financial assistance during this calendar year. **Presbyterian Home**, 150 Linden Ave., Lynchburg, VA 24503-2099 (804-384-3138). We provide nominal financial support to Presbyterian Home to open these services to the churches in Virginia Presbytery. Virginia Presbytery has been asked to provide input to the Board on an annual basis to help determine if there is a continuing need to support the ministry. Website: www.phfs.org. **Collins Home & Family Ministry**, Highway 188, P. O. Box 745, Seneca, SC 29679 (864-882-0893), is a non-denominational, Christian family group home, and is funded through private contributions. The home has two residential homes and a Family Center. The Family and Community Outreach Center provides a place to conduct counseling and general educational opportunities for the children and families. Website: www.collinschildrenshome.org. **Palmer Home for Children**, P. O. Box 746, Columbus, MS 39703-0746, (662-328-5704), is “a Christian home for children who have nowhere else to turn.” Established in 1895, it is chartered under the laws of the State of Mississippi and is governed by an independent, self-perpetuating Board of Directors. Two-thirds of the board members must be members in good standing of a Presbyterian. Currently the home has seven cottages, each capable of housing 10 children. A new home is being built in DeSoto County, Mississippi. Website: www.palmerhome.org. **French Camp Acad-**

emy, One Fine Place, French Camp, MS 39745-9703, is “an interdenominational Christian boarding school for young people, mostly teenagers from some type of broken, or troubled, or dysfunctional home situation.” There are many students that meet the Dunlap Fund’s definition of orphaned and live at FCA on a year-round basis. Website: www.frenchcamp.org. **Rafiki Foundation, Inc.**, 19001 Huebner Road #2, San Antonio, TX 78258-4040, 210-244-2600, “befriends developing countries by sending out professionals who operate centers of mercy and offer support in teaching the Bible.” Dunlap’s support is for use in the Rafiki Children’s Center for orphans. Rafiki Children’s Centers are located in Ghana, Nigeria, Uganda, Malawi, and Kenya. Website: <http://www.rafiki-foundation.org/>. A new ministry (pending confirmation of its approval as a registered charity) is **Associate Regeneration Ministries**, %Nancy Joseph, Kuppackel House, Perumpetty PO, Tiruvella 689 592, Kerala, INDIA. The Board is currently evaluating a ministry opportunity in Perumpetty, Kerala State, INDIA. An orphanage is being developed.

The Board continues to provide financial assistance for orphans attending Erskine College. The Board reviews with Erskine on an annual basis the need for financial assistance for orphans and has found a continuing need. Funding is set at \$20,000 per year.

In addition to the Erskine Dunlap Scholarship program, the Board has a scholarship program for Associate Reformed Presbyterian orphans who are unable to attend Erskine College. Interested parties should contact the Board at the ARP Center address.

The Board reiterates its willingness to work cooperatively with other arms of the Church. The Board is willing to explore the development of new ministries that will meet the needs of orphaned children that are not now being met.

Resources

The Dunlap ministry does not receive any current funding from the General Synod and does not participate in any special offerings of the General Synod. The ministry would willingly receive and would participate in the development of any testamentary or deferred gift instruments.

Resources for ministry are provided by

- The endowment established when the Dunlap Home closed plus funds previously held in the Permanent Funds of Synod. These funds are invested under the auspices of the ARP Foundation with a targeted allocation of 75% equity and 25% non-equity. On a yearly basis, up to 5% of the average market value for the three (3) previous years is budgeted for ministry.
- Trusts and restricted endowments which have Dunlap as a beneficiary. Currently Dunlap is a beneficiary of the B. J. Wade Trust, the Ola B. Hunter Trust, and the Kennedy Annuity.

Administrative Activities

Budget for 2005. The budget for 2005 is based on using 5% of the three-year (2002 - 2004) average beginning year market value of invested

funds plus the income from trusts. The actual expenditures for 2005 will be approved at the Fall meeting of the Board. The Board calls to the attention of the General Synod that no denominational ministry funds are requested from the General Synod. Dunlap funds are audited as a part of the General Synod Audit, with financial reports presented to the Board.

Meeting Dates for 2004—2005: November 3-4, 2004, 3:00 P.M., Bonclarken; March 23, 2005, 11:00 A.M. (EST), Telephone Conference Call; and November 2-3, 2005, 3:00 P.M., Bonclarken.

Officers for July 1, 2004 - June 30, 2005:

Chairman: Darrell Peer

Vice-Chairman: William B. Everett

Secretary: Tom Patterson

Treasurer: Guy H. Smith, III.

Ed Hogan serves as the Administrative Officer. The Office of Administrative Services provides administrative support.

Recommendations

1. That the Budget for 2005 be approved.
2. That **Palmer Home for Children** and **Collins Home & Family Ministry** be recognized as "Cooperative" Ministries.
3. That all other actions of the Board, as reported herein, be sustained.

Darrell Peer, Chairman

Tom Patterson, Secretary

WILLIAM H. DUNLAP FUND

Budget

	2004	2005
RECEIPTS		
Earnings for Ministry (5% of 3-year Avg)	\$ 57,669	\$ 56,966
B. J. Wade Estate	39,613	38,370
Ola B. Hunter Trust	2,033	1,698
Kennedy Annuity (Corpus)	495	0
Denominational Ministry Funds	0	0
Total Receipts	\$ 99,810	\$ 97,034
EXPENDITURES		
Administration		
Board Travel & Meeting	\$ 2,510	\$ 2,771
Administrative Support	4,500	4,250
General Office	500	500
Sub-Total for Administration	\$ 7,510	\$ 7,521
Ministry		\$ 89,513
• Collins Home	\$ 27,000	
• Palmer Home	25,000	
• Presbyterian Home, Lynchburg, VA	1,500	
• French Camp Academy*	8,000	

• Rafiki Foundation*	4,800		
• Erskine Scholarships	20,000		
• Associate Regeneration Ministries (Pending)	6,000		
Ministry Sub-Total	\$ 92,300	\$	89,513
Total Expenditures	\$ 99,810	\$	97,034
Reserve for Ministry	\$ 0	\$	0
*Restricted to Home/Full-Time Care			

Following announcements, General Synod recessed for a Coffee Break.

Outreach North America made an audio-visual presentation and a verbal report on the work of Outreach North America. A special plaque was presented to retiring director Jim Corbitt. Wayne Frazier led the Synod in prayer.

The **Report of the Board of Outreach North America** was considered. The recommendation of the **Moderator's Committee on Outreach North America** was presented: "That Recommendations 1-7 of the Board of Outreach North America be adopted."

The recommendations of Outreach North America were adopted.

REPORT OF THE BOARD OUTREACH NORTH AMERICA

CHANGED LIVES, CHANGING LIVES

The Board of Outreach North America praises God for what He is doing in the ARP Church in North America. We are seeing many examples of those whose changed lives are changing lives around them in our church plants and renewed congregations. We see tremendous opportunities for the growth of the ARP Church in the next decade and are thankful for the part Outreach North America plays in helping that growth. This report summarizes the activities of your Board during the last year.

I. Passing the Torch

Our Director, Jim Corbitt, is scheduled to retire at the end of June. Jim became Director in October of 1992 and will have served in that position almost 12 years. A search committee is actively seeking his replacement. We solicit your prayers in this time of transition.

II. Expanding our Boundaries

Synod's National Vision calls us to expand the boundaries of our denomination and states, "**We look forward to the day when the ARP Church is a national church.**" It is obvious that the Lord is opening the doors for this vision to be realized.

Thirty years ago, the ARP Church in North America had churches in 11 states. Today, we have ARP Churches in 22 states and 3 Canadian provinces.

Another state will be added to the list when two churches from Louisiana are received into our denomination. Within a few years, we expect that a new presbytery will be formed from the ARP churches in the southwest. We also have a real opportunity to see some "anglo" ARP churches in Orange County, CA. We have two potential new church plants which could be starting there within the next year. The Board considers these Providential opportunities, which we dare not ignore.

III. Cross Cultural Ministry

Our Moderator has emphasized the importance of ARPs reaching this culture for Christ. The Board of Outreach North America is committed to developing works that will reach the many segments of our culture. We seek to establish multi-cultural new works as well as ethnic church plants. The number of ARP Korean churches is growing with the addition of a number of churches around New York City. We have Hispanic works in the Carolinas, as well as an Iranian Mission Developer working on the pastoral staff of the Church of the Atonement in Silver Spring, MD.

In Houston, TX a new, multi-cultural church is reaching the Bear Creek area under the leadership of Stephane Cobbett who is Afro-American. We expect to see more of these works in the future.

We are also seeking to help ARP's reach Muslims in our culture through ARP Connect. This is a joint venture of World Witness and Outreach North America under the leadership of Ali Mitchell. This ministry started in the Columbia, SC area and has now expanded to the Charlotte, NC area. Joseph Alghrari has joined Ali to assist in the work in Charlotte. Joseph was born in Iraq and is a student of theology under the care of First Presbytery. He is working part time as an intern.

Another new joint venture is the Appalachia Outreach. ONA has joined with Covenant Discipleship in seeking to send a full time Missionary to the area of Appalachia where hundreds of ARP young people conduct Vacation Bible Schools each summer. Every year we see many conversions but most of those students remain unchurched. The goal is to disciple those converts year around and to see them actively involved in church. If this mission work bears fruit, it could result in the possibility of establishing an ARP mission church in the area.

IV. Church Vitality

Outreach North America's purpose is to "INTRODUCE PEOPLE TO JESUS CHRIST BY HELPING OUR PRESBYTERIES PLANT NEW CHURCHES AND RENEW OUR EXISTING CHURCHES". Church renewal and revitalization is a major concern of the Board. We have been conducting revitalization programs for our churches since 1990. Four churches participated in our most recent revitalization program and most report positive results from their participation.

It has been difficult, however, to recruit churches to participate in this program. Therefore the Board is exploring a new renewal program for our churches which has been developed recently. The new approach is called Natural Church Development which has been used in thousands of churches across the world.

Natural Church Development is based on an international study by Christian Schwarz of one thousand healthy and growing churches. The emphasis is on church health before church growth. He found that there were eight quality characteristics that were common to all of the healthy and growing churches he studied. His argument is that if your church is above average in all eight of those characteristics, then your church will grow. A healthy church grows naturally.

A number of our ministers and laymen have been trained in this program and are available to serve as coaches for churches that are interested in participating. Churches involved in the program take a congregational survey and the results are fed into their computers and compared to all the thousands of churches that have participated in the program. The church receives a rating in each of those eight characteristics. Then they concentrate on the lowest rating. Improving that characteristic usually improves all the others.

A number of our churches have expressed an interest in utilizing this program. At this point, seven churches have taken the survey and at least five others plan to take it.

We look forward to working through this renewal process with these churches. We would also encourage all our churches to consider utilizing Natural Church Development as a tool in helping to maintain Biblical health.

V. Church Planner Recruitment and Training

Finding men who have the necessary mix of gifts to be successful church planters is an on going challenge. We conduct at least one Assessment Center with the Evangelical Presbyterian Church each year at Bonclarken to assess potential church planters. Last year we conducted two; one in Bonclarken in February and another in Memphis in August. We just completed another one at Bonclarken in February 2004 and will probably conduct one this summer. We praise God for the renewed interest in church planting among our ministers and seminary students.

We also offer training for church planters. They are required to attend a seminary course in church planting taught by Steve Childers. We also hold a church planters and wives retreat each year at Bonclarken in January. This year's retreat was led by Johnny Price, Director of the Caleb Group and by Bob Stauffer who is the National Outreach Director for the Evangelical Presbyterian Church. We had a total of 68 attending the retreat which included 23 children.

In addition, we provide internships for our potential church planters. They work alongside a church planter in order to gain on the field experience in planting churches. It is very helpful for our candidates to be involved in a church plant before they go out to plant a church on their own.

VI. Promoting Church Planting and Church Renewal

Our prayer is that our churches would gain a Great Commission Vision for North America. The Board is preparing a special presentation that we would like to present to our churches. This presentation will involve a video/DVD along with some printed material that would be presented by

a representative from ONA and/or the Presbytery Church Extension Committee to our congregations. We know that greater involvement in the work of ONA by our churches will have a real impact on the church planter and his work. Not only that, it will also have a real impact on the lives of those in established churches.

The future of our denomination is dependent upon our commitment to church planting and church renewal. That is clearly seen in what has happened in the last 30 years in the ARP Church. A comparison of the minutes from 1973 with those of 2003 showed the following

1. There are 139 churches on our rolls today which were not there in 1973.
2. These 139 churches were either started by us as mission churches(75) or else were received from outside(64).
3. These new churches comprise 52.6% of our churches and report 13,730 members.
4. In 1973 there were 148 churches. Today 23 of those churches are no longer on the rolls. We have lost 7,062 ARPs from the rolls of those 148 churches since 1973 .
5. If it were not for our new works and the churches that have come into our Synod, we would be a denomination of only 21,649 members in 125 churches rather than a denomination of 35,556 members in 264 churches.

VII. Support for the work of Outreach North America

The Board is faced with more requests and opportunities for church planting than we have funds to support. It is expensive to plant new churches and we have not made adjustments for inflation since the mid nineties. The Board is considering a number of changes to help secure adequate funding for our new works.

One important change is that new church planters are going to be asked to form a support team before they go on the field. This support team will help overcome the feelings of loneliness and isolation which many church planters encounter. The support team will also provide a small part of the financial support for the mission congregation. The mission developers will need to speak to churches and individuals who may be interested in supporting their work. The support team can help the work in many ways, including prayer, encouragement, and meeting practical needs. Most of the funding for new church plants will continue to come from ONA and the Presbytery.

Last year the Board received a gift of 15 tracts of land in Florida from Sunvest Resorts, Inc. To date, two tracts have been sold and two more are under contract.

The proceeds to date will be used to install water and sewage on those tracts that do not have them. These improvements will make the properties far easier to sell.

The Board continues to give matching grants to church plants for the purchase of property. These grants come from our Permanent Endowment Fund which was raised from our last Capital Fund campaign. The

Fund principal is at \$2,119,373, and each year around \$100,000 is given from the earnings of the Fund to help with new church development. These earnings are disbursed in two ways: 40% goes back to our presbyteries for church extension work, and 60% is used by ONA for matching grants for land or building for new churches.

VIII. Status Report on the Work

Five new works were started in 2003. They are the Columbia, NE mission in Columbia, SC with David Zimmerman, the Providence mission in Mt. Pleasant, SC with Richard Brown, the New Millennium mission in Bear Creek, TX with Stephanie Cobbett, the Hernando Reformed in Hernando, MS. with Steve Woods, and the Trinity mission in Chatham Ontario with Henry Bartsch. In 2003, three missions were organized as particular congregations. They were Hope in Tampa, FL, Calvary in Concord, NC and Ambassador in Apex, NC. At the end of 2003 there were 39 mission churches in our denomination supported by either/or the Presbyteries and Synod (through ONA).

The following 19 churches received funding from Synod during all or part of 2003.

Catawba Presbytery

Columbia, NE, Columbia, SC
Good Shepherd, Houston, TX
Grace Covenant, Irmo, SC
Hope, Pearland, TX
Iglesia Biblica, Columbia, SC
Living Waters, Lake Wylie, SC
Millennium, Bear Creek, TX
Providence, Mt. Pleasant, SC

Rev. David Zimmerman
Rev. Jan Sattlem
Rev. Jerry Berry
Rev. Gentry McColm
Rev. J. J. Diaz
Rev. Bill Babson
Rev. Stephanie Cobbett
Rev. Richard Brown

First Presbytery

Centerpoint, Winston - Salem, NC
Christ Community, Franklin, NC
Open Door Korean, Charlotte, NC
Waxhaw ARP, Waxhaw, NC

Rev. Jim Wittke
Rev. Terry Bloemsma
Rev. Eung Chu Lee
Rev. David Satterfield

Florida Presbytery

New Work, Palm Beach County, FL

Rev. Rafael La Guardia

Mississippi Valley Presbytery

Hernando Reformed, Hernando, MS

Rev. Steve Woods

Northeast Presbytery

Good News, Fredrick, MD
Good News, Mesa, AZ
Trinity, Chatham, Ontario

Rev. Peter Kemeny
Rev. Clyde Reed
Rev. Henry Bartsch

Virginia Presbytery

Redeemer, Blacksburg, VA
Wellspring, Troutville, VA

Rev. David Vance
Rev. David Blugerman

The proposed budget for 2004 - 2005 is attached.

The officers of the Board for 2004 -2005 are

Chairman—Rev. Alan Avera

Vice Chairman—Rev. Wayne Frazier

Secretary—Mrs. Penny Thornton

Recommendations

1. That Synod encourage Presbyteries and churches to invite church planters and representatives from the Presbytery's Church Extension Committee and ONA to present the special program and film to our congregations that they may learn more about the desperate need for church planting and church renewal in North America.
2. That Synod encourage churches to broaden their vision for reaching our culture by exploring how they can be involved in helping to daughter a new church, or by providing support to nearby church plants with prayer, visits, short term volunteer work and financial support.
3. That Synod encourage our churches to learn more about our ministry to Muslims and to investigate how they might become involved in that ministry in their neighborhoods by inviting ARP Connect to make a presentation to their church.
4. That Synod approve the following change to the ONA Policy Book concerning the interest rates for the Revolving Loan Fund Amend VI, C,3 b, 3 by eliminating the phrase "however the rate will not fall below 5 %" and add "when the ONA rate falls below 5%, the loan will be made at the lower of either 5% or the commercial bank rate".
5. That pastors and students of theology be encouraged to prayerfully investigate a possible call to church planting.
6. That Synod commend the faithful service of Jim Corbitt as Director of Outreach North America, that Synod pray for him as he transitions to retirement, and that Synod pray for our transition to a new Director of Outreach North America.
7. That the proposed budget be approved.
8. That the report of the Board of Outreach North America be approved.

Respectfully submitted,

Alan Avera, Chairman

OUTREACH NORTH AMERICA

Operations Budget for Administration & Program

	2004		
	Revised		2005
Administration & Program Receipts			
Denominational Ministry Funds	\$	395,399	\$ 284,833
Direct Support and Specials	\$	500	\$ 515
Hillcrest Fund	\$	5,979	\$ 5,786

Manse Loan Fund Invest Income	\$ 10,644	\$ 10,178
Mattie B. Ellis Fund Income	\$ 542	\$ 515
Operating Fund Interest	\$ 3,673	\$ 2,030
Permanent Fund Income	\$ 5,765	\$ 5,482
Ralph Grigsby Fund	\$ 1,652	\$ 1,573
Revitalization – Church Fees	\$ -0-	\$ 12,000
Special Endowment Fund (Pratt)	\$ 750	\$ 750
St. Andrew Church Fund	\$ 6,890	\$ 6,604
Special Offering	\$ 16,500	\$ 20,000
WSU Unrestricted	\$ 22,000	\$ 22,000
Admin. & Program Receipts Total	\$ 470,294	\$ 372,266

Administration & Program Disbursements

Administration

Director of Outreach North America

Salary & TDA	\$ 35,240	\$ 36,297
Housing	\$ 32,957	\$ 33,946
Retirement	\$ 5,797	\$ 5,971
Insurance	\$ 14,544	\$ 15,998
Director Sub-total	\$ 88,538	\$ 92,212

Administrative Support Sub-total	\$ 117,483	\$ 71,993
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Staff Expenses Sub-total	\$ 23,595	\$ 24,761
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General Office and Board

General Office	\$ 15,722	\$ 16,194
Rent	\$ 8,648	\$ 8,907
Board Travel & Meeting	\$ 15,070	\$ 15,522

Promotion and Publicity

Video Project	\$ 25,000	\$ -0-
Outreach	\$ 6,592	\$ 6,790
Other	\$ 15,000	\$ 15,000

General Office and Board Sub-total	\$ 86,032	\$ 62,413
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Administration Sub-total	\$ 315,648	\$ 251,379
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Mission Development

Mission Developer Training

Assessment Center	\$ 14,737	\$ 15,474
Mission Developers Retreat	\$ 15,351	\$ 16,119
Mission Dev.Training/Support	\$ 27,633	\$ 29,014
Church Planting Course	\$ 2,000	\$ 2,000
Intern Program	\$ 111,240	\$ 114,577

Mission Dev. Training Sub-total	\$ 170,961	\$ 177,184
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Coordinator Supplements

Catawba Presbytery	\$ 6,000	\$ 3,000
Florida Presbytery	\$ 6,000	\$ 3,000
Consultants	\$ 7,000	\$ 7,000

Development Sub-total	\$ 19,000	\$ 13,000
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Revitalization

Revitalization Sub-total	\$ 18,000	\$ 18,000
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Program Sub-total	\$ 207,961	\$ 208,184
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Administration & Program Disb.	\$ 523,609	\$ 459,563
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Operating Fund Reserve

Change in Fund Balance	\$ <53,315>	\$ <87,297>
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Beginning of Year Fund Balance	\$ 188,619	\$ 135,304
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End of Year Fund Balance	\$ 135,304	\$ 48,007
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Operations Budget for**Church & Mission****Church & Mission Receipts**

Denominational Ministry Funds	\$ 254,566	\$ 381,006
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Interest on Reserves	\$ 3,162	\$ 960
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Reclassification of Special Alloc.	\$ -0-	\$ -0-
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Church & Mission Receipts Total	\$ 257,728	\$ 381,966
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Church & Mission Disbursements

Evangelism

The ARP Connect (Muslim Ministry)	\$ 20,000	\$ 20,800
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Appalachia Missionary	\$ 30,000	\$ 30,000
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Erskine Mission's Conference	\$ 1,500	\$ 1,500
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Undesignated	\$ -0-	\$ 10,000
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Evangelism Sub-total	\$ 51,500	\$ 62,300
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Multi-Cultural Supplements

Catawba Presbytery

Iglesia Biblica (Columbia, SC)	\$ 2,000	\$ -0-
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New Work	\$ -0-	\$ 12,000
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Multi-Cultural Sup.Sub-total	\$ 2,000	\$ 12,000
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Bi-vocational Plants

Virginia Presbytery

Greyfriars (Blacksburg)	\$ 12,000	\$ 4,000
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Bi-vocational Plants Sub-total	\$ 12,000	\$ 4,000
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New Church Development

Canadian Presbytery

Trinity (Chatham, Ontario)	\$ 13,333	\$ 13,333
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Catawba Presbytery

Grace Covenant	\$ 5,000	\$ -0-
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Providence (Mt. Pleasant)	\$ 26,667	\$ 16,667
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Habersham (Beaufort)	\$ 22,500	\$ 22,500
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First Presbytery

Waxhaw	\$ 23,333	\$ 13,333
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Tennessee-Alabama Presbytery

Pensacola	\$ -0-	\$ 30,000
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New Church Development Sub-total	\$ 90,833	\$ 95,833
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New Church Plants			
Catawba Presbytery			
Hope, Pearland, TX	\$	32,083	\$ 2,500
New Millenium	\$	48,750	\$ 22,500
New Song (Columbia Urban Strategy)	\$	55,000	\$ 30,000
First Presbytery			
Florida Presbytery			
Park Springs Daughter Church	\$	30,000	\$ 55,000
Mississippi Valley Presbytery			
Hernando	\$	57,500	\$ 42,500
Pacific Presbytery			
South Orange County	\$	52,500	\$ 67,500
Virginia Presbytery			
New Church Plant Sub-total	\$	275,833	\$ 220,000
Partnership Plant			
Catawba Presbytery			
Living Waters	\$	4,167	\$ -0-
Partnership Plant Sub-total	\$	4,167	\$ -0-
Providential Contingency			
Undesignated	\$	-0-	\$ 20,000
Providential Contingency Sub-total	\$	-0-	\$ 20,000
Church & Mission Sub-total	\$	436,333	\$ 414,133
Church & Mission Reserve			
Change in Fund Balance	\$	<178,605>	\$ <32,167>
Beginning of Year Balance	\$	242,620	\$ 64,015
End of Year Balance	\$	64,015	\$ 31,848
Operations and Ministry			
Budgeted Receipts	\$	728,022	\$ 754,232
Budgeted Disbursements	\$	959,942	\$ 873,696
Change in Fund Balance	\$	<231,920>	\$ <119,464>
Beginning Fund Balance	\$	431,239	\$ 199,319
Ending Fund Balance	\$	199,319	\$ 79,855

A special prayer was offered on behalf of the transition team with regard to their search for the new director of Outreach North America.

A motion from Catawba Presbytery concerning its presbytery boundaries was presented and adopted.

“That General Synod change the geographical bounds of Catawba Presbytery by adding the States of Louisiana and Texas to be included with the bounds of Catawba Presbytery.”

A motion from Florida Presbytery was presented and adopted.

“That the General Synod endorse the agreement between Pacific Presbytery and Florida Presbytery, allowing Florida Presbytery to support the development of a church in Orange County, CA.”

Following comments from John Carson and Neely Gaston, the **Report of the Board of Erskine** was considered. The Report of the **Moderator’s Committee on Erskine** was presented.

- a. That Recommendations 1-6 of the Board be adopted.
- b. That Synod be encouraged to pray for Dr. R. J. Gore that he be kept and returned safely to his home and work.
- c. That President John Carson, his Board, and staff be thanked for their splendid service at Erskine College and Seminary.
- d. That the Erskine College Chaplain, and the faculty of the Department of Bible, Religion and Philosophy be commended for their faithful adherence to the theology and doctrines of our church, both in their teaching and in their individual lives.

Recommendations 1-6 of the Board report were discussed and adopted. The additional recommendations of the moderator’s committee were adopted.

REPORT OF ERSKINE COLLEGE

Fathers and Brethren,

What is the relationship between Christianity and higher education? Let me give you a *Gastronomic* (Good Eating) illustration. I have finicky taste buds—I never like to put salt on my food at the table. If foods are not seasoned properly when they are prepared, it is impossible to compensate for that oversight later. Proper preparation allows seasoning to penetrate the food and bring out the flavor. The salt does not dominate. It enables the food to reach its full potential. Salt and food are allies, not enemies.

Faith is not the enemy of knowledge. Authentic Christianity does not confuse, water down, or tamper with authentic scholarship. Instead, the light of the Gospel displays academic excellence in all its radiance. It brings perspective to the events of history, wonder to experiments in the laboratory, and poignancy to the classics of literature. When stalemates arise between the two—as they always have and always will—each must humbly recall the times it has been embarrassed by its own shortsighted absolutes. Theories come and go—not merely over centuries but overnight. Neither Christianity nor higher education can retreat to the citadel of the closed mind.

Professors and students should consider what Christian faith says to ethical dilemmas which students who major in particular disciplines may

encounter. Instances of such dilemmas are legion: computer viruses, insider trading, genetic manipulation, steroids, nuclear waste, oil spills, and manipulative interpretations of history for political ends.

The founders of Erskine College got it right when they chose our motto, "*Knowledge joined with morals.*" Life does not give us the luxury of a choice between the two. Christian higher education begins its journey in search of truth not along two roads but one, not with an answer to every question but with reliance upon the Holy Spirit and openness to all, not with a dogma which resolves every difficulty but with a faith which transforms each.

Excellence in Learning: Biology Professor David Ritland, Ph.D., was selected *SC Governor's Professor of the Year* —competing against professors from all four-year colleges and universities in South Carolina.

Enrollment Management: For the past three years, Erskine College has enrolled 580⁺ students, very close to its optimum number of 600.

Business and Finance: Erskine welcomes Melvin Barnette as Vice President for Finance and Operations, a position he held previously at Clemson University.

Seminary Administration: Vice President Neely Gaston is pursuing extraordinary opportunities, including the opening of an extension site at First Presbyterian Church in Columbia, SC, where Dr. Mark Ross will become the first resident professor. Dean R. J. Gore is serving as an Army Reserve Chaplain in Iraq.

Gold Campaign: God has opened up the hearts and pocketbooks of countless individuals to move Erskine to \$20 million at the halfway point of the campaign. Pray that this campaign will reach its goal of \$35.3 million.

Public Relations Awards: This Department continues to garner awards for its excellent publications. Most recently the new Viewbook won Best of Show and Silver Award (PICA & Admissions Marketing Report) and the alumni magazine won a Special Merit Award (Council for Advancement and Support of Education).

Drummond Award Banquet: South Carolina's political, civic, and corporate elite met for the second straight year to honor the Drummond Statesman of the Year. This year's recipient was Judge Matthew Perry. Keynote speaker was Senator John McCain.

Chaplain: Paul Patrick's large group Bible Study at *The Barn* is an important new component in his strategy to reach the campus for Christ and disciple students.

Pre-Synod Conference on Worship: Erskine professors Drs. Bill Evans, Don Fairbairn, and Dale Johnson will be joined by John R. deWitt and John Kimmons on Monday evening and Tuesday morning to focus on Reformed Worship.

Cabinet Leadership: Dr. John L. Carson, President; Dr. Donald V. Weatherman, Vice President and Dean of the College; the Rev. H. Neely Gaston, Vice President of the Seminary; Dr. R.J. Gore, Dean of the Seminary; Mr. Melvin E. Barnette, Vice President for Finance and Opera-

tions; Mr. Lee W. Logan, Vice President for Development; Dr. John T. West IV, Vice President for Institutional Relations; Mr. R. Monty Wooley, Vice President for Student Services and Athletics; and Dr. Stephen B. Sniteman, Chief Marketing Officer.

Commencement and Baccalaureate Services, May 15-16, 2004:

U.S. Senator Lindsay Graham gave the College commencement address and Dr. Jimmy Agan preached the baccalaureate sermon on Saturday. Dean Emeritus Randy Ruble gave the Seminary Commencement address on Sunday afternoon. Honorary degrees were awarded to Bill Patrick of Greenwood, SC; Lawrence McCleskey of Columbia, SC; and Robert Moultrie of Smyrna, GA.

Board of Trustee Leadership, 2004-05: John T. Moore, an elder in the First Presbyterian Church in Columbia, SC, has been re-elected Chairman for 2004-05.

ACADEMIC/ENROLLMENT

Academic

- The following faculty were hired for the 2003-04 academic year: Dr. Chrystal Bruce, assistant professor of chemistry; Mr. Brad Drake, Instructor of Athletic Training/Athletic Trainer; Dr. Joanne Jumper, associate professor of education; Dr. Evetta Lawrence-Davis, assistant professor of education; Dr. Paul Schmelzenbach, assistant professor of physics; and, Dr. Alf Walle, associate professor of business administration.
- Two new admissions counselors were hired for the 2003-04 academic year: Mr. Russell Hill, a 2001 graduate of Erskine College, and Miss Martha Peake, a 2003 graduate of Erskine College.
- Dr. David B. Ritland, Professor of Biology, was named 2003 South Carolina Governor's Professor of the Year. This award is given annually by the South Carolina Commission on Higher Education.
- The E. B. Kennedy Scholarship competition came to a successful conclusion in January with the selection of Miss Virginia Suarez of Mt. Pleasant, SC, and Mr. Jimmy Turner of Lecanto, FL.
- Erskine student, Mr. John Propst, and his faculty mentor, Dr. Rachel Smith, completed an undergraduate research project sponsored by the South Carolina Independent Colleges and Universities. Mr. Propst gave a presentation on results of their research at a meeting hosted by the Fluor Corporation.
- Advertisement is under way for one tenure-track faculty position in the Department of Mathematics for 2004-05.
- Renovations in Memorial Hall were completed in January.
- A graphics design art lab has been set up in the Daniel-Moultrie Science Center for our new art major. The funds for this project were made possible by a generous gift from Dr. and Mrs. Richard G. Taylor, Jr. of Greenville, SC.

Bowie Arts Center

- Ms. Margaret Adams, Director of Bowie Arts Center since its inception, will retire June 30, 2004.

Enrollment Management

- Erskine College began the 2003-04 academic year with 581 full-time equivalent (FTE) students. With 42 full-time equivalent faculty, this gives us a student/faculty ratio of 14 to 1.
- Our freshman class numbered 177; we also had 11 transfer students.
- Freshmen enrolling for the 2004-05 school year at Erskine College are the first benefactors of a new financial aid program being inaugurated by the institution. The new program takes into account factors other than SAT/ACT scores and grade point average. There are non-academic factors involved, such as whether students are involved in their church, school and community.

Information Technology

- The College has signed an agreement with an international company to market Dr. Bill Junkin's BQ program; Dr. Junkin is the Dean for Learning and Technology.

McCain Library

- Interior renovations to the library foyer and reference area have been completed.
- The library's Department of Archives and Special Collections is now fully functional in Reid Hall.
- A grant was recently submitted for funding library technology initiatives.

MARKETING AND PUBLIC RELATIONS

- Julie Miner has been promoted to Director of Marketing and Publications, Joyce Guyette to Associate Director of Public Relations, Jennifer Pellin to Web Coordinator, and welcomed as News Coordinator, Rick Hendricks, formerly regional editor of the Greenwood Index-Journal.
- Five major awards, including a Best of Show and Silver Award for the College Viewbook (PICA & Admissions Marketing Report) and Special Merit Award for the alumni magazine (CASE), Award of Excellence for the Gold Campaign Donor Viewbook (CASE), and Special Merit Award for the Gold Campaign news series (CASE) have been received.
- A series of news releases and publications regarding the Gold Campaign, the Drummond Award Banquet, Seminary News, a special Gold Campaign edition of Inside Erskine, and Admissions pieces have been published.
- The Gold Campaign Web site, the Drummond Center Web site, and redesign of all departmental Web pages have been created and launched.
- Light boxes for Moffatt Dining Hall have been created.

FINANCE/FACILITIES

Finance

- Erskine welcomes Melvin E. Barnette as Vice President for Finance and Operations. Mr. Barnette was with Clemson University for thirty years, the last nine of which he served as Clemson's Vice President for Business and Finance. After retiring from Clemson in 1986, he has been President and Principal of his own management consulting firm.
- The College Endowment funds were valued at \$39,057,764 as of June 30, 2003.
- College tuition/fees/room/board will increase by 3.9% in FY2004-05, raising the average total cost to \$24,055.
- Seminary fees will increase in FY2004-05 to \$260 per hour for the Master's programs and \$275 per hour for the Doctor of Ministry program.
- For FY2004-05 the College will have approximately \$1,703,702 in College and Seminary scholarship income.
- The administration and Board continues its commitment to a balanced budget for FY2004-05.

Facilities

- Major projects completed include the renovations of Moffatt Dining Hall, Robinson Dorm, Kennedy Dorm, Memorial Hall, Watkins Student Center TV Room, and Java City (a new coffee, bakery, smoothie bar). Other projects completed include renovation of Reid Hall, Lesesne Auditorium, and McCain Library.
- Projects in progress include the installation of an elevator, apartments, and offices in the basement of Bowie Divinity Hall.
- The Facilities building and shop continue to be a critical need. The administration is continuing to solicit funds to renovate this facility.

DEVELOPMENT

- The Gold Campaign (our Capital Campaign) will reach its mid-point in the summer of 2004 with scheduled completion set for December 31, 2006. The goal has been set at \$35,300,000; as of January 31, 2004, over \$17,738,000 has been secured in pledges with over \$9,000,000 already paid. Joe and Kathy Black, Campaign Co-chairs, are confident of success, but we must continue to secure new gifts at the same excellent pace that has been the hallmark of the first half of the campaign. Projects are: Endowed Scholarships, Memorial Hall, Drummond Center, Erskine Building, Endowed Athletic Support, Annual Fund, Seminary, and Other.
- In September 2004, alumni and friends of Erskine will be asked to give to the campaign.
- The Alumni Association and the Board of Counselors have recently completed a review of all operations and structures leading to a much improved organization.

- Alumni Association highlights:
- Expanded board membership to 24
- New Annual Fund plan
- Many more area activities and special events upgrade
- Board of Counselors highlights:
- Designed and funded an Academic Hall of Fame Recognition plaque
- Identified focus issues and appointed subcommittees
- The Development Office assisted the Town of Due West in securing funds for streetscape improvements.
- An Office of Planned Gifts is fully operational with marketing materials and a Web Page.

INSTITUTIONAL RELATIONS

Institutional Relations

- The Drummond Center, the Kettering Foundation, and Clemson University will sponsor the second annual deliberative forum for the November 2004 legislative orientation.
- The Drummond Center hosted a National Issues Forum on the Erskine campus in November 2003. Topics discussed were health care, terrorism, and economic development. Those in attendance included professors, community leaders, and students from Erskine and other institutions.
- The South Carolina Association of Colleges and Universities (SCACU) requested the Drummond Center and the Kettering Foundation provide the program at its annual meeting on February 6-7, 2004. The theme of the retreat was "Higher Education's Place in the Economic Development Plan of South Carolina." Dr. Carson served as president of the organization this year.
- The Drummond Award Banquet was held March 1 at the Embassy Suites Hotel in Columbia, SC. The Honorable Matthew J. Perry Jr., Senior Federal Judge of SC, was presented with the second annual Drummond Award for Statesmanship. Senator John McCain (AZ) delivered the keynote address.
- The Middle School and High School Essay Project was announced during the Drummond Award Banquet. Students in middle and high schools in South Carolina will have the opportunity to write an essay on the topic of statesmanship for a cash prize. The teacher of the winning student's work will receive a grant of \$500 to further community deliberation in their community.
- Erskine will receive a 99-year lease on a lakefront lot (\$250k) on the shore of Lake Russell in Abbeville County to develop an Educational Center.
- The Small Business Incubator received a \$65,000 grant for equipment and staff support from USDA.

Chaplain

- The campus ministry effort at Erskine to "reach students for Christ and to equip students to serve" has emphasized the use of a large group Bible study, small groups, and one-to-one's. The

large group Bible study (Student Fellowship at the Barn) began in the fall and met in a remodeled barn located off campus. Students and faculty (140) gathered the first evening for a cookout, time of singing and Bible study led by the Chaplain. This weekly cookout and Bible study continued throughout the semester and in the spring moved on campus to the Hangar. This setting has provided a means for discipleship and growth in grace for our students as well as a time for building Christian community.

- Small groups and group leaders are being developed as well. At least 10 small groups were offered each semester, led by a combination of the Chaplain, faculty, and upperclassmen addressing various topics and books of the Bible.
- One-to-one discipleship with the Chaplain, faculty, and upperclassmen has blossomed this year. Students are beginning to take initiative in ministering through relationships to other students.
- An occasional "Men's Fellowship" comprised of the male students on campus has begun to meet for conversation and prayer regarding specific issues. A similar ministry for our female students is being explored.
- The Spring Break Wales mission continues to attract 10-15 students for global ministry-service, while the newly developed "Widow's Ministry" now provides a local ministry-service emphasis. Nearly 20 students spent their Spring Break in the Due West area participating in hospitality and maintenance ministry opportunities to local widows.

STUDENT SERVICES AND ATHLETICS

Programs

- An extensive orientation program (including CPR/First Aid certification, leadership training, risk behavior identification, etc.) was conducted for Student Life Assistants and Resident Directors from August 20-25. This time was highlighted by a three-day retreat to Bonclarken.
- A five-day Freshman Orientation (including computer, library, and study skill instruction, alcohol/other drug education and service opportunities) was conducted from August 26-31. Consideration is being given to extending Freshman Orientation to a week for fall 2004.
- Residence Life programs continue to be conducted in residence halls (examples include: programs on sexual assault; effective weight management).
- "Understanding Relationships" seminars conducted for Erskine females by Robyn Agnew.
- Student Affairs Officers from SC Independent College Association hosted by Erskine on March 9; Dr. Parker Young served as the keynote speaker.
- A leadership workshop was conducted in early Fall for organizational leaders and advisors of all student organizations on campus.

- Brooke Clinton organized and promoted more than 40 mini-sessions during Winter Term. Students, staff and community members taught sessions which included calligraphy, target shooting, digital photography, and knitting.
- Throughout the year, there has also been an active intramural program for all Erskine College and Seminary students, faculty and staff.

Renovations

- Java City (a coffee shop) was created in the breezeway between Watkins Student Center and Snapper's. This facility provides a comfortable place for students, faculty and staff to gather to exchange ideas, study, and fellowship.

Housing

- Housing reservations for the 2004-05 academic year took place the week of April 5.

Student Elections/Appointments

- David Dangerfield was elected President of the Student Government Association for the 2004-05 academic year.

Spring Events

- Spring Fling, sponsored by the Erskine Entertainment Board, was held April 2-3.
- Relay for Life, a benefit for the American Cancer Society, was held April 30.

Athletics

- Mark Peeler is the newly named Athletic Director.
- Erskine hosted the men's and women's basketball championship tournament and the CVAC Conference Winter meeting March 4-6. College presidents and athletic directors from eleven institutions were on campus.

Career Services

- In February, 24 seniors were awarded interviews during the South Carolina Independent Colleges and Universities' (SCICU) Interview Day.
- The annual Erskine/Lander Education Fair was held on March 11. Seventeen Erskine education majors interviewed with 73 recruiters from 45 school districts and private schools.

Public Safety

- Automatic locking systems and video surveillance are now present on all entrances and exits of all the undergraduate housing facilities.
- Public Safety officers maintain accreditation with Criminal Justice Academy.
- An approved system of reporting crime on to SLED (South Carolina Law Enforcement Department) has been installed and approved.
- Two long-range plans to be addressed: Emergency Preparedness and Victim's Assistant Program.

Recommendations

The following requests and recommendations are offered by the Board of Trustees. That the General Synod:

1. Thank God for His sustaining mercy during the past year and pray continually that Erskine may “grow in wisdom and in stature and in favor with God and man.”
2. Grant the following requests for funds:
 - **Operating Budget Request:** College/Seminary request for a total of \$613,246 in operating funds for 2005 (a 10% increase over 2004 actual funds received). These funds will be used as unrestricted revenues for current fund operations and scholarship support.
 - **Special Appropriation for Chaplain:** The Chaplain, Paul Patrick, has been devoting his full attention to the spiritual needs of Erskine students as well as faculty and staff. Erskine is grateful that the ARP Synod has contributed \$25,000 annually since 1988. However, in light of cost of living increases, Erskine requests a \$23,000 increase to bring the total support for this item to \$48,000 for 2005.
 - **Associate Reformed Presbyterian Student Union:** The Board of Trustees requests financial support of \$500 to assist the important work of our denomination’s Student Union.
 - **Faculty/Staff Salaries:** Erskine appreciates the encouragement provided us several years ago with \$50,000 for faculty/staff salaries. Although Erskine is much stronger now than then, the current economic situation that resulted in the drop in our endowment, once again forced the College not to include any raises in the budget for fiscal year 2003-04. Therefore, Erskine requests **\$50,000** for faculty/staff salaries.
3. Designate special days when the work of Erskine College and Seminary may be presented before the congregations of the Associate Reformed Presbyterian Church and receive—in conjunction with other Synod agencies—a special offering.
4. Encourage local churches to use their bulletins, newsletters, and other means to publicize events at Erskine College and Seminary.
5. Ask presbyteries and presbyterials to invite representatives from the College and Seminary to participate in youth conferences, retreats, and/or special events.
6. Remind ministers and their staffs to make known to their high school students the E. B. Kennedy Scholarship Program, the Great Erskine Lock-In, and other spiritual and educational opportunities, and to encourage all who desire to be equipped for ministry to avail themselves of conferences, lectures, and other educational opportunities at the Seminary.

Yours in Christ,

John L. Carson, Ph.D., President

REPORT OF ERSKINE THEOLOGICAL SEMINARY

Fathers and Brethren:

- Once again, we at Erskine Seminary give thanks to the Lord for his blessings over the past year. As the report below shows, God has given us the privilege of serving Him in many exciting ways. We are especially thankful to the A.R.P. churches for your financial support, your prayers, your students, and your kind words of encouragement. We are committed to continuing to serve the A.R.P. Church. We currently have 41 ARP students enrolled for the spring term and 42 were enrolled in the fall term.
- Permanent teaching faculty for the year included Bible professors Adrian Smith, Doug Culver, Loyd Melton, and George Schwab; Theology and Church History professors Richard Burnett, Don Fairbairn, R.J. Gore, Dale Johnson, and Merwyn Johnson; and Ministry professors Robby Bell, Jerdone Davis, Robert Glick, Steve Lowe, "Scoti" Old, and Luonne Rouse. Part-time faculty were Thomas Bowman, John Brinsfield, Steve Clyborne, Paul Dean, Jack Heinsohn, Mary-Ruth Marshall, Randy Ruble, Tommy Tucker, Doug White and Susan Wyatt.
- Dr. Richard Burnett was promoted to Associate Professor of Theology and Dr. George Schwab was promoted to Associate Professor of Old Testament.
- Dean R. J. Gore was deployed to serve as an Army Chaplain in Iraq. Subsequently, he was promoted to Lt. Col. in the U.S. Army. In his yearlong absence, Dr. Robert Bell has taken the responsibility of Interim Dean and Dr. Don Fairbairn is serving as Associate Dean.
- Dr. Luonne Rouse has been called to a pastorate in New York City. He taught through January term. Dr. Bell is chairing two search committees: one to replace Dr. Rouse teaching Methodist Studies and the other to replace the newly retired Jack Heinsohn, Worship and Preaching.
- Faculty members continue to teach and preach in ARP churches throughout the denomination as well as in churches in other denominations represented here. Faculty members regularly lead worship services, conduct seminars and training sessions, and lead Bible studies in churches across the country. Neely Gaston has preached in a number of ARP churches throughout the denomination.
- Dr. Dale Johnson has published articles in journals and a chapter for *Religion and Superstition in Reformation Europe*. Dr. Don Fairbairn has authored a magazine article and a chapter in *Mysticism, East and West*, and Fred Guyette has produced a review article.
- Fifty-five students graduated in May 2003. Thirty-one students received the Master of Divinity degree; three, the M.A. in Christian Education; four, the M.A. in Theological Studies; one, the M.A. in Pastoral Ministry; one, the Master of Arts in Counseling

Ministry; four, the Master of Church Music; one certificate in Theological Studies; and ten the Doctor of Ministry degree. The Commencement speaker for May 2004 was Dr. Randall T. Ruble, Dean Emeritus of Erskine Theological Seminary.

- There were 108 new students enrolled this fall. There were 311 students total in the fall. Spring had the highest incoming class on record with 90 new students. More than twenty different denominations are represented and we continue to have record numbers of ARP students. The challenge before the seminary continues to be that of providing a theological education to the increasing number of ARP students. Scholarships have not increased as quickly as our ARP student body.
- Erskine Seminary continues its D.Min. program at the U.S. Army Chaplain Center and School, Ft. Jackson, SC, and operates extension sites in Augusta, GA, and Greenville and Charleston, SC.
- The "Institute for Reformed Worship" began in January of 2004 with Dr. Hughes Oliphant Old serving as Dean of the Institute. The first of these weeklong courses, "The Lord's Supper in Reformed Faith and Worship," was taught by Dr. Old January 19-23, 2004 for fourteen eager students. This program of study will lead to a D.Min. in Worship.
- Erskine continues to operate its Erskine Distance Education Network (EDEN) courses and Dr. Steve Lowe serves as Associate Dean for Distributive Learning.
- The Rev. Dr. Wilfred Bellamy was speaker for our annual missions conference sponsored jointly with World Witness. The Rev. Dr. Gregory Tournoux, rector of Christ Episcopal Church, Owosso, Michigan, was the Ford Lecturer on small churches. The Rev. Dr. James Logan, Pastor of Bread of Life Christian Ministry, was the preacher for the Whitesides Pastor Institute and The Rev. Dr. David Calhoun, Professor of Church History at Covenant Theological Seminary, St. Louis, MO, was the Robinson Lecturer. In addition, this year's Erskine lecturers included Chaplain (Col.) Gregory J. Schanep (Christianity and Public Service), Dr. Constance Kalbach Walker (Christianity and Science), Joel Belz (Christianity and Public Morality), Dr. Hughes Oliphant Old (Christianity and Worship), Dr. Phil Cooke (Christianity and the Media) and Dr. John R. deWitt (Sermon on the Resurrection).
- Satellite Site: A new site will open in Columbia, SC, beginning fall 2004 at First Columbia ARP Church. Dr. Dale Johnson will offer ST —*Luther and the German Reformation*. A full schedule will be offered in the Spring of 2005. Dr. Mark Ross is our first Resident Professor. His duties will include teaching in Columbia and at other Erskine Seminary sites. The Association of Theological Schools (ATS) and the Southern Association of Colleges and Schools (SACS) notifications and approvals are pending.

Respectfully submitted,
H. Neely Gaston, Vice President
Erskine Theological Seminary

Allen Derrick led the Synod in prayer for R.J. Gore and the mission and students of Erskine College and Seminary.

The **Report of the Executive Board of Synod** was considered.

The Report of the **Moderator's Committee on the Executive Board** was presented.

- a. That Recommendations 1-13 of the Executive Board of Synod be adopted.
- b. That we thank the Executive Board for their work and that their report be adopted as a whole.

Recommendations 1-13 of the Board report were adopted. It was noted that item 6 has been partially handled by a previous motion. The additional recommendation of the Moderator's Committee was adopted.

REPORT OF THE EXECUTIVE BOARD OF SYNOD

The Executive Board of Synod is the agency of the General Synod empowered to carry out the work of the General Synod in the interim period between meetings of the General Synod. It provides oversight for the Associate Reformed Presbyterian Center Facility, the Office of Administrative Services, the promotional work of the General Synod, and the Coordinator of the General Synod. The Board met on two occasions since the last meeting of the General Synod. This report reflects its actions and activities and presents recommendations for the consideration of the court.

Membership includes the current officers of the General Synod (Moderator, Vice-Moderator, Moderator-Elect, Vice-Moderator Elect, Principal Clerk, and Treasurer), the immediate past five moderators, one ruling or teaching elder from each presbytery, and the Chairman of the Board of Stewardship. Non-voting advisory membership includes the Coordinator, Historian, Parliamentarian, President of WSU, and Chairmen and Chief Administrative Officers of the boards of the General Synod. By action of the General Synod in 2002, the Northeast Presbytery and the Canadian Presbytery are considered and treated as one entity through July 1, 2006 with regard to representation on Boards, Agencies and Committees of the General Synod (2002 *Minutes of Synod*, p. 366.)

Acts on Behalf of the General Synod

The Executive Board has been granted the authority and duty to act on behalf of the General Synod in emergencies. These are situations that, in the opinion of the Executive Board, cannot wait until the next stated meeting of the General Synod but which do not warrant a called meeting of the General Synod. Before considering a particular action, the voting members of the Board entitled to sit as a member of the court must first vote to act on behalf of Synod. Since the last meeting, the Executive Board took the following actions on behalf of the General Synod:

- A. **Request of Board of Publications.** The employment of an

Editor of The Associate Reformed Presbyterian rather than employing an Executive Director made it necessary to suspend certain rules of the Policy Manual for The Associate Reformed Presbyterian. The request was approved.

- B. **Request of Board of Stewardship.** The Executive Board approved a request from the Board of Stewardship that the Committee on Theological and Social Concerns be authorized to act as a resource committee for the Board of Stewardship regarding the memorial on financial support and fundraising.
- C. **Request from Catawba Presbytery.** Catawba Presbytery submitted to the Executive Board requests from two, unaffiliated congregations located in Louisiana to be received into the Associate Reformed Presbyterian Church. Procedures outlined in Chapter XIII.B.2.e. of the *Form of Government* were followed and an ecclesiastical commission was appointed. Catawba Presbytery was asked to consider receiving the congregations subject to an affirmative report from the ecclesiastical commission. If Catawba Presbytery receives either or both of the congregations the Executive Board will request the General Synod to grant a waiver to the previously approved geographical areas.

Referrals and Communications

- A. **Motion Regarding World Witness.** The Executive Board was instructed by the General Synod to receive the findings of the Ecclesiastical Commission on Judiciary Affairs and “to take such action as they deem necessary, and that they report their findings and actions to the next stated meeting of Synod.” (2003 *Minutes of Synod*, p. 77.) The Executive Board met in Executive Session October 30, 2003, and received the report and recommendations of the Ecclesiastical Commission.

The particular findings and conclusions of the Ecclesiastical Commission shall remain confidential. Based on the presentation to the Executive Board, the following is reported:

1. The Board of World Witness was directed to adopt clear and specific guidelines regarding the type of decisions that can be made by the Board, the Executive Director, and the Field Directors.
2. The Board of World Witness was directed to initiate spiritual renewal by taking all measures necessary to repair bridges with all Presbyteries, churches, individual members and with particular attention to missionaries who were offended in their relationship with World Witness. It was recommended to the Board of World Witness and to the Executive Director that serious consideration be given to publishing articles in Love Lines, The Associate Reformed Presbyterian, and other appropriate venues “communicating contrition for the disunity that is now present in the denomination related to World Witness.”

3. The Executive Board concurred with the Ecclesiastical Commission and the Board of World Witness recommendation that the current Director be replaced as soon as practical and encouraged the Board of World Witness to accelerate their timetable as soon as feasible.

The Executive Board commended the Ecclesiastical Commission for its diligence and wisdom in the extended work on the matter.

At its meeting on March 18, 2004, the Executive Board received as information a letter from the Chairman of World Witness and commended the Chairman and the Board of World Witness for the spirit in which they have responded.

- B. **Historical Marker at Bonclarken.** The issue of a marker to commemorate the Bicentennial of the Associate Reformed Presbyterian Church has not yet been resolved. In its report to the 2003 General Synod, the Executive Board reported its expectation that the Committee on Historical Concerns would present recommendations to the General Synod. The Committee included in its report Committee approval for the placing of a Celtic Cross at Bonclarken. The report did not include a specific recommendation for the consideration of the court.

The Committee on Historical Concerns presented a proposal at the October 2003 Executive Board meeting for the placing of a Celtic Cross in a memorial garden at Bonclarken. The Executive Board left the location of the memorial garden to the Board of Bonclarken in consultation with the Committee on Historical Concerns.

After consideration, the Board of Bonclarken conveyed to the Executive Board that this is a project that the Bonclarken Board could not endorse and referred the matter back to the Executive Board. The Executive Board took no action, leaving it to the Committee on Historical Concerns to make recommendations to the General Synod.

- C. **First Presbytery Memorial “On a Position Paper On Morality.”** This Memorial was referred by the 2003 General Synod to Covenant Discipleship for recommendations and a report back to the 2004 Synod. Covenant Discipleship reported to the March 2004 meeting of the Executive Board: “... It was felt that this is not in the purview of the Board of Covenant Discipleship.” The response was submitted “for further action or assignment to the appropriate committee or commission.” No action was taken as the response should be to the General Synod and not to the Executive Board.
- D. **Change in Name of Corporate Entity.** The 2003 General Synod authorized a change in the name of the corporate entity to “General Synod of the Associate Reformed Presbyterian Church.” Additionally, the Executive Board was asked “to handle the legal matters currently performed by the Board of Stewardship (2003

Minutes of Synod, Page 161, Item 2, Report of Special Committee on Organization.) For clarity purposes, the name of the legal entity is being changed to “General Synod of the Associate Reformed Presbyterian Church, Inc.” (GSARPC)

The corporate powers, business, property, and affairs of the Corporation previously assigned to the Board of Stewardship have been assumed by the GSARPC. Members of the Executive Board of Synod constitute the membership of GSARPC and separate meetings will be held to conduct the business of the corporation.

The following is proposed for inclusion in the *Manual of Authorities and Duties*, Executive Board of the General Synod:

1. Under “Membership” add the following:
 “Note: The membership of the Executive Board of the General Synod will also serve as the membership of the board of the corporate legal entity, General Synod of the Associate Reformed Presbyterian Church, Inc.” (the “Corporation”)
2. Under “Meeting” add the following sentence: “At least once a year the membership shall convene as the board of the Corporation.
3. Under “Authority” add the following as the second paragraph:
 “The corporate powers, business, property, and affairs of the Corporation shall be entrusted to and managed by the membership of the Executive Board when constituted as General Synod of the Associate Reformed Presbyterian Church, Inc.”
4. Under “Duties” substitute the following for Number 14 (2003 Edition of *Manual of Authorities and Duties*):
 “14. When constituted as the board of the Corporation, to manage the business and affairs of the Corporation.”
5. Add “By-Laws of General Synod of the Associate Reformed Presbyterian Church.”

Committee Responsibilities

The Executive Board has four standing committees:

- A. **Committee on Administration:** This committee oversees the work of Administrative Services which provides management of the ARP Center Facility and accounting and general administrative support services for all agencies of Synod, except for Erskine, Bonclarken, and World Witness. Full-time staff members are Ed Hogan and Leland Beaudrot. Beth Willis, Louise Raby, Donna Wentz, and Alisa Prince continue to work on a part-time basis. The Executive Board has commended all support staff for their service and for the spirit in which the service is extended. Administrative Services serves as the administrative offices for Benefits, ARP Foundation, Dunlap, Executive Board, and Stewardship.

The committee meets prior to each meeting of the Executive Board. The Principal Clerk serves as chairman and the membership includes the Moderator, Vice-Moderator, Moderator-Elect, Treasurer, and Chairman of the Board of Stewardship. The Coordinator and Administrative Officer serve as advisory members. The committee is responsible for preparing the budgets for Administrative Services, the Center Facility, and the Executive Board. Additionally, the Committee on Administration has been designated as the Audit Committee of the legal entity (General Synod of the Associate Reformed Presbyterian Church, Inc.)

The Center Facility operates as a separate entity for funding purposes. Funding comes from allocations from the General Synod, rents from tenants (ARP and non-ARP), and occasional, unsolicited grants.

Administrative Services continues to be an active participant in helping churches and agencies develop web-sites and in linking those sites for a more effective presentation of the denomination. Church leaders and members are encouraged to visit the web at **<http://www.arpsynod.org>**.

The proposed 2005 budgets for the Center Facility, Administrative Services, and the Executive Board are attached.

- B. **Committee to Plan Emphases:** The Moderator-Elect serves as chairman. Membership includes the Vice-President of the Woman's Synodical Union and representatives from each presbytery in alternating years, chosen by the Moderator-Elect. The committee prepares the emphases for the ensuing calendar year. The "Emphases for 2005" was adopted for recommendation to the General Synod. It is to be noted that the 2005 emphases cover the period January 2005 — June 2005.
- C. **Committee to Plan Synod's Program:** The Moderator-Elect serves as chairman and he chooses a committee to assist him in planning for the meeting of Synod. The Executive Board approved the tentative program and authorized the Moderator and Moderator-Elect to make changes as might be necessary prior to presentation to the General Synod. The preliminary program is distributed with the unofficial reports.
- D. **Committee on Oversight of Coordinator:** Committee members are the Moderator, Moderator-Elect, and the two immediate past moderators. The immediate past moderator serves as chairman. The committee meets with the Coordinator prior to each meeting of the Executive Board and reports to the Executive Board.

The Reverend Wilfred A. Bellamy began his duties as Coordinator July 1, 2002, and is to be commended for both his work as Coordinator and as a member of the Special Committee on Organization. He was a member of the Special Committee prior to assuming his duties as Coordinator and was encouraged to continue to serve as a member by the Committee on Oversight.

Two changes in the Position Description of the Coordinator are being recommended by the Executive Board:

- a. Item E to be changed to read:
 - E. Agency directors at the ARP Center and Bonclarken shall ~~report to~~ cooperate with the Coordinator who shall be charged to assist all boards and committees in the pursuit of tasks assigned to them by the Synod. The Coordinator shall not initiate any programs.
- b. Item F.3. to be changed to read
 - F. The Coordinator's responsibilities shall include:
 3. Serving as a member of ~~Chairing~~ the search committee for hiring new or replacement administrators. The Board shall appoint the search committee with at least three (3) members coming from the membership of the board. ~~shall serve on the this Committee.~~

The Committee recommended to the Executive Board that the work of Wilfred Bellamy as Coordinator be continued. The position description of Coordinator, as adopted by the General Synod and included in the *Manual of Authorities and Duties*, allows the Executive Board to renew the contract on an annual basis for up to three additional years. With General Synod's approval, the term of service may be extended on an annual basis for an additional four years, for a maximum service of eight years. The Executive Board has renewed the contract for the period July 1, 2004–June 30, 2005.

Miscellaneous Items

- A. **Pre-Synod Conference on Worship.** The Moderator-Elect was granted permission to plan for a Conference on Worship, to be held Monday Evening and Tuesday AM.
- B. **Change in Schedule for Emphases.** The Moderator-Elect was granted permission to study and make recommendations on a plan for implementing emphases in the year that the Moderator serves.
- C. **Translation Committee.** The General Synod has previously endorsed the Standards in languages other than English. However, there are no procedures for accomplishing this task. The Executive Board has requested the Special Committee on Organization to consider the establishment/appointment of "Translation Committees" to develop the Standards in languages other than English.
- D. **Separate Legal Entities.** During the past two years two legal entities have been created:
 1. A.R.P. Church Investment Holdings, Inc.
 2. General Synod of the Associate Reformed Presbyterian Church
 Informational reports on these two legal entities are attached.

It is recommended that these two entities not be viewed as new boards but that the following proviso be placed in the *Manual of Authorities and Duties* to allow the creation of separate legal entities to better carry out the mission of the Associate Reformed Presbyterian Church: (Note: To be placed before the last paragraph in description of Boards (Page 8)):

“The General Synod or the Executive Board of Synod acting on behalf of Synod, may, from time to time, create or authorize the creation of separate legal entities to carry out particular duties of an appointed board. The provisions of the Articles of Incorporation and Bylaws of such legal entities must always be in accordance with the *Form of Government of the Associate Reformed Presbyterian Church*.” Unless directed otherwise these legal entities shall be accountable to the General Synod through the Executive Board of the General Synod.

- E. **Membership on Executive Board.** As Chairman of the legal entity for the General Synod, the Chairman of the Board of Stewardship has been an ex-officio member of the Board. With the change in the legal entity, the Chairman of the Board of Stewardship should be changed from “ex-officio” to “advisory.”
- F. **Meeting Dates:** In response to request from those that travel long distances, the Executive Board meeting dates have been moved from Fridays to Thursdays. The following meeting dates have been set: October 28, 2004, March 17, 2005 and October 27, 2005. All meetings are scheduled for 10:00 A.M. at the ARP Center. The Committee to Oversee Coordinator meets at 6:00 PM on the day preceding the Board meeting and the Committee on Administration meets at 8:30 AM on the day of the meeting.
- G. **Appreciation:** The Board expresses appreciation to former moderator James M. Dickson on completion of his seven years of association with the Executive Board; to James S. Kidd (Tennessee-Alabama Presbytery); and Max Bolin (Virginia Presbytery). The Board acknowledges and expresses its appreciation to Moderator Wayne Frazier for his leadership and spiritual direction during the past year.

Recommendations

- 1. That the proposed budgets for Administrative Services, ARP Center Facility, and Executive Board of Synod be approved.
- 2. That the “Emphases for 2005” for the period January–June be adopted.
- 3. That future Emphases be planned for the period July through June of the following year. (Note: This will allow the Moderator Elect to plan the emphases for months that he will serve as Moderator.)
- 4. That the starting date for the next regular meeting of the General Synod be June 7, 2005, and that the meeting be held at Bonclarken.

5. That all changes in previously published dates for Synod-wide activities be checked with Administrative Services before implementation.
6. That the reserve for the Bicentennial Celebration be held pending a determination of an appropriate historical marker, with the balance to be added to the Revolving Book Fund.
7. That the proposed changes in the job description of the Coordinator be approved.
8. That the proposed changes in the *Manual of Authorities and Duties* pertaining to the Executive Board of Synod be approved.
9. That the proposed addition to the *Manual of Authorities and Duties*, description of Boards, be approved.
10. That the Executive Board be authorized to approve the By-laws for the A.R.P. Church Investment Holdings, Inc. and that the By-laws be included in the *Manual of Authorities and Duties*.
11. That the status of the Chairman of Board of Stewardship on the Executive Board be changed from "ex-officio" to "advisory."
12. That Wilfred A. Bellamy be continued as Coordinator.
13. That all other actions of the Executive Board as reported herein be sustained.

Respectfully submitted,
Wayne A. Frazier, Moderator
C. Ronald Beard, Principal Clerk

INFORMATIONAL REPORT

A.R.P. CHURCH INVESTMENT HOLDINGS, INC.

The A.R.P. Church Investment Holdings, Inc. was formed for the purpose of holding, developing, selling or otherwise disposing of or distributing various gifts and donations of real property in furtherance of the mission of the General Synod and its particular program agencies.

Inasmuch as the only holdings at this time represent the land and proceeds from the sale of land donated to the General Synod for the benefit of Outreach North America, the Executive Committee of Outreach North America were appointed the initial officers for the corporation.

The A.R.P. Church Investment Holdings, Inc. has been added to the IRS list of subordinate organizations of the General Synod.

Bylaws for A.R.P. Church Investment Holdings, Inc. are being developed.

INFORMATIONAL REPORT

GENERAL SYNOD OF THE ASSOCIATE REFORMED PRESBYTERIAN CHURCH

The 2003 General Synod approved a recommendation of the Special Committee on Organization that the corporate name of the denomination be changed from "Board of Stewardship of the Associate Reformed Presbyterian Church" (GSARPC) to "General Synod of the Associate Reformed

Presbyterian Church” with the Executive Board of Synod to handle the legal matters currently performed by the Board of Stewardship.

The Articles of Amendment was filed with the Secretary of State (South Carolina) October 6, 2003. The Board of Stewardship adopted bylaws for GSARPC at a called meeting October 13, 2003. The bylaws recognize at the onset that “General Synod of the Associate Reformed Presbyterian Church” is both the name of the highest ecclesiastical court of the ARP Church **and** the name of the legal entity. The bylaws pertain only to the legal entity. A copy of the bylaws is attached for informational purposes.

To mitigate possible confusion, GSARPC approved a name change to “General Synod of the Associate Reformed Presbyterian Church, Inc.” This amendment is to be filed with the Secretary of State (South Carolina).

GSARPC has been added to the IRS list of subordinate organizations of the General Synod.

PROPOSED EMPHASIS FOR 2005

DECADE THEME: New Life in the New Millennium

THEME FOR January—June: GLORIFYING GOD

Primary Theme Verses: ¹*I will extol the LORD at all times; his praise will always be on my lips.* ²*My soul will boast in the LORD; let the afflicted hear and rejoice.* ³*Glorify the LORD with me; let us exalt his name together.* (Psalm 34:1-3 (NIV))

Supplemental Theme Verses:

⁸Give thanks to the LORD, call on his name; make known among the nations what he has done. ⁹Sing to him, sing praise to him; tell of all his wonderful acts. ¹⁰Glory in his holy name; let the hearts of those who seek the LORD rejoice. ¹¹Look to the LORD and his strength; seek his face always.” (I Chronicles 16:8-11(NIV))

TO Glorify God is to honor, praise, exalt, and magnify Him.

JANUARY—GLORIFYING GOD THROUGH OUR WORSHIP

¹Praise the LORD, O my soul; all my inmost being, praise his holy name.

²Praise the LORD, O my soul, and forget not all his benefits.” (Psalm 103:1-2 (NIV))

FEBRUARY—GLORIFYING GOD THROUGH OUR WITNESS

¹Sing to the LORD a new song; sing to the LORD, all the earth. ²Sing to the LORD, praise his name; proclaim his salvation day after day. ³Declare his glory among the nations, his marvelous deeds among all peoples. ⁴For great is the LORD and most worthy of praise; he is to be feared above all gods.” (Psalm 96:1-4(NIV))

MARCH—GLORIFYING GOD THROUGH OUR WORK

“We always thank God for all of you, mentioning you in our prayers. ³We continually remember before our God and Father your work produced by faith, your labor prompted by love, and your endurance inspired by hope in our Lord Jesus Christ.” (I Thess. 1:2-3 (NIV))

APRIL— GLORIFYING GOD THROUGH OUR SERVICE

¹⁰Each one should use whatever gift he has received to serve others, faithfully administering God’s grace in its various forms. ¹¹If anyone

speaks, he should do it as one speaking the very words of God. If anyone serves, he should do it with the strength God provides, so that in all things God may be praised through Jesus Christ. To him be the glory and the power for ever and ever. Amen.” (I Peter 4:10-11 (NIV))

MAY—GLORIFYING GOD THROUGH OUR FAMILY

¹⁴“But as for me, I will always have hope; I will praise you more and more.

¹⁵My mouth will tell of your righteousness, of your salvation all day long, though I know not its measure. ¹⁶I will come and proclaim your mighty

acts, O Sovereign LORD; I will proclaim your righteousness, yours alone.

¹⁷Since my youth, O God, you have taught me, and to this day I declare your marvelous deeds. ¹⁸Even when I am old and gray, do not forsake me,

O God, till I declare your power to the next generation, your might to all who are to come. ¹⁹Your righteousness reaches to the skies, O God, you

who have done great things. Who, O God, is like you? ²⁰Though you have made me see troubles, many and bitter, you will restore my life again; from

the depths of the earth you will again bring me up. ²¹You will increase my honor and comfort me once again. (Psalm 71:14-21 (NIV))

JUNE—GLORIFYING GOD THROUGH OUR STEWARDSHIP

¹²“This service that you perform is not only supplying the needs of God’s people but is also overflowing in many expressions of thanks to God.

¹³Because of the service by which you have proved yourselves, men will praise God for the obedience that accompanies your confession of the gospel of Christ, and for your generosity in sharing with them and with

everyone else. ¹⁴And in their prayers for you their hearts will go out to you, because of the surpassing grace God has given you. ¹⁵Thanks be to God for

his indescribable gift!” (II Corinthians 9:12-15 (NIV))

ADMINISTRATIVE SERVICES

BUDGET PROJECTIONS

		2004	2005
		Actual	Proposed
RECEIPTS			
Current Fund Receipts			
Denominational Ministry Funds	\$	163,729	\$ 180,721
AS Expense Reimbursement		7,943	5,000
Miscellaneous Sales & Services		3,433	3,536
Operating Fund Interest		773	858
Sub-Total	\$	175,878	\$ 190,115
Agency Support			
ARP Foundation	\$	2,550	\$ 2,550
Benefits		66,715	68,021
W. H. Dunlap Fund		4,250	4,250
Other Agencies		275	0
Sub-Total	\$	73,790	\$ 74,821
TOTAL RECEIPTS	\$	249,668	\$ 264,936

DISBURSEMENTS**Director**

Salary	\$	64,749	\$	65,720
Retirement		5,504		5,586
Insurance		14,567		15,295
Employer Tax		4,953		5,028
Director	\$	89,773	\$	91,629

Assistant to Director

Salary	\$	29,637	\$	30,082
Housing Allowance		8,855		8,988
Retirement		3,272		3,321
Insurance		14,386		15,105
Assistant to Director	\$	56,150	\$	57,496

Support Staff Sub-Total	\$	88,073	\$	89,394
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Staff & Program	\$	1,485	\$	1,501
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Equipment

Copier Lease	\$	10,445	\$	10,445
Postage Meter/Scales		980		1,029
Equipment Maintenance		5,537		5,814
Equipment Purchase		2,500		2,500

Equipment	\$	19,462	\$	19,788
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General Office

General Office	\$	11,918	\$	12,276
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TOTAL DISBURSEMENTS	\$	266,861	\$	272,084
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Income Over (Under) Expend.	\$	(17,193)	\$	(7,148)
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Beginning Unencumbered Res.	\$	38,636	\$	21,443
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Ending Unencumbered Reserve	\$	21,443	\$	14,295
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**ARP CENTER FACILITY
BUDGET PROJECTIONS**

		2004 Actual		2005 Proposed
RECEIPTS				
Denominational Ministry Alloc.	\$	14,820	\$	15,000
General Synod Interest Alloc.		304		304
Allocations & Interest, Misc.	\$	15,124	\$	15,304
Rent—General Synod Agencies				
Covenant Discipleship		5,475		5,639
Outreach North America		7,938		8,176
Publications		5,103		5,256
World Witness		16,780		17,283
Rent—General Synod Agencies	\$	35,296	\$	36,354

Rent—Non-Synod Agencies			
Unit #202 (Thompson)	7,479		7,703
Unit #204 (Stone)	2,268		2,336
Scottish Presbyterian	2,644		2,723
Rent—Non-Synod Agencies	12,391		12,762
Total Rent			
TOTAL RECEIPTS	\$	62,811	\$ 64,420
DISBURSEMENTS			
Facility Management			
General Office	\$	207	\$ 214
Taxes		590	—
Expendable Supplies		525	541
Insurance		—	—
Renovation/Contingency		3,122	5,222
Facility Management	\$	4,444	\$ 5,977
Facility Maintenance			
Garbage Pickup	\$	765	\$ 765
Ground Maintenance		4,020	1,800
Heating & Air Conditioning		2,000	3,278
Janitorial		15,290	15,290
Pest Control		303	240
Facility Maintenance	\$	22,378	\$ 21,373
Utilities			
Electricity	\$	16,822	\$ 17,327
Gas		14,011	14,432
Water & Sewer		5,156	5,311
Utilities	\$	35,989	\$ 37,070
Total Disbursements	\$	62,811	\$ 64,420
Receipts Over (Under) Expenses	\$	(0)	\$ (0)
Fund Balance	\$	20,278	\$ 20,278
With Renovation/Contingency			
Unused	\$	23,400	\$ 28,622

**EXECUTIVE BOARD OF SYNOD
BUDGET PROJECTIONS**

RECEIPTS	2004	2005
	Actual	Proposed
Current Fund Receipts		
Denominational Ministry Funds	\$ 96,500	\$ 100,748
Additoinal Allocation (Return of Funds)	1,239	—
Misc. for Current Operations Sales	1,318	1,318
Synod Meeting Registrations/Act. Fee	3,500	3,500
TOTAL RECEIPTS	\$ 102,557	\$ 105,566
DISBURSEMENTS		

General Synod Officers

Moderator of Synod	\$	3,828	\$	3,867
Moderator-Elect of Synod		3,062		3,094
Principal Clerk		4,475		4,521
Treasurer of Synod		3,675		3,675
Vice Moderator		500		500
Vice-Moderator-Elect		500		500
General Synod Officers	\$	16,040	\$	16,157

Board

General Office Expenses	\$	1,031		1,061
Executive Board Travel & Mtg.		5,250	\$	5,513
Orientation to Work of General Synod		2,500		2,500
Emphasis Com.Travel & Exp.		1,000		1,030
Board	\$	9,781	\$	10,104

Coordinator

Coordinator Fees	\$	46,500	\$	47,895
Coordinator Reimbursed Exp.		6,000		6,180
Coordinator	\$	52,500	\$	54,075

Minutes of Synod

Preparation and Distribution	\$	2,110	\$	2,173
Printing	\$	12,469		13,092
Minutes of Synod	\$	14,579	\$	15,265

Plan Book

Printing	\$	2,188	\$	2,298
Preparation & Distribution		1,121	\$	1,155
Plan Book	\$	3,309	\$	3,453

Meeting of the General Synod

Program and Preparation	\$	4,774	\$	4,917
Honorariums		900		900
Staff Expenses		674		695
Meeting of the General Synod	\$	6,348	\$	6,512

TOTAL DISBURSEMENTS	\$	102,557	\$	105,566
Excess Income Over (Under)				
Disbursements	\$	0	\$	0

The Moderator informed Synod of the rationale for the change in the Emphasis calendar.

The **Report of the Board of Publications** was considered. The recommendations of the Board of Publications and the recommendation of the **Moderator's Committee on Publications** were read. The recommendations of the **Moderator's Committee on Publications** were presented.

- a. That recommendations 1-3 of the Board of Publications be adopted.

- b. That the General Synod request each church to offer a subscription to the A.R.P. magazine to all new family units.
- c. That General Synod express its appreciation to the Editor of *The Associate Reformed Presbyterian*, Sabrina Cooper, and Gail Griffin, the Associate Editor of *The Associate Reformed Presbyterian* for their good work and ministry to the A.R.P. denomination through the A.R.P. magazine.

The recommendations of the Board of Publications were adopted. The additional recommendations of the Moderator's Committee were adopted.

REPORT OF THE BOARD OF PUBLICATIONS

During the past year the Board of Publications continued to publish *The ARP*, the denomination's monthly magazine. It distributed news weekly through the ARP News Update recordings over the ARP Center's toll-free line, and also through e-mail and the General Synod's web page. The Board has maintained a web page for the magazine. It also assisted other Synod agencies by handling formatting and layout for *The Adult Quarterly*, including the *Teacher's Guide* and *Large Print Edition*, and serving as distribution agent for the Woman's Synodical Union study books. It also gave assistance to the Family Bible Conference by designing and coordinating printing of the conference brochures.

The Board met at the ARP Center September 5, 2003 and March 5, 2004, to consider and act upon the work committed to it by the Synod.

A new editor was introduced by the search committee and approved by the Board at the September meeting. Mrs. Sabrina Cooper took over the duties of retiring editor, Ben Johnston, in mid-November. We are grateful to the Lord for Ben Johnston's untiring and faithful service to the denomination for 23^{1/2} years as Editor of the magazine.

Circulation for the magazine has decreased approximately 400 subscriptions since April of last year. The Board is reviewing strategies to regain member interest in the publication. The editor is traveling, as time and budget allow, to presbytery meetings and other events to raise awareness of the magazine. It is our belief that the magazine has a vital role to play in unifying our denomination. Its role as the primary information source for the ARP Church gives it a unique opportunity to present news, from church government to local ministry efforts, in a way that strengthens the reader's connection with the ARP Church as a whole.

Due to increased insurance costs, unrealistic subscription projections and transition expense, the magazine ended the year with a \$20,190 deficit. Added to last year's deficit of \$8,623, that is a total of \$28,813.

At the Spring 2004 meeting, the Board discussed ways to deal with the financial difficulty. The magazine's policy of refusing advertising competitive with any agency or institution of the ARP Church was discussed.

Based on a revised budget, the Board feels the magazine can be successful with the current level of support from the Denominational Ministries Allocation. However, on the recommendation of Mr. Ed Hogan,

the Board voted to ask that the operating reserve deficit be cancelled and that the Board of Publications be funded on an annual basis, with no carryover of reserves or deficits. Under this arrangement, any unused allocation would return to the General Synod Operating Reserve to be available to meet the approved allocations during the next calendar year. Any deficit would be absorbed out of current year funds, potentially impacting the funds available in the next calendar year.

The Board once again expresses its appreciation to the Board of Stewardship for continuing to purchase first-year subscriptions for new members of ARP mission congregations.

As is customary, a major subscription campaign in the churches will be undertaken in October and November. Most subscriptions run on a calendar year basis.

A budget of \$219,114 for 2004 was adopted and is included with this report. The Board also updated its five-year financial projection.

Board officers elected to serve July 1, 2004 to June 30, 2005 are Rev. John van Eyk, chairman; Rev. Gregory Slater, vice chairman; and Rev. H. Max Bolin, secretary.

The Board's next meeting is scheduled for September 24 at Bonclarken.

Recommendations:

1. That all churches consider the benefits of participating in the Church Club Plan for subscriptions to the denominational magazine.
2. That each Session appoints an agent to promote and handle subscriptions to *The ARP*, if it has not already done so.
3. That Synod rise to express appreciation to Mr. Ben Johnston for faithfully serving the Lord and our denomination for 23¹/₂ years as the Editor of the *The ARP* magazine.

Rev. John van Eyk, Chairman

BOARD OF PUBLICATIONS BUDGET

	2004 BUDGET	2005 PROPOSED
INCOME		
Denom. Ministries Fund	\$ 104,861	\$ 108,007
WSU Unrestricted	3,000	3,000
Agency Support	1,000	1,030
Miscellaneous Receipts		
WSU Study Books	18,000	18,540
ARP Receipts		
Interest on Deferred Subs	1,700	1,746
Subscriptions	73,449	75,652
Advertising	10,500	10,815
	\$ 212,510	\$ 218,790

EXPENDITURES	2004 BUDGET	2005 PROPOSED
Editor		
Salary including TDA	\$ 50,036	\$ 51,537
Insurance	14,439	14,872
Employer Tax—SS/Medicare	3,828	3,943
Editorial Assistant		
Salary including TDA	31,270	32,208
Insurance	5,592	5,760
Employer Tax—SS/Medicare	2,393	2,465
Clerical help	1,292	1,331
Workman's Compensation	450	464
Staff travel & expenses	3,500	3,605
Board travel & expenses	4,500	4,635
General office expenses	3,000	3,090
Equipment	3,100	603
Website	1,200	1,236
Rent	5,000	5,150
Internet & long distance	925	953
Contingency	500	515
Publications, promotion, dues	370	381
WSU study books	15,000	15,450
ARP News Update	250	258
<i>The ARP</i>		
Preparation & printing	48,000	49,440
Labels & postage	12,000	12,360
Materials & supplies	1,000	1,030
Photography expenses	150	155
	\$ 207,795	\$ 211,441
Excess income over <under		
disbursements	\$ 4,715	\$ 7,349
Operating Reserve beginning of year	<28,813>	<24,098>
Operating Reserve end of year	<24,098>	<16,749>

James McLurkin offered prayer thanking God for the service of retired editor Ben Johnston, and the good work of Sabrina Cooper and Gail Griffin of *The Associate Reformed Presbyterian*.

The **Report of the Board of Stewardship** was considered. The Report of the **Moderator's Committee on Stewardship** was presented, recommending that all recommendations be approved.

It was noted that recommendation 1 of the Board Report was moot due to previous action. Recommendation 2 was recommitted to the Board. Recommendations 3-10 of the Board report were adopted.

REPORT OF BOARD OF STEWARDSHIP

The Board of Stewardship (“Board”) has met on three occasions since the last meeting of the General Synod. The Board has attempted to be faithful in implementing the changes approved by the 2003 General Synod (changing the legal name of the corporate entity and transfer of responsibility for legal matters to the Executive Board of Synod). These changes gave impetus for evaluating the future role of the Board. That evaluation led to cooperative exploration with the Special Committee on Organization and the creation of a joint task force with the Board of Directors of the ARP Foundation.

The Board had a specific assignment from General Synod 2003 – to respond to the Memorial regarding “financial support and fund-raising in the local church.”

Additionally, the Board has continued to seek to work cooperatively with individuals, churches, presbyteries, and agencies of the General Synod in the mutual goal of extending Christ’s Kingdom. We express our most sincere appreciation to individuals, the Woman’s Synodical Union, congregations, and agencies for their financial stewardship. We rejoice in our partnership as we seek to witness and minister in Jerusalem, and in all Judea, and in Samaria, and unto the uttermost part of the earth.

Changes in Duties of Board of Stewardship

Following the action of the General Synod 2003, the Board reviewed its duties as previously reflected in the *Manual of Authorities and Duties*. Of the eleven (11) enumerated duties:

- Three are common to other boards and exist only if the Board exists:
 - To promote the general program of the Associate Reformed Presbyterian Church
 - To make an annual report to the General Synod
 - To employ an administrative officer
- Five are reflective of the obligation to serve as the legal entity of Synod. These have been transferred and incorporated into the duties of the new legal entity, “General Synod of the Associate Reformed Presbyterian Church, Inc.”, with the membership of the Executive Board serving as board members of the new legal entity:
 - To receive and hold in trust ... financial resources and properties contributed, devised, and bequeathed to the General Synod for current use;
 - to discharge obligations in stewardship in accordance with the budget adopted by the General Synod;
 - to provide an annual basis for an independent auditor’s report on the expendable and non-expendable funds of the General Synod;
 - to exercise prudent rules of investment of current financial resources; and
 - to hold titles to properties of the General Synod, excluding properties of congregations and properties of individual boards and/or

agencies of the Synod.

- The other three listed duties remain with the Board of Stewardship:
 - To develop and implement programs for securing the funds required to meet the operating needs of the General Synod;
 - to prepare for presentation at the annual meeting of the General Synod a financially sound annual operating budget for the General Synod (Note: To present a recommended allocation of General Synod unrestricted receipts); and
 - to assist in developing financial stewardship models for presbyteries, congregations, and agencies of the General Synod.

In reviewing its duties, the Board recognized two very different functions remaining – promotion of giving and gathering of funds on one hand, and allocation of Synod funds on the other. The Board has concern that some functions do not work well when combined, perhaps because the two functions need different spiritual gifts. We have expressed to the Special Committee on Organization the desire to further explore separating these functions. The Board acknowledges, also, some overlapping functions of the ARP Foundation. Both agencies focus on the gathering, management and allocation of funds and resources and while there are some differences in presentation and purpose, both are part of total stewardship.

These actions and concerns led to a communication to the ARP Foundation expressing a desire to consider whether there may be some way to integrate our functions into an inspiring and effective whole-life stewardship presentation and function. Subsequently, a joint task force was appointed. Its findings and recommendations have been endorsed by both boards, and call for a merger, blending the work of the two boards in order to minister to the people in our ARP congregations.

The following comments and the specific recommendations are identical to the comments and recommendations presented in the Report of the Board of Directors, ARP Foundation.

The task force identified three primary functions in the two boards, with a degree of necessary redundancy if there are two boards:

- Budgeting and Allocation, now primarily in Board of Stewardship. This includes determining allocation procedures; establishing criteria for allocation requests; establishing priorities; developing a Denominational Giving Model; and communications. The goal of this function is to achieve good budget building and appropriate allocations.
- Investment, now primarily in the ARP Foundation. This includes providing appropriate investment alternatives; assisting in the development of investment policy statements for fund owners reflecting risk tolerance and income needs; serving as trustees for charitable trusts; exercising due diligence in monitoring and evaluating investment managers; and assuring accountability to the fund owners. The goal of this function is to maintain integrity and do the work within a ministry context.
- Ministry of Biblical Stewardship, now in both. This is seen as the

most lacking aspect of current ministry. The goal of this function is to get people excited about serving Christ and excited about the opportunities in the ARP Church. Ministry of Biblical Stewardship will involve spiritual growth of people; education through Seminary training, preaching, and prepared materials; vision casting; communication (including feedback); equipping of leaders and members for stewardship leadership and ministry; and accountability for the ministry of Biblical Stewardship.

Critical to the success of a “Ministry of Biblical Stewardship” will be the church’s willingness to commit resources on a short-term basis to help develop Christian stewards in our congregations. There is a need for a person, with appropriate education and experience, to work in the field, helping presbyteries, churches, and individuals understand stewardship as part of personal sanctification. This person’s primary focus will be ministry, divorced from the gathering of funds for ministry.

The report of the joint task force presented two recommendations:

- One board, focusing primarily on the Ministry of Biblical Stewardship with the board, and not staff, casting the vision for stewardship. The Board make-up must include presbytery representatives and preferably not all ministers.
- Two committees under the board’s umbrella, one for budgeting and allocation and the other for investments. These committees would use the existing staff resources of Administrative Services.

The recommendations of the joint task force emphasized a significant paradigm shift embedded in the proposed change. There is the desire to change the focus of stewardship work from meeting the needs of Synod to meeting the spiritual needs of the people in the pews. There is the desire for a teaching ministry to help people with Biblical life management and stewardship information and motivation, believing that when lives have been changed and blessed, resources for ministry at all levels will follow. When people understand Biblical stewardship, they will be excited about participating in the opportunities that are put before them in the ARP Church.

Change in Legal Entity

A special called meeting of the Board was held October 13, 2003 for the purpose of

- Adopting new corporate by-laws for General Synod, Associate Reformed Presbyterian Church.
- Authorizing actions necessary or appropriate to effect the name change for the legal entity
- Adopting a policy book to guide the Board of Stewardship, replacing the existing by-laws.

Response to Memorial

The Board was asked “through whatever means of advisement or counsel it may require, to make study of the biblical and pragmatic issues involved in the manner of financial support and fundraising in the local church, and to present to the General Synod for its approval at its meeting

in June 2004 a position paper setting forth biblical principles guiding the practice of the local church in regards to proper means for securing the finances necessary for the work of the church.” (2003 Minutes of Synod, p. 69.)

The Board’s response to the General Synod is appended to this report. Attention is called to the conclusion of the Board: “In view of all of the aforementioned reports and papers on tithing and biblical stewardship the Board of Stewardship believes another position paper would be redundant, but sincerely hopes that calling attention to these prior efforts will be helpful to the presbyteries and churches of the Associate Reformed Presbyterian Church.”

In the process of study and review the Board was intrigued to discover the concerns and conclusions reached by the Board of Stewardship in 1963 – in particular the expressed hope that “someday, in the not-too-distant future, the Synod may have a full-time, trained director of a Department of Stewardship.” Dare we tarry much longer!

Audit

The independent firm of Ron Millard, CPA P.A. is conducting the December 31, 2003, audit. The scope of the audit includes the books of the Treasurer of the Synod, the ARP Foundation’s custodial funds, the ARP Foundation’s gift annuity funds, and Outreach North America’s revolving loan funds. Under the restructuring of particular duties, the newly constituted legal entity has asked the Committee on Administration of the Executive Board to serve as the Audit Committee. The official audit will be submitted to the Committee on Administration. It is assumed that a copy of the audit will be distributed to each agency of the General Synod, placed on file at the ARP Center, and submitted to the General Synod.

The audited financial statements will reflect an increase in General Synod’s operating fund balance of approximately \$72,250, as compared to a decrease of \$36,770. The fund balance at 12/31/2003 was approximately \$215,276. This represents approximately 7.57% of the approved and recommended allocations of \$2,844,812 for 2004. Synod, by its previous action, has directed an operating reserve of not less than 6.5% of the anticipated funds for allocation. The difference between the actual (@ \$215,276 and minimum operating reserve (@ \$184,912) helps fund the recommended additional allocations for 2004.

Commitments that would reduce the operating reserve below the prescribed level must be referred to the Board of Stewardship for study and recommendation. (See *Rules of Order*, Section VIII (F).)

Budget of Allocated Funds

Funding For 2004: Each year, at the Spring meeting of the Board, the projected revenues for the current calendar year are reviewed. If the expected funds exceed the allocations approved at the prior meeting of the General Synod, the Board follows the procedure adopted by the 1997 General Synod (page 622, *1997 Minutes of Synod*). This procedure allows

the Board to consider additional funding requests from the program agencies of the General Synod and to make recommendations to the General Synod for the additional allocations.

If the expected funds fall below the amount approved for allocation, the Board has the unpleasant and difficult task of adjusting the allocations. That was necessary for Calendar Year 2003.

For the current calendar year, the board anticipates sufficient revenue to recommend the following additional allocations during the period July 1 – December 31:

- Bonclarken—\$ 25,000 to be used for the chapel improvement project
- Covenant Discipleship—\$ 14,000 for a contract writer for curriculum
- Erskine—\$ 40,000 to support salary improvements in 2005
- Publications—\$ 28,813 to cover accumulated deficits. This recommended allocation is made in conjunction with a recommendation for change in the funding procedures for Publications.

For 2005: The Board's recommended allocations are presented separately as "Recommended Allocations of Synod's Unrestricted Income."

Projections for 2005 are generally based on anticipated commitments for 2004. The Board has projected conservatively, based on the following at the time of the Board meeting:

- 135 churches have made commitments to give in 2004
- 2 churches have reported that they will not give
- of the 125 churches not reporting, 58 did not exist or did not give in 2003
- 67 churches that gave in 2003 have not submitted pledges for 2004. Total pledged amounts of those churches for 2003 totaled \$ 707,416, representing @24.9% of the funds anticipated for 2004.

Consistent with prior guidance by the General Synod, the Board of Stewardship, or its successor, will review the approved allocations and will make adjustments as necessary following the receipt of commitments for 2005 and the 2004 year-end report.

Communications and Educational Resources

Stewardship materials are distributed to each church on or before September 1. Pastors/Clerks are encouraged to make sure that these materials are distributed to those involved in the budget making process.

The orientation program for ministers and professional employees beginning service in the Associate Reformed Presbyterian Church offers one of the best opportunities for education and inclusion. Presbyteries are urged to make participation mandatory and to schedule a time for attendance.

Denominational Ministry Fund

The General Synod has established that the primary means for Associate Reformed Presbyterians to channel financial resources for denominational witness and ministry is through the Denominational Ministry

Fund. These funds are used to fund the allocations approved by the General Synod.

All churches are encouraged to give for denominational ministry through the Denominational Ministry Fund. The goal, established by the General Synod, is for each church to give 20% of its unrestricted tithes and offerings. Churches that are unable to meet the 20% goal are asked to give at least 10% (a tithe of the tithe). Churches that cannot meet the 20% goal are encouraged to increase their level of giving by one (1) percentage point each year toward the goal.

In some circumstances, churches submit gifts as **Denominational Ministry Funds** but designate those funds for a particular agency. In those circumstances, the funds will be treated as Denominational Ministry Funds and will be used to meet the allocation approved by the General Synod. Funds that are designated as additional gifts for the purpose of providing additional funding for a particular agency **are not** recognized as Denominational Ministry Funds and will be distributed as designated.

The witness and ministry of the Associate Reformed Presbyterian Church could not be accomplished without the continued faithful support of churches that give 10% or more of their unrestricted tithes and offerings. Consider the following for 2003:

	#	%	Paid in 2003	% of Gifts
Churches Giving 20%	17	6.59	494,496	18.08
Churches Giving 10% to 20%	48	18.60	1,184,461	43.32
Sub-total Churches Giving > 10%	65	25.19	1,678,957	61.40
Other Giving Churches	126	48.84	1,055,558	38.60
Churches Not Giving	67	25.97	0.00	0.00
Totals	258	100.00	2,734,515	100.00

The Board expresses gratitude to the churches that have reported their intentions for commitments through the Denominational Ministry Fund.

We would again encourage the presbyteries to

- take steps to secure information from its churches,
- counsel churches that are not giving through the Denominational Ministry Fund, and
- encourage churches that are giving less than 10% to increase their percentage level of giving in an effort to reach the Denominational Ministry Fund goals established by the General Synod.

The Board continued in its efforts to establish a structure to allow the Canadian churches to participate financially in the ministries of the General Synod. It is anticipated that this structure will be in place by the time General Synod meets.

The Board continues to hope that Synod will at an appropriate time in the future appreciate the need for and approve a Director of Stewardship Ministries. We believe that such a person would help the Board to more effectively carry out its assigned responsibilities and would provide more assistance and resources for presbyteries and congregations.

A summary report on churches meeting the goals set by the General Synod and a list of all churches that increased their percentage level of giving, will be available at the meeting of the General Synod.

Special Offerings

The results of the Special Offerings for the past five years are reported as information. These figures reflect only those moneys received through the Treasurer of Synod. Funds sent directly to Bonclarken, Erskine, or World Witness are not reflected.

Easter Offering	1999	2000	2001	2002	2003
ARP Foundation	\$ 11,788	\$ 16,393	\$ 11,588	\$ 12,673	\$ 10,758
Bonclarken	18,265	23,955	17,252	19,456	16,377
Covenant Disc.	12,535	17,465	12,377	13,462	11,977
Erskine College	15,785	21,264	15,805	17,091	15,900
World Witness	30,569	35,919	25,843	28,417	23,181
Sub-Total	\$ 88,942	\$ 114,996	\$ 82,865	\$ 91,099	\$ 78,193
Thanksgiving Offering					
Erskine Seminary	\$ 11,995	\$ 9,351	\$ 11,760	\$ 10,670	\$ 12,128
American Bible Soc.	8,903	6,476	8,503	7,571	7,609
ONA	22,113	16,513	19,259	16,012	16,440
Christmas Benevolent Fund	52,824	37,094	42,049	41,029	40,935
Sub-Total	\$ 95,835	\$ 69,434	\$ 81,571	\$ 75,282	\$ 77,112
Total Offering	\$ 184,777	\$ 184,430	\$ 164,436	\$ 166,381	\$ 155,305

The special offerings are critically important to the agencies and opportunity should be given in each church for members to participate. Agencies should continue to be sensitive to the timing of other appeals that might adversely impact these offerings.

Administrative Information

Meeting Dates for 2004 - 2005: The next meeting date has been set for September 23 – 24, 2004 to coincide with the meeting of the ARP Foundation. Meeting dates for 2005, if needed, will be set at that time.

Officers: The following have been elected to serve for the period July 1, 2004 - June 30, 2005:

- Chairman: Tom Shoger
- Vice Chairman: Mike Foster
- Secretary: David Walkup

Mr. Guy H. (Chip) Smith, III, serves as Treasurer and Mr. Ed Hogan serves as the Board's Administrative Officer.

Retiring Member: The Board expresses its appreciation to retiring members David Johnston, David Lauten, and Calvin Todd for their service and leadership. The Board also expresses appreciation to Ed Carson for his leadership as Chairman during this period and to Ed Hogan for his good spirit in handling complex issues.

Recommendations

1. That the Board of Stewardship and the Associate Reformed Presbyterian Foundation be authorized to unite their mission and ministry under one board with the following provisos:
 - a. That the approved membership as of July 1, 2004 of both boards constitute the membership of the new board until a revised membership is approved at the next meeting of the General Synod.
 - b. That the newly constituted board present revised by-laws and or policy book to the 2005 meeting of the General Synod, being cognizant of the recommendations of the Special Committee on Organization.
 - c. That the newly constituted board present a proposal to the 2005 General Synod for a field worker to help presbyteries, churches, and individuals to understand stewardship as part of personal sanctification.
2. That the response to the Catawba Memorial be accepted as information and printed in the *Minutes of Synod*. [**Recommended**]
3. That funding for the Board of Publications be on an annual basis with no carryover of either reserve or deficit, to be effective for the current calendar year.
4. That the recommended additional allocations for 2004 as presented in the report be approved.
5. That boards and committees requesting allocations from the General Synod for budget year 2006 submit their requests following procedures outlined by the Board of Stewardship.
6. That each church, in determining its level of giving through the Denominational Ministry Fund
 - a. have a Session meeting (joint meeting with Diaconate if appropriate) at the beginning of the budgeting process to review the Report of the Board of Stewardship and other material presented by the Board of Stewardship and
 - b. commit to a planned process attempting to attain Synod's established Denominational Ministry Fund goal.
7. That presbyteries, if they have not done so
 - a. establish procedures that require ministers entering ministry in the Associate Reformed Presbyterian Church to attend the General Synod orientation, preferably within the first year of ministry in the Associate Reformed Presbyterian Church; and
 - b. consider establishing procedures for monitoring and encouraging the reporting of statistical data by the churches in its presbytery.
8. That the Easter and Thanksgiving Offerings be continued for 2005.
9. That the Budget for the Board of Stewardship be approved.
10. That all other actions, as reported herein, be sustained.

Respectfully,
Ed Carson, Chairman

BUDGET BOARD OF STEWARDSHIP

	2004	2005
RECEIPTS	Budget	Proposed
Synod Supplement	\$ 41,880	\$ 50,000
DISBURSEMENTS		
Board and Travel Expenses	8,268	8,268
General Office Expenses	750	750
Promotion and Publicity	5,000	5,000
Insurance	6,000	6,000
General Synod Audit	5,950	5,950
Reserve for ARP Subscriptions*	1,000	1,000
General Synod Contingency	14,912	23,032
Total Disbursements	\$ 41,880	\$ 50,000

*Included to provide a one-year free subscription to *The Associate Reformed Presbyterian* for new families in a mission church.

RESPONSE TO CATAWBA PRESBYTERY MEMORIAL [Recommitted to Board]

The Board of Stewardship was instructed by the General Synod in June 2003 to respond to a memorial (Attachment B.1) from Catawba Presbytery regarding “financial support and fund-raising in the local church.” The Board identified two main themes in the memorial, namely tithing and fund-raising. Of the seven whereas statements in the memorial, statements 1,3,4, and 5 address tithing; statements 2 and 6 fund-raising, and statement 7 addresses both. The Board thought it best to address the two themes separately.

Tithing and the Tithe

Regarding the first theme of tithing, the Board reiterates that tithing is an agreed upon principle of Scripture, and the Synod approved method of “securing finances necessary for the work of the church.” This approval has been repeatedly emphasized not only by the Board of Stewardship since its inception and appointment in 1962, but also by the General Synod in both the past and recent years.

The very first Board of Stewardship report to the General Synod in 1963 (Attachment B.2) included recommendations to the local church. The report was adopted by the General Synod including the first recommendation which was:

“We urge our ministers to preach yearly on the truth that tithing is the Scriptural minimum of Christian stewardship of money...” (1963 Minutes, page 679)

The Board of Stewardship still believes this and urges/encourages the teaching of tithing on at least an annual basis. There are other good recommendations in that report as well that reflect the concerns in our denomination about biblical giving. The initial Board believed the concern was significant enough that it directed the following comment to Synod:

“We hope that someday, in the not-too-distant future, the Synod may have a full-time, trained director of a Department of Stewardship.” (1963 *Minutes*, page 680)

The present Board agrees with the original Board that there is a need for a full-time, trained person to assist presbyteries and churches in this important area of Christian responsibility.

The very next year, 1964, the Board report to General Synod (Attachment B.3) included feedback from a questionnaire. The report addressed two areas of stewardship: the organizational-educational area, and the spiritual area. There are some excellent findings in both areas that the current Board believes are still valid today. For example, under the heading of Organizational-education we find the following points:

- “It is found that most churches do not bother to have a stewardship campaign...”
- “There is strong evidence that the deacons, personally and as an organization, are not giving the calibre of leadership needed in the area of stewardship. Elders, generally, are brought into question at the same point, and ministers themselves sometimes admit their lack of force in relation to this emphasis.”
- “Reports show that very few church officers receive any instruction whatsoever, beyond a few words at the time of their installation...”
- “Stewardship is a subject that necessitates continued educational effort. Little can be accomplished in one year or by one successful campaign; but consistent effort over years will produce abundant fruit.”

(1964 *Minutes*, pages 77,78)

Given the nature of man, these findings no doubt still contain validity for our own day. There is a definite need for the leadership of local congregations to biblically step up to the ongoing stewardship challenge.

Moving on in the same report to the heading of Spiritual, the very first statement gets at the real issue.

“Most of those answering the questionnaire placed their fingers precisely on the source of our stewardship difficulties. They indicated that our real problem is a spiritual ill... a half-hearted commitment to Christ and an inadequate knowledge of His Word produces token givers. When one has a personal encounter with Christ and understands His sacrifice on his behalf, then the love, gratitude, obedience, and worship, in response, produces a generous heart.”

(1964 Minutes, page 78)

Again, the current Board concurs that the stewardship dilemma is an issue of spiritual growth, or the lack of it. Resolution of this issue rests directly upon the local session, diaconate, and pastor. As the report previously noted there is strong evidence that deacons, elders, and ministers are “not giving the calibre of leadership needed in the area of stewardship.”

The Board of Stewardship issued a challenge in their 1964 report that included this:

“A continuing program of stewardship is needed. A thorough and detailed plan of budget-making, promotional work, personal contact, business procedure in record keeping, and follow-up are essential to success. The lay leaders are the only persons who can put across such a program.” *(underline added)*

(1964 Minutes, page 79)

In addition to the leadership difficulties on the local level, the Board’s 1965 report to the General Synod diagnosed another difficulty. That report started this way:

“The Board of Stewardship of the ARP General Synod was created by an action of the General Synod at its meeting in 1962... The Board of Stewardship began to function according to its concept of Presbyterian Law in which a board or committee of Synod works with the several presbyteries, and not directly with the local congregations. However, it soon became evident that with few exceptions, the presbyteries were not willing to take seriously their responsibilities in the area of Christian stewardship.”

(1965 Minutes, page 322)

Until presbyteries and local sessions provide serious biblical leadership in the area of stewardship, the church will continue to struggle with not only a lack of tithing but with non-giving Christians as well. This same point was made in a paper prepared by the Committee on Theological and Social Concerns on “The Tithe,” which was received as information by the 1978 General Synod (Attachment B.4). (1978 Minutes, pages 718-720)

That position paper was prepared in response to a Synod-approved motion in 1977 that read:

“...that our Committee on Theological and Social Concerns be instructed to prepare a position paper on the matter of tithing, with all of its ramifications, in view of Malachi 3:10, and other related passages.”

(1977 Minutes, page 431)

In 1988 the Committee on Theological and Social Concerns in responding to two referrals on Capital Fund Campaigns made several statements as well on the tithe (reference 1988 Minutes, pages 572,573).

In 1997 the Board of Stewardship prepared a one page "Concise Statement of Biblical Stewardship," which was adopted by General Synod in which paragraphs VI and VII addressed tithes and offerings. (Attachment B.5).

In view of all of the aforementioned reports and papers on tithing and biblical stewardship the Board of Stewardship believes another position paper would be redundant, but sincerely hopes that calling attention to these prior efforts will be helpful to the presbyteries and churches of the Associate Reformed Presbyterian Church.

The only added point the Board would emphasize at this time is that the matter of generous and sacrificial giving with the tithe as the minimum standard is NOT a choice between to tithe or not to tithe, BUT rather a choice to obey or to disobey God's direction and command. Many previous reports and papers point out the benefit of faithful tithing, such as:

"...our personal commitment to God gives us the opportunity to see the blessings of God and to obtain a closer walking relationship with Him."

(1991 Minutes, pages 732,733)

While these benefits are clearly true, so too is the other side of the coin, which is that we disobey at our own peril. "Do not be deceived, God is not mocked; for whatever a man sows, this he will also reap." Galatians 6:7

Fund-Raising

The second theme in the memorial from Catawba Presbytery is whether fund-raising is a proper means for securing the finances necessary for the work of the local church. Since there is not an abundance of study nor reports on this particular subject, and because biblical principles are being sought, the Board of Stewardship requested at its fall meeting that the Executive Board of Synod authorize the Committee on Theological and Social Concerns to act as a resource committee to the Board regarding this issue.

The Committee on Theological and Social Concerns reviewed the memorial and made the following observations.

"The term fund-raising is very general and could cover many activities. Whatever the definition, fund-raising is still governed by the biblical principles and policies discussed previously in this report and its various attachments.

In particular, the Committee on Theological and Social Concerns believes that paragraph 9. of the Synod-approved 1965 Statement of Policy of the Board of Stewardship is a concise and strong statement, yet one that avoids a rigid legalism. This statement is also included in the memorial and reads:

“The Board of Stewardship shall continue to express its opposition to fund-raising schemes such as bazaars, bake sales, etc., recognizing that in most (if not all) such cases, such efforts represent an effort to escape our responsibility to adhere to the principle of stewardship presented in the Bible.”

(1965 Minutes, page 325)

NOTE: The following attachments are included for purposes of reference and will not be printed in the official Minutes:

- B.1 Catawba Presbytery Memorial, *2003 Minutes of Synod*, pages 68 – 69.
- B.2 1963 Report of Board of Stewardship, *1963 Minutes of Synod*, pages 678 – 680.
- B.3 1964 Report of Moderator’s Committee on Stewardship and 1964 Report of Board of Stewardship, *1964 Minutes of Synod*, pages 76 – 81.
- B.4 The Tithe, *1978 Minutes of Synod*, pages 718 – 720.
- B.5 A Concise Statement on Biblical Stewardship, Approved by 1997 General Synod and printed in *Manual of Authorities and Duties*.

Statistical Data, Denominational Ministry Fund

The Board of Stewardship, on behalf of the ministries of the General Synod, express grateful appreciation for all gifts. We note in particular those churches that have met the following giving levels. The numbers for 2004, as compared to previous years, are based on pledged amounts:

Category	2000	2001	2002	2003	2004
Churches Meeting Goal					
Gave 20% or More	27	18	14	20	22
Increased by 1 Percentage Point	46	40	59	31	33
Mission Church Pledging 10%				2	3
Churches Giving but Not Meeting Goal					
Increased Percentage Level	43	56	42	58	61
Same Percentage Level	1	1	5	6	4
Percentage Level Decreased	71	78	72	72	78
Giving but Percentage Not Determined			3	1	2
Churches Not Giving					
Reported Zero Pledge	61	63	67	73	33
No Report or Gifts to Date					29
Total Churches*	249	256	262	263	265

* Canadian Churches (6 in 2000) are reported as one church.

Churches Meeting the 20% Goal for 2003, based on contributions as percentage of 2001 General Fund Receipts:

Church	Presbytery	Church	Presbytery
Abbeville	Second	Bartow	Florida
Camden	Tenn-Ala	Due West	Second
Elk Shoals	First	Fayetteville	Tenn-Ala
Lake Placid	Florida	Lauderdale	Virginia
Louisville	Second	New Sterling	First
Peachtree Corners	Second	Pinecrest	First
Prosperity, TN	Tenn-Ala	Providence*	Second
Sherwood Forest	Catawba	Smyrna	Catawba
Unity	Catawba	Waxhaw	First
White Oak	Catawba	White Oak	Second

*Includes distributions from Betts Endowment Fund

Churches that did not reach the 20% Goal but did reach the goal of increasing their 2003 percentage level of pledge by at least one (1) percentage point over the percentage level given in 2002:

Church	Presbytery	Church	Presbytery
Atonement	Northeast	Bethany	Catawba
Bethany	MV	Bethel	Tenn-Ala
Bethlehem	Second	Coddle Creek	First
Concord	First	DaySpring	First
Devenger Road	Second	Ebenezer	Catawba
Ebenezer	Virginia	Effingham	Catawba
Faith (Merritt Is.)	Florida	Good News (AZ)	Northeast
Hickory Springs	MV	Lake Wales	Florida
Lemira	Catawba	Lifeline	Northeast
Lincoln Memorial	Tenn-Ala	Mooresville	First
New Hope	Catawba	Redeemer	Second
Reformation	First	Richland	MV
Scots Kirk	Catawba	Stony Point	First
Thomson	Second	Timber Ridge	Virginia
Unity	Second	Westview	First
Young Saeng	Pacific		

Mission churches that reached the goal of giving at least 5% (10% for mission churches begun in 2003 or later) of General Fund receipts:

Church	Presbytery	Church	Presbytery
Hope	Catawba	Wellspring	Virginia

Additionally, the 2003 contributions of the following churches represented a percentage increase over their percentage level of giving in 2002:

Church	Presbytery	Church	Presbytery
Arsenal Hill	Catawba	Bethel	Catawba
Blacksburg	Catawba	Centennial	Catawba
Clover	Catawba	Columbia First	Catawba
Edgemoor	Catawba	Edwards Memorial	Catawba
Good Shepherd	Catawba	Hopewell	Catawba
Lancaster First	Catawba	Oak Ridge	Catawba
Rowan	Catawba	Sharon	Catawba
Tirzah	Catawba	Ambassador	First
Boyce Memorial	First	Calvary	First
Christ	First	Covenant Fel.	First
Covenant (J)	First	Crowders Creek	First
Ebenezer	First	Emmanuel	First
Huntersville	First	Idlewild	First
New Covenant	First	New Perth	First
Pisgah	First	Progressive	First
Providence	First	Statesville First	First
Tunnel Road	First	Westminster	First
Morning Star	Florida	Park Springs	Florida
Sebring First	Florida	Shepherd Road	Florida
Elsberry	MV	Mount Zion	MV
New Albany	MV	Pottsville	MV
Ballston Center	Northeast	Calvary Chapel	Northeast
Faith of Olney	Northeast	Good News, MD	Northeast
Heartland	Northeast	Kirkridge	Northeast
New Windsor	Northeast	Cannons Creek	Second
Generostee	Second	Harrison Bridge Rd.	Second
Hopewell	Second	Iva	Second
Long Cane	Second	Ora	Second
Pressly Memorial	Tenn-Ala	Johnson Creek	Virginia

Based on pledges and/or giving for 2004, the following churches will meet the 20% Goal for 2004:

Church	Presbytery	Church	Presbytery
Abbeville	Second	Bartow	Florida
Camden	Tenn-Ala	Due West	Second
Ebenezer	Virginia	Elk Shoals	First
Fayetteville	Tenn-Ala	Lake Placid	Florida
Lake Wales	Florida	Lauderdale	Virginia
Louisville	Second	New Sterling	First
Peachtree Corners	Second	Pinecrest	First
Pressly Memorial	Tenn-Ala	Prosperity, TN	Tenn-Ala
Providence*	Second	Sherwood Forest	Catawba
Smyrna	Catawba	Unity	Catawba
Wellspring	Virginia	White Oak	Second

*Includes distributions from Betts Endowment Fund

Mission churches that have pledged to meet the goal of giving at least 5% (10% for mission churches begun in 2003 or later) of their 2004 General Fund receipts:

Church	Presbytery	Church	Presbytery
Hope	Catawba	New Millenium	Catawba
Redeemer	Virginia		

The Report of the **Committee on Nominations** was presented and adopted.

REPORT OF THE COMMITTEE ON NOMINATIONS

The Committee on Nominations met on Monday, February 9, 2004, at 9:30 AM at the ARP Center in Greenville, SC. Chairman John Hill called the meeting to order. G. J. Gerard gave a devotional message based upon the text of Galatians 1:6-24, and then led in prayer.

Committee members present were Kim Payne (Florida Presbytery Representative), Grier Westbrook (Catawba Presbytery Representative), G. J. Gerard (Northeast Presbytery Representative), Rob Roy McGregor (Second Presbytery Representative), David Griffin (Mississippi Valley Presbytery Representative), Fred Hartin (Tennessee-Alabama Presbytery Representative), Bill Harris (Virginia Presbytery Representative), Joann Johnston (WSU Representative), and John Hill (First Presbytery Representative). The representative of the Pacific Presbytery was absent. Also present was Wilfred Bellamy (Synod Coordinator).

A motion passed to write letters to those persons whose names were recommended to the Committee on Nominations but not nominated, thanking them for their willingness to serve, yet noting that the Committee was led to other names as its nominees for election by the General Synod, and encouraging them to have their names submitted to the Committee next year.

The Committee considered the vacant positions on the boards and committees of the General Synod. The committee reviewed the information forms of all persons whose names were submitted to the Committee. All nominees were approved through a process of open discussion and consensus building.

The Committee expresses its thanks to all persons who allowed their names to be submitted to the Committee for consideration for their willingness to serve. The Committee thanks all persons, sessions, boards and committees that submitted the names of persons for consideration. The Committee appreciates the efforts of those persons and sessions who do submit nominees. We would encourage more sessions and individuals to submit names to the Committee.

We ask that those Sessions or persons submitting nominations review carefully the Nominations' Packet and the *Manual of Authorities and Duties*, to be sure the nominee meets the standards established by Synod.

The Committee presents the following nominees for service on Boards,

Committees, the Ecclesiastical Commission on Judiciary Affairs, and as officers or representatives of the General Synod. The terms of service will begin July 1, 2004, and will expire June 30 of the year indicated. All nominees have indicated a willingness to serve if elected.

ARP Foundation

2008—Kenneth Usry (Thomson), Adam Bloom (Cornerstone), Mrs. Harriett Linderman (WSU)

Benefits

2006—Guy H. Smith, Jr. (Replacing Gerald Gay)

2007—Robert “Bob” Stone (Cornerstone) (Replacing James W. Todd)

2010—Hazel Bryan (WSU) (Bartow), John M. Hill (Greenwood First)

Bonclarken

2005—Calvin L. Draffin (Replacing James Wiseman)

2009—Dean McDonald (Replacing David Stephenson)

2010—James P. Ashburn (Statesville First), Richard Weisner (Lancaster First), Brent Turner

Covenant Discipleship

2010—Frazier Jackson (Centennial)

Erskine

2007—John D. Cook (Replacing Mark Ross)

2008—Calvin Todd (Replacing Charles Roberts), Toney Parks (Replacing Charles Austin)

2009—E. Kate Stewart (Replacing Paula Harper Bethea)

2010—Dwight L. Pearson, William L. Barron, Craig White (Greenwood First), Kenneth E. Compton (Non-ARP), Gordon Query (First Columbia)

Outreach North America

2010—Anthony R. Locke

Publications

2010—Delores McDonald (Greenville First)

Stewardship

2010—Ben Johnston (Devenger Road)

William H. Dunlap Orphanage, Inc. (Submitted by Presbytery to be Appointed by Synod)

2008—Ronald L. Pritts (Replacing Glenn Goforth) (N)

2010—William M. Harris, Jr. (V), _____ (P)

World Witness

2009—J. Michael Lineberger (Replacing Douglas Culver)

2010—William H. Kidd (Fayetteville), Troy L. Pritt

Ecclesiastical Commission On Judiciary Affairs

2006—Garth K. Radley (Back Creek) (Replacing Tom Campbell)

2008—C. Biddle Foster, James T. Corbitt

Historical Concerns

2009—Ray Lanning

2010—John Lutz (Pisgah)

Inter-Church Relations

2010—Peter Kemeny

Lay Ministry

2007—Gail Griffin (Devenger Road) (Replacing Dottie Bigham)

2008—Eugene Neely (Neely's Creek), Carlene Schafer (Covenant, Statesville), Timothy G. Burrell, Sr. (Coddle Creek)

Theological and Social Concerns

2005—George M. Schwab, Erskine Seminary Representative

2007—Mark Bolhofner, William B. Evans

Worship

2008—Mark Ross, Paul Patrick, Mike Jones

Officers of Synod

2007—Parliamentarian: Andrew K. Putnam

2008—Principal Clerk: C. Ronald Beard

2008—Bill Clerk: Leland R. Beaudrot (replacing W. E. Kirkpatrick)

2008—Treasurer: Guy H. Smith, III

2008—Historian: William R. Roberts

The following Presbytery appointees/representatives are reported as information:

Covenant Discipleship

2005—Andrew Basham (C), Greg Hamer (F), Charles Kocisek (T), H. Don Yancey (S)

2006—John Tucker (M)

2007—Robert Whittet (N)

2008—Charles T. Lewis (FL), Timothy Dibble (V)

Unknown: (P)

Executive Board of Synod

2005—Richard Moore (M), Charles Roberts (N)

2006—Walter Heinsohn (C), Ray C. Cameron, Jr. (FL), (P)

2007—C. Earl Linderman (F), William B. Patrick, Jr. (S)

2008—Calvin Todd (T), David Hayslett (V)

Outreach North America, The Board of Church Extension

2005—Donnie Bowker (M), Fred Carr (N) Richard Shaw (F)

2006—Roy Huling (T)

2007—R. T. Ruble (S), Bryan Jurkowski (FL),

2009—Robert E. Patrick, III (C)

Unknown: (P), (V)

Board of Stewardship

2005—H. Paul Matthews (N)

2006—Robert Hunter (F), Martha Dees (M), Tom Shoger (S), David Walkup (FL)

2007—L. Paul Burns (V), Martin L. Taylor (C), Daniel Hazen (T)

Unknown: (P)

Committee on Minister and His Work

2005—Herschel Carlson (N)

2006—Robert C. Gordon (V)

2007—Conrad E. Cheatham (M), William R. Roberts (C), Steven Cavallaro (FL), Terry Wallace (F)

2008—John D. Cook (S), Charles Edgar (T)

Unknown: (P)

Committee on Nominations

2005—A. Grier Westbrook (C), G. J. Gerard (N), William Harris (V), David Griffin (M), Earl Linderman (F)

2006—Rob Roy McGregor (S), Robert B. Johnson (FL), Fred Hartin (T)
Unknown: (P)

Officers for the Committee July 1, 2004—June 30, 2005 are: G. J. Gerard, Chairman; Rob Roy McGregor, Vice-Chairman; and David T. Griffin, Secretary.

The Nominations packets for 2005 will be mailed in September 2004. The deadline for submission of nominees will be January 21, 2005. The Committee will meet February 14, 2005, 9:30 A.M., at the ARP Center, Greenville, SC.

Recommendations

1. That those persons listed in this report be approved for service in the positions indicated.
2. That each person or group desiring to submit a nomination review carefully the “Guidelines For The Committee on Nominations” found in the *Manual of Authorities and Duties*, to be sure the nominee meets the standards established by Synod.
3. That each Session, Pastor, Board and Committee make a greater effort to identify qualified persons who are willing to serve on the various Boards and Committees of Synod, and to submit the names of these individuals to the Committee on Nominations.
4. That each Presbytery be reminded to consider appointing an alternate representative to Synod’s Committee on Nominations in the event that the chairman of a presbytery Committee on Nominations is not able to attend Synod’s Committee meeting.
5. That Synod request that Presbytery Clerks present the need of nominations for the Committee on Lay Ministry to each presbytery.
6. That those making recommendations to the Committee remember the need to use the appropriate form.
7. That more sessions and individuals be encouraged to submit recommendations to the Committee.
8. That the General Synod authorize \$5,000 for Committee expenses in 2005.

Respectfully submitted,
John E. Hill, Chairman

The following motion carried:

“That General Synod request that each presbytery, prior to the next meeting of the General Synod, appoint a standing or ad hoc committee to receive comments from churches and members of the presbytery on the proposed revision of the *Book of Worship* to be presented at the 2005 General Synod.”

The Synod stood and sang Bible Songs #312.

The Moderator opened the floor for nominations for the office of Vice Moderator of the General Synod, 2004.

Moderator-Elect Evans nominated Paul Bell.

Mr. Bell was elected by acclamation.

Chaplain L. P. Burns offered prayer in appreciation for the service of former President Ronald Reagan, for the comfort of his family and for future leaders of our nation.

A motion carried:

“That the Synod proceed with the approval of the dates for the meeting of General Synod for 2006 according to the same formula currently used and that Synod continue the practice of setting the dates two years in advance.”

A motion carried:

“That this Court honor the request of Virginia Presbytery and allow First Presbytery to take oversight of a church in the Tidewater area of Virginia, until such time as an established church there could affiliate with Virginia Presbytery.”

The General Synod rose in appreciation for the Moderator for his moderation of the meeting.

A motion carried:

“In light of the recent actions in California, Massachusetts and throughout this country concerning same-sex marriages, that the Synod write the White House, the U. S. Senate, and the U. S. House, stating our conviction that marriage in this nation be recognized as between one man and one woman.”

A motion carried the Minutes be adopted without reading, and that the final roll call be waived.

The motion to adjourn made by Charles Mitchell prevailed.

The Synod sang the song of Christian Unity, Psalm 133.

Synod adjourned with the Benediction pronounced by James D. McLurkin.

Respectfully Submitted,
F. M. Hunt, II, Moderator
J.D. McLurkin, Vice-Moderator
C. R. Beard, Principal Clerk
C.F. Edgar, Reading Clerk
J. D. Cook, Acting Bill Clerk
A. K. Putnam, Parliamentarian

