

<b>Voluntary Commitments for 2006</b>			
All Saints' Episcopal Church	Morristown		37,900
Church of the Annunciation	Newport		11,400
Church of the Ascension	Knoxville		93,137
Christ Episcopal Church	Chattanooga		19,753
Christ Episcopal Church	Rugby		3,692
Christ Episcopal Church	South Pittsburg		15,000
Church of the Nativity	Fort Oglethorpe		12,500
Good Samaritan	Knoxville		42,475
Good Shepherd Church	Knoxville		25,282
Good Shepherd Church	Lookout Mountain		140,332
Grace Episcopal Church	Chattanooga		41,162
Church of the Resurrection	Loudon		16,074
St Alban's Church	Hixson		19,602
St Andrews Episcopal Church	Harriman		5,195
St Andrew's Episcopal Church	Maryville		29,340
St Christopher's Episcopal Church	Kingsport		11,702
St Clare Episcopal Church	Lafollette		2,221
St Columba's Episcopal Church	Bristol		4,800
St Elizabeth's Episcopal Church	Knoxville		56,281
St Francis Episcopal Church	Norris		6,900
St Francis of Assisi's Church	Ooltewah		19,871
St James' Episcopal Church	Greeneville		15,030
St James' Episcopal Church	Knoxville		47,729
St John the Baptist	Sewanee		1,400
St John's Cathedral	Knoxville		195,000
St John's Episcopal Church	Johnson City		62,347
St Joseph's Church	Sevierville		10,728
St Lukes Episcopal Church	Cleveland		52,500
St Luke's Episcopal Church	Knoxville		4,900
St Mark's Episcopal Church	Copperhill		769
St Martin's Episcopal Church	Chattanooga		44,200
St Matthew's Episcopal Church	Dayton		1,552
St Paul's Episcopal Church	Athens		23,500
St Paul's Episcopal Church	Chattanooga		141,462
St Paul's Episcopal Church	Kingsport		56,503
St Peter's Episcopal Church	Chattanooga		55,736
St Raphael's Episcopal Church	Crossville		12,354
St Stephen's Episcopal Church	Oak Ridge		51,052
St Thaddeus' Episcopal Church	Chattanooga		0
St Thomas' Episcopal Church	Elizabethton		4,600
St Thomas' Episcopal Church	Knoxville		9,432
St Timothy's Episcopal Church	Kingsport		0
St Timothy's Episcopal Church	Signal Mountain		64,000
Thankful Memorial Church	Chattanooga		7,000
Trinity Episcopal Church	Gatlinburg		10,000
<b>TOTAL</b>			<b>1,486,412</b>

## 2006 Budget

### **INCOME**

Voluntary Commitments	1,486,412
E.E.C. Support (Episcopate)	108,000
Miscellaneous	35,000
Trust Fund Income (Seminarians)	10,000
Prior Year Commitment	12,523
Prior Year Surplus	<u>54,801</u>

### **Total Income**

**1,706,736**

### **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	30,000
Episcopal Institutions	3,000
Liturgical Commission	500
Office of Communications	25,500
Staff Support for Diocesan Ministry	53,875
Standing Committee	<u>2,975</u>

#### **Total DIOCESAN MINISTRY**

**149,030**

#### **MISSION WITHIN THE DIOCESE**

Support for Mission and Ministry Development	10,500
Staff to Support Mission	76,332
Support for camps	6,375
Support for Congregations	119,000
Support for Campus	136,967
Support for Youth	<u>50,385</u>

#### **Total MISSION WITHIN THE DIOCESE**

**399,559**

#### **MISSION BEYOND THE DIOCESE**

Global Mission & Millennium Goals	11,947
Companion Diocese	4,250
General Church Objective	274,157
General Convention Deputies	12,000

General Convention Bishop	3,000	
Synod Assessment	4,087	
Synod Deputies	2,000	
<b>Total MISSION BEYOND THE DIOCESE</b>		<b>311,441</b>
<b>CLERGY SUPPORT</b>		
Clergy Deployment	7,650	
Clergy Professional Development	7,650	
Commission on Ministry	159,340	
Medical Insurance - Retired	79,000	
Sabbatical Scholarship	8,000	
Support of Clergy & Family	7,225	
Support for Retired Clergy	2,000	
<b>Total CLERGY SUPPORT</b>		<b>270,865</b>
<b>SUPPORT FOR THE EPISCOPATE</b>		
Bishop's Ministry	187,183	
Episcopal Assistance	2,500	
Office Salaries	275,873	
Staff Continuing Education	3,000	
<b>Total SUPPORT FOR THE EPISCOPATE</b>		<b>468,556</b>
<b>FIXED COSTS FOR MINISTRY</b>		
Accounting & Audit	4,800	
Convention & Journal	11,000	
Diocesan House Expenses	60,000	
General Insurance	20,000	
Property & Taxes	6,000	
<b>Total FIXED COSTS FOR MINISTRY</b>		<b>101,800</b>
CONTINGENCIES	5,485	5,485
<b>TOTAL EXPENSE</b>		<b>1,706,736</b>
<b>Net Income</b>		<b>0</b>

***Opportunity Fund – Investment Account – December 31, 2005***

	<b>Date</b>	<b>Rate</b>	<b>Term</b>	<b>Original Loan Amount</b>	<b>Balance</b>
Dubose Conference Center	May-93	6.52%	15	10,000.00	3,336.53
St. Elizabeth, Knoxville	Sep-93	0.00%	15	150,000.00	30,000.00
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	35,890.49
Episcopal School, Knoxville	Dec-97	4.28%	8	500,000.00	354,828.57
St. Alban, Hixson	Sep-01	3.40%	15	500,000.00	308,126.81
St. Michael & All Angels, Knox	Apr-98	5.95%	15	14,000.00	3,715.51
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	37,988.76
St. Christopher, Kingsport	May-02	3.83%	15	115,000.00	6,162.33
St. Paul, Kingsport	May-02	3.83%	5	370,000.00	296,028.11
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	148,511.99
St. Raphael, Crossville	Apr-03	2.98%	15	48,826.00	41,889.99
St. Christopher, Kingsport	Apr-03	3.83%	15	20,000.00	17,227.30
St. Francis of Assisi, Ooltewah	Apr-03	3.83%	15	200,000.00	172,273.32
St. Thomas, Knoxville	Oct-03	2.80%	15	7,500.00	6,601.02
Diocese of East Tennessee	Dec-04	3.50%	15	530,908.09	314,486.59
<b>Total Loans</b>				<b>\$3,716,234.09</b>	<b>\$2,569,434.20</b>

**Opportunity Fund – Social Ministry Grant Account – December 31, 2005**

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
Total 2003 Grants	\$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	\$5,250

**Total 2004** **\$40,000**

**2005 Grants**

Steps House	\$ 5,000
Bradley Initiative for Church and Community	\$ 3,300
Good Neighbors, Maryville	\$ 5,000
Of One Accord	\$ 5,000
Interfaith Hospitality Network of Knoxville	\$ 5,000
Interfaith Hospitality Network of Chattanooga	\$ 2,300
ALPS Adult Day Services	\$ 5,000
La Paz de Dios	\$ 3,300
Hosanna	\$ 4,000
Cumberland Mountain Parent Resource Center	\$ 8,000
Mountain Hope Good Shepherd Clinic	\$ 5,000
St. Barnabas Senior Living Center	\$ 5,000
Ministerial Association Temporary Shelter, Morristown	\$ 9,000

**Total 2005** **\$ 64,900**

**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
Church expansion Grants	1998	150,741
Church expansion Grants	1999	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	2,000
Church of the Ascension	May-05	6,500
Tyson House	May-05	9,600
St. Christopher, Kingsport	Oct-05	20,000
St. James, Greeneville	Oct-05	5,000

**Total Grants**

**\$1,341,991.00**

**Statement of Financial Position – December 31, 2005**

<b>ASSETS</b>	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Total</i>
<b>Current Assets:</b>			
Cash & Cash Equivalents	\$ 380,065	\$ 890,997	\$1,271,062
Receivables	9,480	531	10,011
Prepaid Insurance	67,522	-	67,522
Bookstore Inventory	67,057	-	67,057
Investments	<u>379,541</u>	<u>          </u>	<u>379,541</u>
Total Current Assets	<b><u>\$ 903,665</u></b>	<b><u>\$ 891,528</u></b>	<b><u>\$1,795,193</u></b>
Construction in Progress	-	306,482	306,482
Property & Equipment	3,723,603	-	3,723,603
Less: Accumulated Depreciation	<u>(277,086)</u>	<u>          </u>	<u>(277,086)</u>
Net Property and Equipment	<u>3,446,517</u>	<u>306,482</u>	<u>3,752,999</u>
<b>TOTAL ASSETS</b>	<b><u>\$4,350,182</u></b>	<b><u>\$1,198,010</u></b>	<b><u>\$5,548,192</u></b>
 <b>LIABILITIES &amp; NET ASSETS</b>			
<b>Current Liabilities:</b>			
Accounts Payable	\$ 45,961	\$ 7,332	\$ 53,293
Accrued Expenses	10,716	-	10,716
Due to Patten Trust	254,252	370,000	624,252
Due to Operating Fund	2,000	-	2,000
Due to Emergency Fund	86,346	-	86,346
Due to Transit Fund	10,000	-	10,000
Due to Opportunity Fund	<u>          </u>	<u>76,015</u>	<u>76,015</u>
Total Current Liabilities	<u>409,275</u>	<u>453,347</u>	<u>862,622</u>
Long -Term Debt – Due to Opportunity Fund	<u>314,487</u>	<u>          </u>	<u>314,487</u>
Net Assets	<u>3,626,420</u>	<u>744,663</u>	<u>4,371,083</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u>\$4,350,182</u></b>	<b><u>\$1,198,010</u></b>	<b><u>\$5,548,192</u></b>

See accompanying independent auditor's report and notes.

**Statement of Activities – Year Ended December 31, 2005**

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Total</i>
<b>SUPPORT AND REVENUE</b>			
Special Gifts/Offerings	\$ -	\$ 25,575	\$ 25,575
Real Estate Sale Proceeds	-	116,421	116,421
Convention	-	27,095	27,095
Presiding Bishop Fund	-	10,493	10,493
Appalachian Ministry	-	5,008	5,008
Contributions	1,533,213	419,883	1,953,096
EEC Support	107,543	35,281	142,824
Emergency Fund	13,070	-	13,070
Trust Funds	10,189	-	10,189
Insurance Premiums	922,727	-	922,727
Opportunity Fund	8,000	-	8,000
Bookstore Sales/Reimbursements	100,109	-	100,109
Miscellaneous	19,012	97,203	116,215
Interest Income	1,083	-	1,083
Lodging/Conferences/Food Service	35,042	2,800	37,842
Peltway Grant	25,000	-	25,000
Gain on Sale of Lane	65,421	-	65,421
Seminarian Assistance	-	6,000	6,000
Camp Billy Johnson	-	7,600	7,600
Bridge Refugees	-	153,385	153,385
Net Assets Released from Restriction	<u>499,000</u>	<u>(499,000)</u>	<u>-</u>
 Total Support and Revenue	 <u>3,339,409</u>	 <u>407,744</u>	 <u>3,747,153</u>
<b>FUNCTIONAL EXPENSES</b>			
Support for Campuses/Youth/Camps	175,674	-	175,674
Support for Congregations	109,336	-	109,336
Diocesan Ministry	155,177	-	155,177
Support for Clergy	248,201	-	248,201
Support for Diocesan Operations	73,712	-	73,712
Outside Diocese – General Church	330,571	-	330,571
Insurance	902,086	-	902,086
Bookstore	82,251	-	82,251
Diocese Center Building	80,715	-	80,715
Support for Episcopate	436,591	-	436,591
Bishop's Discretionary	7,496	-	7,496
Grace Point Camp and Retreat Center	109,909	-	109,909
Transit	403,623	-	403,623
Episcopal Church Women	36,656	-	36,656
Grow in Mission	51,225	-	51,225
Contingencies	13,420	-	13,420
Depreciation	<u>60,861</u>	<u>-</u>	<u>60,861</u>
 Total Functional Expenses	 <u>3,277,504</u>	 <u>-</u>	 <u>3,277,504</u>
 Change in Net Assets	 <u>\$ 61,905</u>	 <u>\$ 404,744</u>	 <u>\$ 469,649</u>

See accompanying independent auditor's report and notes.

## ***Statement of Changes in Net Assets – Year Ended December 31, 2005***

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Total</i>
Net Assets – January 1, 2005	\$3,364,515	\$536,919	\$3,901,434
Transfers	200,000	(200,000)	-
Change in Net Assets – Current Year	<u>61,905</u>	<u>407,744</u>	<u>469,649</u>
<b>Net Assets – December 31, 2005</b>	<b><u>\$3,626,420</u></b>	<b><u>\$744,663</u></b>	<b><u>\$4,371,083</u></b>

See accompanying independent auditor's report and notes.

## ***Statement of Cash Flows – Year Ended December 31, 2005***

### **CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 469,649
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:	
Depreciation	60,861
Changes in current assets and liabilities:	
Accounts Receivable	(4,530)
Prepaid Insurance	(67,522)
Payables	100,864
Inventories	(1,958)
Investments	<u>(20,253)</u>
Net Cash Provided by Operating Activities	<u>537,111</u>

### **CASH FLOWS FROM INVESTING ACTIVITIES**

Retirement of Property and Land Sold	(51,000)
Acquisition of Property and Equipment	(306,482)
Sale of Land	<u>116,421</u>
Net Cash Provided (Used) by Investing Activities	<u>(241,061)</u>

### **CASH FLOWS FROM FINANCING ACTIVITIES**

Reduction of Long-Term Debt	(299,480)
Acquisition of Fixed Assets	<u>(23,287)</u>
Net Cash Used by Financing Activities	<u>(322,767)</u>

Net Decrease in Cash	(26,717)
Cash and Cash Equivalents, Beginning of Year	<u>1,297,779</u>
Cash and Cash Equivalents, End of Year	<b><u>\$1,271,062</u></b>

See accompanying independent auditor's report and notes.