

Voluntary Commitments for 2005

All Saints Church (Morristown)	37,906
Annunciation (Newport)	10,800
Ascension (Knoxville)	72,440
Christ Church (Chattanooga)	21,371
Christ Church (Rugby)	3,211
Christ Church (South Pittsburg)	14,508
Episcopal Church of the Nativity (Fort Oglethorpe)	12,168
Good Samaritan (Knoxville)	40,582
Good Shepherd (Knoxville)	24,662
Good Shepherd (Lookout Mountain)	135,000
Grace Church (Chattanooga)	39,044
Resurrection (Loudon)	15,040
St. Alban's Church (Hixson)	20,040
St. Andrew's Church (Harriman)	5,195
St. Andrew's Church (Maryville)	32,400
St. Christopher's Church (Kingsport)	10,915
St. Clare's Church (La Follette)	2,394
St. Columba's Church (Bristol)	4,742
St. Elizabeth's Church (Knoxville)	58,023
St. Francis Church (Norris)	5,000
St. Francis of Assisi (Ooltewah)	16,254
St. James Church (Greeneville)	13,300
St. James Church (Knoxville)	42,000
St. John the Baptist (Battle Creek)	1,200
St. John's Cathedral (Knoxville)	193,119
St. John's Church (Johnson City)	57,882
St. Joseph the Carpenter Church (Sevierville)	9,539
St. Luke's Church (Cleveland)	52,200
St. Luke's Church (Knoxville)	4,300
St. Mark's Church (Copperhill)	769
St. Martin's Church (Chattanooga)	40,000
St. Matthew's Church (Dayton)	1,650
St. Paul's Church (Athens)	24,500
St. Paul's Church (Chattanooga)	198,761
St. Paul's Episcopal Church (Kingsport)	52,811
St. Peter's Church (Chattanooga)	50,540
St. Raphael's Church (Crossville)	14,291
St. Stephen's Church (Oak Ridge)	34,724
St. Thaddeus' Church (Chattanooga)	4,000
St. Thomas Church (Elizabethton)	3,240
St. Thomas Church (Knoxville)	9,413
St. Timothy's Church (Kingsport)	1,200
St. Timothy's Church (Signal Mountain)	64,207
Thankful Memorial (Chattanooga)	10,270
Trinity Church (Gatlinburg)	6,000

1,471,611

2005 Budget

INCOME

Voluntary Commitments	1,471,611
E.E.C. Support (Episcopate)	108,000
Miscellaneous	35,000
Trust Fund Income (Seminarians)	10,000
Prior Year Commitment	11,800
Restricted Pledge	
Prior Year Surplus	14,289

Total Income

1,650,700

EXPENSE

DIOCESAN MINISTRY

Bishop & Council	2,500
Book Shop	4,000
Outreach Ministries	11,000
Congregational Development	5,800
Christian Spiritual Formation	9,880
Grace Point Camp & Retreat Center	24,411
Episcopal Institutions	3,000
Liturgical Commission	500
Office of Communications	16,725
Staff Support for Dio. Ministry	78,659
Standing Committee	2,975

Total DIOCESAN MINISTRY

159,450

MISSION WITHIN THE DIOCESE

Support for Mission and Ministry Development	10,500
Staff to Support Mission	61,987
Scholarships for camps	6,375
Support for Congregations	113,998
Support for Campus	144,363
Support for Youth	29,214

Total MISSION WITHIN THE DIOCESE

366,437

MISSION BEYOND THE DIOCESE

Global Mission	1,500
Companion Diocese	4,250
General Church Objective	313,062
General Convention Deputies	10,000
General Convention Bishop	2,000
Synod Assessment	3,752
Synod Deputies	1,275

Total MISSION BEYOND THE DIOCESE

335,839

CLERGY SUPPORT		
Clergy Deployment	7,650	
Clergy Professional Development	7,650	
Commission on Ministry	169,959	
Medical Insurance - Retired	75,312	
Sabbatical Scholarship	8,000	
Support of Clergy & Family	7,225	
Support for Retired Clergy	<u>2,000</u>	
Total CLERGY SUPPORT		277,796
SUPPORT FOR THE EPISCOPATE		
Bishop's Ministry	180,956	
Episcopal Assistance	2,000	
Office Salaries	221,672	
Staff Continuing Education	<u>2,550</u>	
Total SUPPORT FOR THE EPISCOPATE		407,178
FIXED COSTS FOR MINISTRY		
Accounting & Audit	4,000	
Convention & Journal	11,000	
Diocesan House Expenses	60,000	
General Insurance	18,000	
Property & Taxes	<u>6,000</u>	
Total FIXED COSTS FOR MINISTRY		99,000
CONTINGENCIES	<u>5,000</u>	<u>5,000</u>
SALARY INCREASE FROM RESTRICTED PLEDGE		
TOTAL EXPENSE		1,650,700
Net Income		0

Opportunity Fund – Investment Account – December 31, 2004

	<i>Date</i>	<i>Rate</i>	<i>Term</i>	<i>Original Loan Amount</i>	<i>Balance</i>
Dubose Conference Center	May-93	6.52%	15	10,000.00	4,157.07
St. Elizabeth, Knoxville	Sep-93	0.00%	15	150,000.00	45,000.00
St. Elizabeth, Knoxville	Mar-94	4.50%	15	652,495.57	188,380.63
St. Matthew, Dayton	Jun-97	5.77%	15	76,500.00	50,404.47
St. Timothy, Kingsport	Apr-97	3.83%	15	120,000.00	48,423.80
All Saints, Morristown	Jun-04	3.60%	9	265,000.00	144,578.19
Episcopal School, Knoxville	Dec-97	4.28%	8	500,000.00	377,126.32
St. Alban, Hixson	Sep-01	5.85%	15	500,000.00	306,163.51
St. Michael & All Angels, Knox	Apr-98	5.95%	15	14,000.00	9,195.44
St. John, Johnson City	Mar-00	4.95%	15	560,000.00	531,962.41
St. Joseph, Sevierville	Sep-00	6.65%	15	48,500.00	40,578.34
Resurrection, Loudon	Sep-01	5.85%	5	20,000.00	7,672.52
St. Christopher's, Kingsport	May-02	3.83%	15	115,000.00	47,678.94
St. Paul, Kingsport	May-02	3.83%	15	370,000.00	351,374.10
Director's House-Grace Pt	Oct-02	3.83%		220,000.00	210,000.00
Annunciation, Newport	Oct-02	2.80%	15	225,000.00	167,104.69
St. Raphael, Crossville	Apr-03	2.98%	15	48,826.00	44,637.89
St. Christopher, Kingsport	Apr-03	3.83%	15	20,000.00	18,300.28
St. Francis of Assisi, Ooltewah	Apr-03	3.83%	15	200,000.00	183,003.07
St. John the Baptist, Battle Creek	Aug-03	2.80%	15	20,000.00	15,259.06
St. Thomas, Knoxville	Oct-03	3.83%	15	7,500.00	7,022.72
St. Alban, Hixson	Oct-04	3.40%		<u>25,000.00</u>	<u>25,000.00</u>
<i>Total Loans</i>				<i>\$4,167,821.57</i>	<i>\$2,823,023.45</i>

Opportunity Fund – Social Ministry Grant Account – December 31, 2004

	Amount
Total 1988 Grants	\$48,793
Total 1989 Grants	\$34,500
Total 1990 Grants	\$54,500
Total 1991 Grants	\$51,000
Total 1992 Grants	\$43,100
Total 1993 Grants	\$36,500
Total 1994 Grants	\$72,500
Total 1995 Grants	\$79,000
Total 1996 Grants	\$47,100
Total 1997 Grants	\$48,000
Total 1998 Grants	\$103,401
Total 1999 Grants	\$94,700
Total 2000 Grants	\$80,520
Total 2001 Grants	\$78,000
Total 2002 Grants	\$67,500

Grants 2003

Ministerial Association Temporary Shelter, Inc.	\$4,000
Second Harvest Food Bank of Northeast Tennessee	\$4,000
Interfaith Hospitality Network of Greater Kingsport	\$4,000
St. Francis of Assisi, Ooltewah	\$5,000
toil De'Art Gallery	\$3,000
Bradley Initiative for Church and Community	\$4,000
Volunteer Ministry Center	\$3,000
Children's Advocacy Center of First Judicial District	\$5,000
Interfaith Hospitality Network of Greater Chattanooga	\$6,000
New Hope Blount County Children's Advocacy Center	\$5,000
St. Timothy	\$5,000
Hands of Mercy	\$5,000
Aid to Distressed Families of Appalachian Counties	\$5,000
Mountain Community Parent Resource Center	<u>\$17,500</u>

Total 2003

\$75,500

2004 Grants

One Accord Ministry	\$5,000
Second Harvest Food Bank	\$5,000
VORP Community Mediation Center	\$1,000
FISH Hospitality Pantries	\$5,000
Interfaith Hospitality Network of Knoxville	\$4,000
Volunteer Ministry Center	\$2,000
Community Reconciliation VORP, Chattanooga	\$5,000
Good Faith Clinic, Athens	\$7,750
Mountain Hope Good Shepherd Clinic	<u>\$5,250</u>

Total 2004

\$40,000

Opportunity Fund – Church Expansion Grant Account – December 31, 2005

	<i>Date</i>	<i>Amount</i>
Church expansion Grants	1987	50,149
Church expansion Grants	1988	50,000
Church expansion Grants	1989	23,338
Church expansion Grants	1990	105,000
Church expansion Grants	1991	47,200
Church expansion Grants	1992	47,000
Church expansion Grants	1993	51,000
Church expansion Grants	1994	173,000
Church expansion Grants	1995	26,000
Church expansion Grants	1996	7,100
Church expansion Grants	1997	121,600
Rugby Committee	Mar-98	39,317
Resurrection, Loudon	Mar-98	16,000
St. Luke, Knoxville	Mar-98	6,300
St. Alban, Hixson	Mar-98	40,000
Episcopate Committee (Approved in 1997)	Sep-98	15,000
Trinity Church, Gatlinburg	Sep-98	34,124
Good Shepherd, Knoxville	Sep-99	25,000
St. John, Johnson City	Mar-00	50,000
Good Samaritan, Knoxville	Mar-00	40,000
Christ Church, Chattanooga	Mar-00	30,000
St. Joseph, Sevierville	Sep-00	35,000
St. Andrew, Harriman	Sep-00	10,000
St. James, Greeneville	01-May	19,000
Thankful Memorial, Chattanooga	01-May	31,000
St. Elizabeth, Farragut	Sep-01	50,000
St. Thomas, Knoxville	Apr-01	7,988
Church of the Resurrection, Loudon	Apr-01	10,500
Thankful Memorial, Chattanooga	Apr-01	8,775
Thankful Memorial, Chattanooga	Oct-02	12,357
St. Andrew, Harriman	Oct-02	12,000
St. Luke, Knoxville	Oct-02	13,143
St. Luke, Knoxville	Apr-03	7,511
St. Raphael, Crossville	Apr-03	9,174
All Saints, Morristown	Apr-03	12,876
St. Joseph, Sevierville	Apr-03	10,439
St. John the Baptist, Battle Creek	Nov-03	14,000
Church of the Resurrection, Loudon	May-04	10,000
ECSET/Metropolitan Ministry	May-04	10,000
St. Luke, Knoxville	Oct-04	18,000
St. Timothy, Kingsport	Oct-04	<u>2,000</u>

Total Grants

\$1,300,891

THE DIOCESE OF EAST TENNESSEE
STATEMENT OF FINANCIAL POSITION
December 31, 2004

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 389,925	\$ 907,854	\$1,297,779
Receivables	5,014	467	5,481
Bookstore Inventory	69,015	-	69,015
Investments	<u>359,288</u>	<u> </u>	<u>359,288</u>
Total Current Assets	<u>823,242</u>	<u>\$ 908,321</u>	
<u>1,731,563</u>			
Property and Equipment	3,751,315	-	3,751,315
Less: Accumulated Depreciation	<u>(216,225)</u>	<u> </u>	<u>(216,225)</u>
Net Property and Equipment	<u>3,535,090</u>	<u> </u>	<u>3,535,090</u>
<i>TOTAL ASSETS</i>	<u>\$4,358,332</u>	<u>\$ 908,321</u>	<u>\$5,266,653</u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts Payable	\$ 33,538	\$ 1,402	\$ 34,940
Accrued Expenses	714	-	714
Due to Patten Trust	254,252	370,000	624,252
Due to Operating Fund	2,000	-	2,000
Due to Emergency Fund	<u>72,405</u>	<u> </u>	<u>72,405</u>
Total Current Liabilities	<u>362,909</u>	<u>371,402</u>	<u>734,311</u>
Long-Term Debt — Due to Opportunity Fund	<u>630,908</u>	<u> </u>	<u>630,908</u>
Net Assets	<u>3,364,515</u>	<u>536,919</u>	<u>3,901,434</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$4, 358,332</u>	<u>\$908,321</u>	<u>\$5,266,653</u>

See accompanying independent auditor's report and notes.

THE DIOCESE OF EAST TENNESSEE
STATEMENT OF ACTIVITIES -- Year Ended December 31, 2004

(See accompanying independent auditor's report and notes.)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Special Gifts/Offerings	\$ 19,200	\$ 3,005	\$ 32,205
Education for Ministry	500	-	500
Sabbatical		8,000	8,000
UTO — Chattanooga	-	10,000	10,000
Convention	-	30,082	30,082
Presiding Bishop Fund		43,000	43,000
Grow in Mission	406,000	-	406,000
Francis — Ooltewah	-	1,967	1,967
Bates Memorial - UTC	-	1,250	1,250
Contributions	1,394,974	766,562	2,161,536
EEC Support	108,269	26,994	135,263
Emergency Fund	12,801	-	12,801
Trust Funds	6,670	-	6,670
Insurance Premiums	925,115	17,723	942,838
Opportunity Fund	8,000	-	8,000
Bookstore Sales/Reimbursements	105,536	-	105,536
Miscellaneous	12,558	19,752	32,310
Interest Income	13,974	142,523	156,497
Lodging/Conferences/Food Service	41,619	-	41,619
Peltway Grant	25,000	-	25,000
Gain on sale of Land	549,289	-	549,289
Seminarian Assistance	9,565	-	9,565
Unrealized gain on investments	12,730	-	12,730
Bridge Refugees/Appalachian Backpack Projects	-	179,252	179,252
Net assets released from restriction	<u>943,718</u>	<u>(943,718)</u>	<u>-</u>
 Total Support and Revenue	 <u>4,595,518</u>	 <u>316,392</u>	 <u>4,911,910</u>
FUNCTIONAL EXPENSES			
Support for Campuses/Youth/Camps	155,471	-	155,471
Support for Congregations	132,014	-	132,014
Diocesan Ministry	140,965	-	140,965
Support for Clergy	260,164	-	260,164
Support for Diocesan Operations	64,140	-	64,140
Outside Diocese — General Church	278,709	-	278,709
Insurance	944,894	-	944,894
Bookstore	78,931	-	78,931
Diocese Center Building	78,983	-	78,983
Support for Episcopate	425,039	-	425,039
Bishop's Discretionary	17,774	-	17,774
Grace Point Camp and Retreat Center	139,951	-	139,951
Grace Point Camp — Mortgage Interest	37,540	-	37,540
Transit	460,378	-	460,378
Episcopal Church Women	39,229	-	39,229
Grow in Mission	426,337	-	426,337
Contingencies	179,323	-	179,323
Depreciation	<u>60,644</u>	-	<u>60,644</u>
Total Functional Expenses	<u>3,920,486</u>		<u>3,920,486</u>
 Change in Net Assets	 <u>\$ 675,032</u>	 <u>\$ 316,392</u>	 <u>\$ 991,424</u>

THE DIOCESE: OF EAST TENNESSEE
STATEMENT OF CASH FLOWS
Year Ended December 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 991,424
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:	
Depreciation	64,384
Changes in current assets and liabilities:	
Accounts Receivable	17808
Payables	80048
Inventories	308
Investments	<u>(12,244)</u>
 Net Cash Provided by Operating Activities	 <u>1,141,728</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Retirement of Property and Land Sold	(210,749)
Acquisition of Property and Equipment	(22,147)
Sale of Land	549,289
Deposits to Investment Account	(107,000)
Unrealized Gains on Investments	
 Net Cash Provided (Used) by Investing Activities	 <u>186,615</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Reduction of Long-Term Debt	(1,083,422)
 Net Increase in Cash	 244,921
 Cash and Cash Equivalents, Beginning of Year	 <u>1,052,858</u>
 Cash and Cash Equivalents, End of Year	 <u>\$ 1,297,779</u>
 Supplemental Cash Flow Disclosures:	
Interest Paid	<u>\$ 37,540</u>

See accompanying independent auditor's report and notes.