

V. FINANCIAL REPORTS

A. TREASURER’S REPORT

The people of Holston Conference continue to grow in their stewardship. The Fair Share Apportionment affords every United Methodist congregation the opportunity to help “make a difference” in the lives of their brothers and sisters both locally and around the world. Together, we can accomplish so much more than any one of us could alone.

The financial statements and conference audit which follow provide the essential details for the reader’s review. This office could not function without the support and cooperation of those local church treasurers, whose hours of volunteer service are most appreciated.

Eugene Peterson’s translation of Luke 6:38 in *The Message* offers a powerful reminder to those who claim the name of Christ. “Give away your life; you’ll find life given back, but not merely given back – given back with bonus and blessing. Giving, not getting, is the way. Generosity begets generosity.”

~ Ronald H. Matthews, *Conference Treasurer*

B. AUDIT REPORT

CONFERENCE TREASURER OF THE HOLSTON ANNUAL
CONFERENCE OF THE UNITED METHODIST CHURCH

FINANCIAL STATEMENTS

WITH

INDEPENDENT ACCOUNTANTS’ REVIEW AND
COMPILATION REPORT

December 31, 2000

CONFERENCE TREASURER OF THE HOLSTON ANNUAL
CONFERENCE OF THE UNITED METHODIST CHURCH

INDEX TO REVIEW AND COMPILATION REPORT

December 31, 2000

	<i>Page</i>
Independent Accountants’ Review and Compilation Report	184
Financial Statements:	
Statement of Assets, Liabilities and Net Assets – Cash Basis.....	185
Statement of Support, Revenue, Expenses and Changes in Net Assets – Cash Basis	186-187
Notes to the Financial Statements	188-193



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

American Institute of Certified Public Accountants
Associated Regional Accounting Firms
TGI (International Group of Accountants)

ACCOUNTANTS' REVIEW AND COMPILATION REPORT

To the Directors
Conference Treasurer of the Holston Annual Conference of the United Methodist Church
Johnson City, Tennessee

We have reviewed the accompanying statement of assets, liabilities and net assets-cash basis of Conference Treasurer of the Holston Annual Conference of the United Methodist Church as of December 31, 2000, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in this statement is the representation of the Conference Treasurer's management.

A review consists principally of inquiries of Conference Treasurer personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statement taken as a whole. Accordingly, we do not express such an opinion.

As described in Note 1, the financial statement was prepared on the cash basis of accounting, which is an other comprehensive basis of accounting than accounting principles generally accepted in the United States of America.

Based on our review, we are not aware of any material modifications that should be made to the accompanying statement of assets, liabilities and net assets-cash basis in order for it to be in conformity with the basis of accounting described in Note 1.

The statement of support, revenue, expenses, and changes in net assets-cash basis for the year ended December 31, 2000, has been compiled by us, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the statement of support, revenue, expenses, and changes in net assets-cash basis for the year ended December 31, 2000, and, accordingly, do not express an opinion or any other form of assurance on the statement.

Sincerely,

Blackburn, Childers & Steagall, PLC

A handwritten signature in cursive script that reads 'Karen McMurray'.

Karen McMurray
Member of the Firm

May 22, 2001

CONFERENCE TREASURER OF THE HOLSTON ANNUAL
CONFERENCE OF THE UNITED METHODIST CHURCH STATEMENT
OF ASSETS, LIABILITIES AND NET ASSETS – CASH BASIS
December 31, 2000

ASSETS

Cash	\$ 1,320,473
Deposit Accounts – General Board of Pensions	33,552,099
Investments – Holston Conference Foundation	<u>7,107,232</u>
TOTAL ASSETS	<u>\$ 41,979,804</u>

LIABILITIES AND NET ASSETS

Liabilities:

Payable to Holston Home	\$ 39,434
Payroll Deductions	12,667
Past Service Funding Account – General Board of Pensions	<u>13,618,552</u>

Total Liabilities	13,670,653
-------------------	------------

Net Assets:

Unrestricted	24,247,656
Temporarily Restricted	3,194,095
Permanently Restricted	<u>867,400</u>

Total Net Assets	<u>28,309,151</u>
------------------	-------------------

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 41,979,804</u>
---	-----------------------------

**CONFERENCE TREASURER OF THE HOLSTON ANNUAL
CONFERENCE OF THE UNITED METHODIST CHURCH**
STATEMENT OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN
NET ASSETS – CASH BASIS
For the Year Ended December 31, 2000

CHANGES IN UNRESTRICTED NET ASSETS:Support and Revenue:

Benevolences from Local Member Churches	\$ 12,893,056
Benefit Payments	3,539,414
Other Church Receipts	1,370,225
Contributions	241,995
Pension Campaign	1,418,044
Registration Fees	830,666
Camp Related Revenue	797,120
Retail Sales	38,387
Interest/Dividends	5,398,109
Reimbursements	121,316
Other Revenue	<u>64,947</u>

Total Unrestricted Support and Revenue	26,713,279
--	------------

Net Assets Released from Restrictions:

Restrictions Satisfied by Fulfillment of Purpose	<u>317,879</u>
--	----------------

Total Unrestricted Revenues and Reclassifications	27,031,158
---	------------

Expenses:

Salaries	2,715,481
Payroll Taxes	106,047
Employee Benefits	8,027,371
Severance and Other Salaries	142,717
Pension Related Expenses	3,735,044
Housing	275,438
Meals and Travel	171,060
Education and Training	31,679
Meetings	133,166
Advertising and Promotion	16,503
Professional Services	243,732
Grants	427,783
Payments to Other Organizations	4,037,942
Conference Related Programs	425,248
Camp Program Expenses	151,098
Resale Items	54,271
Supplies	282,448
Printing and Postage	251,740
Maintenance and Repairs	390,169
Equipment	121,250
Telephone	78,707

**CONFERENCE TREASURER OF THE HOLSTON ANNUAL
CONFERENCE OF THE UNITED METHODIST CHURCH**
**STATEMENT OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN
NET ASSETS – CASH BASIS**
For the Year Ended December 31, 2000

Expenses (continued):

Utilities	104,572
Insurance	101,058
Facility Fees	44,602
Dues and Subscriptions	10,674
Taxes, Licenses, and Other Fees	79,618
Refunds and Reimbursements	17,017
Other Expenses	<u>177,641</u>

TOTAL UNRESTRICTED EXPENSES 22,354,076

INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS 4,677,082

CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:

Support and Revenue:

Contributions	428,595
Interest Earnings	<u>121,953</u>

Total Temporarily Restricted Support and Revenue 550,548

Restrictions Satisfied by Fulfillment of Purpose:

Builders' Club	(3,855)
Camping	<u>(314,024)</u>

Net Assets Released from Restrictions (317,879)

INCREASE (DECREASE) IN TEMPORARILY RESTRICTED
NET ASSETS 232,669

INCREASE (DECREASE) IN NET ASSETS 4,909,751

NET ASSETS, BEGINNING 16,725,212

Prior Year Adjustment 6,674,188

NET ASSETS, ENDING \$ 28,309,151

**CONFERENCE TREASURER OF THE HOLSTON ANNUAL
CONFERENCE OF THE UNITED METHODIST CHURCH**

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2000

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

Conference Treasurer of the Holston Annual Conference of the United Methodist Church is located in Johnson City, Tennessee. Under provisions of The Book of Discipline of the United Methodist Church and by authorization of the Holston Annual Conference, the Conference Treasurer is designated to receive and disburse funds which are remitted by local church treasurers for duly authorized general, jurisdictional, annual and district causes. In addition, the Conference Treasurer is designated to receive and disburse other funds as directed by the Conference Council on Finance and Administration.

Unrestricted, Temporarily Restricted and Permanently Restricted Net Assets

To ensure observance of limitations and restrictions placed on the use of resources available to the Conference, the accounts are maintained in accordance with Financial Accounting Standards Statement Number 117, Financial Statements of Not-for-Profit Organizations. This is the procedure by which resources for various purposes are classified as permanently restricted, temporarily restricted or unrestricted.

The Conference reports gifts of cash and other assets as temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of support, revenue, expenses, and changes in net assets-cash basis as net assets released from restrictions. All temporarily restricted contributions in which the restrictions are met in the same reporting period as the donation are reported as unrestricted. The Conference also has permanently restricted endowment funds. These restricted funds have donor restrictions that do not expire or can not be satisfied through fulfillment of a purpose.

Basis of Accounting

The financial statements and accounting records are maintained on the cash basis of accounting; therefore, receipts are recorded when they are received and expenses are recorded when they are paid. It has been the policy of the Conference to allow five days after month end and year end to close the books. Receipts and checks written during that time period are dated as the end of the previous month. Accounting principles generally accepted in the United States of America require financial statements to be presented on the accrual basis of accounting.

Exempt Organizations

The Conference is an exempt not-for-profit organization established under code section 501(c)(3) of the Internal Revenue Code.

**CONFERENCE TREASURER OF THE HOLSTON ANNUAL
CONFERENCE OF THE UNITED METHODIST CHURCH**

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2000

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Cash

Cash includes amounts in demand deposits, including money market accounts.

Investments

All investments are carried at fair value.

Long-Lived Assets and Depreciation

The Conference currently expenses long-lived assets when acquired and therefore does not depreciate these long-lived assets over their estimated useful lives as required by accounting principles generally accepted in the United States of America for not-for-profit organizations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

The Conference maintains deposits in excess of federally insured limits. Statement of Financial Accounting Standards No. 105 identifies these items as a concentration of credit risk requiring disclosure regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

NOTE 2. RELATED PARTIES:

The Conference Treasurer has several transactions that are conducted with or in connection to related parties. A separate not-for-profit organization with its own tax-exempt status has been established for the camp activities related to the Conference. Camping obtained separate 501(c)(3) exempt status with the goal of being a self-supporting organization. Several of the individual camps have also established their own organizations with 501(c)(3) exempt status. Currently, the organizations do not have bookkeepers or such functions. They are not self-supporting, and the Conference has performed bookkeeping functions for camping as well as providing financial assistance. Due to the nature of how the organizations have been structured and the relation of them to the Conference, most of the camping activities, assets, and liabilities have been reflected in the related financial statements of the Conference. Since some of the individual camps have their own 501(c)(3) exempt status, there may be additional items which are not reflected. One of the camps did borrow \$175,000 during the current year and the proceeds were invested through the Foundation. While repayment may be made through the Conference, this will be budgeted and expensed as paid. The loan is not in the Conference's name and is therefore not reflected in these financials. The net assets have been reflected as temporarily restricted for camping activities. Conference Management had included in the financial statement the transactions and assets of the related camp organizations of which they had knowledge for the year ended December 31, 2000. The activities which went through the Foundation were netted for purposes of these financials and no changes were made to the revenues and expenses reflected by the Conference.

**CONFERENCE TREASURER OF THE HOLSTON ANNUAL
CONFERENCE OF THE UNITED METHODIST CHURCH**

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2000

NOTE 2. RELATED PARTIES (CONTINUED):

Conference investments are held by other Methodist related organizations (See Note 5). The General Board of Pensions was established to account for and to manage the pension plan of the Methodist Church. The Holston Conference Foundation was established by the Conference to assist in managing their investments. It also serves other Methodist organizations. The only transactions noted with these organizations relate to the accounts held under their control and the fees paid for such services.

The Conference Treasurer also has transactions with the General Council on Finance and Administration of the Methodist Church. The Conference submits funds to the Council on behalf of the churches of the Conference. The Council determines the portion of the Conference collected funds to which the Conference is entitled and submits the funds to the Conference.

NOTE 3. NET ASSETS:

Unrestricted:

Unrestricted net assets include assets used for the general operations of the Conference.

Temporarily Restricted:

The Conference has temporarily restricted balances for the builders' club and for camp related activities as of December 31, 2000. The builders' club funds are to be used to aid in the construction of new churches and related structures. The camping funds are designated to be used for activities to facilitate and aid the camps associated with the Conference (See Note 2). The balances as of December 31, 2000, are as follows:

Restricted for Builders' Club	\$ 2,113,135
Restricted for Camping	<u>1,080,960</u>
Total Temporarily Restricted Net Assets	<u>\$ 3,194,095</u>

Permanently Restricted:

As of December 31, 2000, The Conference had three endowment funds where the original contributions are permanently restricted. Two endowment funds are held at the Holston Conference Foundation, one for Camping and Leisure Ministries and the other for the Conference. The Superannuate endowment is held at the General Board of Pensions. Management has not been able to determine if the interest or related earnings on the endowments are to be restricted for specific purposes. There were also additional contributions to the Holston Conference Camping and Leisure Ministries Endowment which management was unable to determine whether these were permanently restricted. This amount of \$529,241 has been included in temporarily restricted for camping. The original contributions which are permanently restricted as of December 31, 2000 are as follows:

Restricted – HCCLM Endowment	\$ 500,000
Restricted – A.G. Martin Endowment	259,690
Restricted – Superannuate Endowment	<u>107,710</u>
Total Permanently Restricted Net Assets	<u>\$ 867,400</u>

**CONFERENCE TREASURER OF THE HOLSTON ANNUAL
CONFERENCE OF THE UNITED METHODIST CHURCH**

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2000

NOTE 4. CASH AND CASH EQUIVALENTS:

Cash on the statement of assets, liabilities, and net assets-cash basis includes demand deposits. Deposits are insured by FDIC insurance up to \$100,000. The FDIC does not allow banks to pledge securities for amounts in excess of \$100,000 for not-for-profit organizations. Assets have not been pledged as collateral for excess deposits.

NOTE 5. INVESTMENTS:

The Conference has several investments that are held by related parties on their behalf. Investments are held at either the General Board of Pensions or the Holston Conference Foundation.

General Board of Pensions – Investments

The Conference has several accounts held by the General Board of Pensions. The accounts can be used for benefit or pension related purposes, but it is not clear if donor restrictions have been placed on any of the funds in these accounts. Management does not believe that the funds are restricted and has categorized the balances as unrestricted. The fair market values of the accounts at December 31, 2000, are as follows:

Health Insurance Reserve	\$ 7,459,983
Deposit Account	1,259,881
Pensions and Endowment	24,548,450
Superannuate Endowment	<u>283,786</u>
	<u>\$ 33,552,100</u>

The accounts are invested in a diversified fund offered by the General Board of Pensions. The diversified fund invests in various investment vehicles that are socially responsible. Cost values for the accounts are not reflected due to incomplete information. Management is working to gather cost information.

The above accounts are not related to the assets of the pension plan maintained by the Conference. Since the financial statements have been prepared on the cash basis, FASB 87 has not been followed for reporting purposes. One account is held at the General Board of Pensions that is related to the pension plan. This account is discussed further in Note 7.

**CONFERENCE TREASURER OF THE HOLSTON ANNUAL
CONFERENCE OF THE UNITED METHODIST CHURCH**

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2000

NOTE 5. INVESTMENTS (CONTINUED):

Holston Conference Foundation – Investments

The Holston Conference Foundation manages and is used to invest funds held at the Foundation by the Conference and other Methodist related organizations. As of December 31, 2000, the Conference had investments with a fair market value of \$5,526,272 held by the Foundation. Also, camping had investments with a fair market value of \$1,580,960 held at the Foundation that have been reflected on the Conference’s financial statements. Restrictions on donor restricted funds held at the Foundation are discussed in Note 2.

The investments are reflected at fair value and are held by the Foundation in the following types of investments:

	<u>Cost Basis</u>	<u>Fair Value</u>
Cash and Money Market Accounts	\$ 3,527,089	3,527,089
Balanced Growth	1,607,745	1,980,914
Loans Receivable	<u>1,599,229</u>	<u>1,599,229</u>
	<u>\$ 6,734,063</u>	<u>7,107,232</u>

NOTE 6. PENSION PLANS:

The Conference has two pension plans administered by the General Board of Pensions. Prior to 1982, the Conference employees were eligible to participate in a defined benefit pension plan. The Conference approved a contribution pension plan that went into effect January 1, 1982. Both plans will be maintained by the Conference as long as retirees with pre-1982 years of service are in the defined benefit plan.

The contribution plan is funded by accumulated contributions and earnings. Funding for the defined benefit plan is provided by apportionments, campaigns, and earnings. The benefit is defined when the Conference votes the part service rate and the cost to fund is determined. The amount reflected on the financial statements as the past service funding account is the liability, due to the plan, that has resulted for payments to employees that have retired.

Based on a past service rate of \$375 for 2000, the benefit plan had a liability of \$38,414,158 of which \$15,296,186 has been funded. The unfunded liability was \$23, 117,972 as of December 31, 2000. Key actuarial valuation include 6% interest and the 1983 Individual Annuity Mortality Table Adjusted.

**CONFERENCE TREASURER OF THE HOLSTON ANNUAL
CONFERENCE OF THE UNITED METHODIST CHURCH**

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2000

NOTE 7. PAST SERVICE FUNDING ACCOUNT:

The Conference has a past service funding account held at the General Board of Pensions that has been reflected as a liability on the statement of assets, liabilities, and net assets - cash basis. This account reflects the amount owed to other pension plans in the large plan maintained by the General Board of Pensions. The balance has resulted from amounts borrowed to establish benefit accounts for retired employees in the defined benefit plan when they retire. The Conference was charged 6% interest on a monthly basis during the year 2000 for this liability.

NOTE 8. FUNCTIONAL ALLOCATION OF EXPENSES:

The cost of providing the various programs and activities of the Conference can be summarized as follows:

Program Expenses	\$ 21,578,038
General and Administrative Expenses	1,124,656
Fundraising Expenses	<u>260,054</u>
Total Expenses	<u>\$ 22,962,748</u>

NOTE 10. PRIOR PERIOD ADJUSTMENTS:

Adjustments were made to the financial statements in order to record assets that have previously been included or excluded from the financial statements in prior years by error. Adjustments were also required to restrict net asset balances in accordance with donor restrictions and to correct amounts claimed as revenue or expense in the prior year in error. The breakdown of the total adjustment to net assets is as follows:

To record assets held at the Holston Conference Foundation on behalf of the Conference	\$ 5,656,392
To adjust for petty cash funds not owned by the Conference	(6,533)
To adjust for receivable payments booked as revenue in prior year	(15,609)
To adjust for expense claimed in prior year in error	<u>1,039,938</u>
Total Adjustment to Net Assets	<u>\$ 6,674,188</u>

C. FINANCIAL REPORTS**Report No. F-1****HOLSTON CONFERENCE GENERAL TREASURER****Balance Sheet****December 31, 2000**

	Current Year	Prior Year	Difference
ASSETS			
CASH	2,178,308	-138,567	2,316,874
HC FDN CD-"SEED" DEPOSIT	115,158	115,158	0
HC FDN CD-MIN SUP CONT. FUND	115,158	115,158	0
T-BILL FDN	422,203	822,203	-400,000
T-BILL FDN	6,323	6,323	0
T-NOTE FDN	200,120	200,120	0
T-NOTE FDN	200,025	200,025	0
T-NOTE FDN	224,641	224,641	0
GBP #410 781.01 HEALTH INS RES	7,459,983	6,200,845	1,259,138
GBP #360 781.00 SUPERAN ENDOWM	2,692,005	2,884,084	-192,079
GBP #410 781.00 DEPOSIT ACCT	1,233,891	767,103	466,788
UM PENSIONS & ENDOWMENT FUNDS	24,548,450	21,239,115	3,309,334
CASH ADVANCE	17,310	8,720	8,590
HB IMMA #4-0010-1 J MUSAPATIKI	4,767	4,583	184
NEW EPIS. RES. LOAN REPAYMENT	34,609	34,609	0
TOTAL ASSETS	39,452,951	32,684,121	6,768,830
LIABILITIES			
GBP #420 781 PAST SERVICE FUNDING	13,332,366	13,332,366	0
FEDERAL TAXES WITHHELD	-412	0	-412
FICA TAXES WITHHELD	-454	0	-454
MEDICARE TAXES WITHHELD	-7	0	-7
GEORGIA STATE TAXES W/H	0	0	0
ANNUITY WITHHELD	3,975	-635	4,610
INSURANCE PREMIUMS WITHHELD	386	0	386
AFLAC PREMIUMS WITHHELD	-780	-780	0
UNITED WAY	-50	-50	0
GARNISHED WAGES	-100	-100	0
NON-DEFERRED DEDUCTIONS WITHHELD	-2,750	0	0
MEDICAL REIMBURSEMENT WITHHELD	1,465	0	0
TOTAL LIABILITIES	13,333,639	13,330,801	2,838
FUND BALANCE	26,119,312	19,353,320	6,765,992

Report No. F-1a

CONNECTIONAL GIVING – HOLSTON ANNUAL CONFERENCE

	December 2000			December 1999			2000 AHEAD (BEHIND) OF 1999
	CONFERENCE BUDGET	RECEIPTS	PERCENT RECEIVED	CONFERENCE BUDGET	RECEIPTS	PERCENT RECEIVED	
APPORTIONED FUNDS							
WORLD SERVICE/CONF. BENEV.	3,264,129	2,878,891	88.20%	3,810,357	3,303,388	86.69%	-12.85%
MINISTERIAL SUPPORT	8,020,470	7,524,279	93.81%	7,911,387	7,424,702	93.85%	1.34%
MINISTERIAL EDUCATION	548,487	481,216	87.74%	534,098	469,208	87.85%	2.56%
GENERAL ADMINISTRATION	1,932,333	1,662,743	86.05%	973,567	842,877	86.58%	97.27%
BLACK COLLEGE FUND	223,613	194,370	86.92%	217,720	188,623	86.64%	3.05%
AFRICA UNIVERSITY	50,627	44,236	87.38%	50,026	43,692	87.34%	1.24%
MISSION INITIATIVES	23,914	20,896	87.38%	24,343	21,233	87.22%	-1.58%
TOTALS	<u>14,063,573</u>	<u>12,806,631</u>	<u>91.06%</u>	<u>13,521,498</u>	<u>12,293,722</u>	<u>90.92%</u>	<u>4.17%</u>
PAID ON PRIOR YEAR APPORTION		75,836			267		
SPECIAL GIVING							
SPECIAL DAY OFFERINGS		75,928			94,534		-19.68%
YOUTH SERVICE FUND		35,738			32,955		8.44%
GEN. ADVANCE - OUTSIDE USA		146,652			170,892		-14.18%
GEN. ADVANCE - USA		129,621			125,001		3.70%
GEN. ADVANCE - UMCOR		197,173			313,659		-37.14%
CONFERENCE ADVANCE		698,903			878,833		-20.47%
MISC. (Includes Conf. Journals)		45,195			79,583		-43.21%
TOTAL SPECIAL		<u>1,329,210</u>			<u>1,695,456</u>		<u>-21.60%</u>
GRAND TOTALS		<u><u>14,211,678</u></u>			<u><u>13,989,445</u></u>		<u>1.59%</u>

Report No. F-2

PAYMENTS TO ANNUITANTS AND BENEFICIARIES REPORT

January 1, 2000 - December 31, 2000

Annuity payments include pre-1982 service. Amounts from the CPP pooled Account and Special Grants are included for some dependent children, surviving spouses and active ministers on disability leave. Permanent records are on file in the Holston Conference Board of Pensions Office.

PASTORS-INSIDE*

275 Conference Members	\$1,861,267.88
30 Local Pastors	92,354.27
7 Active Conference Members on Disability	92,940.03
3 Active Local Pastors on Disability	36,746.05

SURVIVING SPOUSES-INSIDE*

167 Conference Members	948,765.04
22 Local Pastors	46,669.81

DEPENDENT CHILDREN-INSIDE*

1 Conference Members	4,359.93
2 Conference Members Special Grant	4,757.04
1 Special Grant	730.08

TOTAL INSIDE

\$3,088,590.13

PENSION BENEFIT RESPONSIBIITY-ELSEWHERE**

105 Ministerial Members	\$188,461.36
1 Special Grant	2,010.30
1 Local Pastor	3,540.00
84 Surviving Spouses	104,155.64
1 Local Pastor Surviving Spouses	1,048.20

TOTAL ELSEWHERE

\$299,215.50

CONFERENCE TOTAL

\$3,387,805.63

* Retired from Holston Conference

** Retired from another conference with some Holston Conference service

***Total Recipients 700

Inside 508

Outside 192

Report No. F-3

MINIMUM COMPENSATION COMMITMENTS – 2000

District	Abingdon	Abingdon	Abingdon	Abingdon	Abingdon	Abingdon	Abingdon	Abingdon	Abingdon	Abingdon	Big Stone Gap
Charge	Broadford Circuit	Damascus Circuit	John Wesley	Keywood South Ct.	Lebanon Circuit	Sinking Springs	Wallace/Wyndale	Bond Mem/ South Coeburn			
Begin Date	7/1/00	7/1/00	7/1/00	7/1/94	7/1/00	1/1/98	7/1/98	10/1/98			
End Date	12/31/2000	12/31/2000	12/31/2000	6/30/2000	12/30/2000	6/30/2000	6/30/2000	01/16/2000			
Pastor	Raymond Deese	Paul Humphrey	Donald Daniels	Harry Tindell	J. Richie Neese	Paul Humphrey	Peggy Long	Ronald Adams			
Status	FE MDiv	PM Mdiv	FE MDiv	FE MDiv	FL	PM	FE MDiv	OE			
Cash Salary	20,960	20,561	26,605	26,658	18,969	12,192	25,640	17,335			
Vouchered Travel	4,000	1,500	460	0	0	1,500	0	2,350			
Vouchered Utilities	0	0	0	0	0	0	0	0			
Other Vouchered	730	1,000	150	0	0	1,500	0	1,658			
Health Insurance	0	3,092	0	0	0	0	0	3,092			
Total	25,690	26,153	27,215	26,658	18,969	15,192	25,640	24,435			
AC Expenses	0	0	200	350	200	0	250	0			
Ed. Expenses	0	0	250	350	500	0	250	0			
Minimum Salary Request (annualized)	3,193	1,085	1,668.00	2,225	2,350	5,667	3,243	2,559			
Minimum Salary (actual)	(6 mo.) 1,596	(6 mo.) 543	(6 mo.) 834.00	(6 mo.) 1,112.52	(6 mo.) 1,174.98	(6 mo.) 2,833.50	(6 mo.) 1,621.50	(1/2 mo.) 116.00			
Monthly Amount	266.08	90.42	139.00	185.42	195.83	472.25	270.25	231.25			
Total Comp. (annualized)	28,883	27,238	28,883	28,883	21,319	20,859	28,883	26,994			

Report No. F-3, cont'd

MINIMUM COMPENSATION COMMITMENTS - 2000

District	Chattanooga	Chattanooga	Chattanooga	Chattanooga	Cleveland	Cleveland	Cleveland	Cleveland	Knoxville
Charge	Lookout Mountain	Wesley's/Lous Chapel	Welch's/Stephens Cp	Wiley Memorial	Benton/Mt. Hermon	Graysville	Ten Mile/Oak Grove	Lonsdale	
Begin Date	7/1/97	1/1/98	7/1/00	7/1/00	7/1/00	1/1/2000	7/1/2000	7/1/2000	
End Date	6/30/2000	12/31/2000	12/31/2000	12/31/2000	12/31/2000	6/30/2000	12/31/2000	6/30/2000	
Pastor	Cinda Baxter AM	Natalie Smart PM MDiv	Helen Shaw SP	Alberta Clark-Johnson FE	Greg Garland FE	Eugene Norman FE	Hugh Bryan SP	Mark Dowell OF	
Status									
Cash Salary	17,165	16,992	17,457	18,233	25,926	21,275	12,544	28,100	
Vouchered Travel	2,700	0	744	0	0	0	0	0	
Vouchered Utilities	0	0	0	0	0	0	0	0	
Other Vouchered	789	0	0	0	0	1,800	0	0	
Health Insurance	3,092	0	420	1,326	0	3,092	0	3,092	
Total	23,746	16,992	18,621	19,559	25,926	26,167	12,544	31,192	
AC Expenses	0	400	250	200	150	0	287	450	
Ed. Expenses	0	250	300	200	275	0	300	250	
Minimum Salary Request (annualized)	2,407	10,246	1,245	12,533	2,957	2,716	7,322	800	
Minimum Salary (actual)	(6 mo.) 1,203.48	(12 mo.) 10,245.96	(6 mo.) 622.50	(6 mo.) 6,266.52	(6 mo.) 1,478.52	(6 mo.) 1,357.98	(6 mo.) 3,661.02	(6 mo.) 400.02	
Monthly Amount	200.58	853.83	103.75	1,044.42	246.42	226.33	610.17	66.67	
Total Comp. (annualized)	26,153	27,238	19,866	32,092	28,883	28,883	19,866	31,992	

Report No. F-3, cont'd

MINIMUM COMPENSATION COMMITMENTS - 2000

District	Maryville	Tazewell	Tazewell	Tazewell	Tazewell	Tazewell	Tazewell	Tazewell	Wytheville	Wytheville	Wytheville
Charge	Sweetwater Circuit	Ceres Circuit	Christ First	East Tazewell Ct.	Garden/Keen Mint.	Fries Circuit	Mt. Airy	Wytheville Parish			
Begin Date	7/1/98	7/1/98	7/1/00	7/1/200	7/1/99	1/1/00	7/1/00	7/1/98			
End Date	6/30/2000	12/31/2000	12/31/2000	12/31/2000	6/30/2000	6/30/2000	12/31/2000	12/31/2000			
Pastor	J. Glenn Moseley OF	Larry Patton AM	Robert Cook FL	Maria Grimm FE Mdiv	Maria Grimm FE Mdiv	Joseph Manis PM	Kevin Fiorini SP	Kenneth Sawyers FL			
Status											
Cash Salary	12,012	18,944	22,789	16,584	22,682	19,179	9,411	11,671			
Vouchered Travel	600	2,400	0	2,400	1,200	3,500	0	860			
Vouchered Utilities	0	3,048	0	0	0	0	0	0			
Other Vouchered	0	0	0	0	0	1,200	0	0			
Health Insurance	1,200	0	3,092	3,092	3,092	3,092	0	0			
Total	13,812	24,392	25,881	22,076	26,974	26,971	9,411	12,531			
AC Expenses	0	240	300	0	425	0	0	300			
Ed. Expenses	0	0	300	0	250	0	350	300			
Minimum Salary Request (annualized)	7,507	1,761	1,632	6,807	1,909	267	9,933	7,788			
Minimum Salary (actual)	(6 mo.) 3,753.48	(12 Mo.) 1,761.00	(6 mo.) 816.00	(6 mo.) 3,403.50	(6 mo.) 954.48	(6 mo.) 133.50	(6 mo.) 4966.50	(12 Mo.) 7,788.00			
Monthly Amount	625.58	146.75	136.00	567.25	159.08	22.25	827.75	649.00			
Total Comp. (annualized)	21,319	26,153	27,513	28,883	28,883	27,238	19,344	20,319			

Report No. F-4

ACCOUNTS WITH GENERAL BOARD OF PENSIONS**DEPOSIT ACCOUNT**

	<u>1998</u>	<u>1999</u>	<u>2000</u>
Opening Balance	\$363,821.20	\$1,694,531.65	\$793,092.78
RECEIPTS			
Received from Conference	\$4,634,421.21	\$4,114,239.06	\$4,540,156.61
DBP Withholding	\$100.98	\$0.00	\$0.00
Interest	\$83,028.21	\$165,749.69	\$108,151.38
Special Distribution	\$68,018.72	\$119,400.43	\$144,601.76
Chartered Fund Distribution	\$813.19	\$515.13	\$539.41
Printing Establishment Fund Dist.	\$4,369.38	\$0.00	\$0.00
Transfer General SEF Distribution	\$39,937.45	\$25,474.96	\$27,688.57
Transfer to Deposit Account	\$1,800,000.00	\$0.00	\$1,000,000.00
DISBURSEMENTS			
BPP Contributions	\$0.00	\$3,193.64	\$3,113.57
Childrens Benefits	\$352.10	\$0.00	\$0.00
Special Grants	\$5,895.60	\$5,923.92	\$7,032.78
Payments to Dependent Children	\$1,563.36	\$1,246.75	\$1,880.64
MPP Church Contributions	\$1,240,701.21	\$1,861,247.20	\$1,869,693.47
CPP Church Contributions	\$1,230,583.42	\$674,154.63	\$687,432.95
Past Service Funding Deposit	\$2,820,883.00	\$2,781,052.00	\$2,785,196.00
Transfer within Ill. Corp.	\$0.00	\$0.00	\$0.00
Ending Balance	\$1,694,531.65	\$793,092.78	\$1,259,881.10

PAST SERVICE FUNDING ACCOUNT

	<u>1998</u>	<u>1999</u>	<u>2000</u>
Opening Balance	(\$16,434,752.24)	(\$15,094,361.11)	(\$13,392,223.74)
RECEIPTS			
Past Service Funding Account	\$2,820,883.00	\$2,781,052.00	\$2,785,196.00
Adjust Reserves	\$4,754.34	\$10,258.22	\$2,986.72
D B A R Special Distribution	\$1,134,237.00	\$631,869.00	\$675,509.00
DISBURSEMENT			
Charge Reserves	\$783,297.14	\$653,286.62	\$1,686,630.72
Charge Res. - Funded At Change	\$827,177.03	\$161,619.90	\$1,109,980.35
Discount Replacement	\$1,009,009.04	\$906,135.33	\$893,408.62
Ending Balance	(\$15,094,361.11)	(\$13,392,223.74)	(\$13,618,551.71)

Report No. F-4, cont'd

CONFERENCE SUPERANNUATE ENDOWMENT FUNDS

	<u>1998</u>	<u>1999</u>	<u>2000</u>
Opening Balance	\$200,038.94	\$223,693.68	\$249,536.78
RECEIPTS			
Interest	\$13,002.65	\$14,658.42	\$16,964.11
Special Distribution	\$10,652.09	\$11,184.68	\$17,284.70
Ending Balance	\$223,693.68	\$249,536.78	\$283,785.59

ENDOWMENT AND TRUST FUNDS

	<u>1998</u>	<u>1999</u>	<u>2000</u>
Opening Balance	\$18,370,662.70	\$18,980,316.14	\$21,239,115.46
RECEIPTS			
Received From Conference	\$203,911.16	\$59,449.15	\$1,366,125.13
Interest	\$1,202,201.63	\$1,247,502.39	\$1,472,036.53
Disbursed to Conference or Agency	\$18,668.00	\$0.00	\$0.00
Special Distribution	\$984,872.65	\$951,847.78	\$1,471,172.53
DISBURSEMENTS			
Transfer to Deposit Account	\$1,800,000.00	\$0.00	\$1,000,000.00
Ending Balance	\$18,961,648.14	\$21,239,115.46	\$24,548,449.65

HEALTH INSURANCE RESERVES

	<u>1998</u>	<u>1999</u>	<u>2000</u>
Opening Balance	\$4,881,512.03	\$5,758,716.55	\$6,200,844.80
RECEIPTS			
Interest	\$327,048.53	\$375,870.86	\$435,283.82
Special Distribution	\$267,926.07	\$288,834.96	\$432,986.80
Insurance Deductions From Pension Checks	\$284,659.46	\$286,078.88	\$394,815.74
DISBURSEMENTS			
Holston Conference	\$0.00	\$500,000.00	\$0.00
Insurance Deductions Transfer Fees	\$2,429.54	\$4,246.01	\$3,948.18
BPP Contributions	\$0.00	\$4,410.44	\$0.00
Ending Balance	\$5,758,716.55	\$6,200,844.80	\$7,459,982.98

Report No. F-5

ACCOUNTS WITH HOLSTON CONFERENCE**BOARD OF PENSIONS**

	<u>1998</u>	<u>1999</u>	<u>2000</u>
Income			
Balance Forward	\$0.00	\$0.00	\$187,306.49
Allocation From Conference	\$4,395,351.80	\$4,421,656.37	\$4,641,627.94
MPP/CPP ABLC	\$108,934.74	\$117,523.95	\$117,531.84
MPP/CPP Equitable Compensation	\$34,395.39	\$0.00	\$0.00
Ministers 1% CPP	\$156,574.31	\$167,949.80	\$162,197.15
UM Publishing House	\$9,537.03	\$18,643.96	\$18,611.06
Death Benefit Program	\$6,535.22	\$3,866.64	\$956.07
Retirees Luncheon	\$1,374.00	\$684.00	\$1,238.00
Estate Gifts	\$0.00	\$0.00	\$66,923.15
Miscellaneous Income	\$0.00	\$0.00	\$250.00
Total Income	\$4,712,702.49	\$4,730,324.72	\$5,196,641.70
Expenses			
Moving Expenses	\$10,322.18	\$6,547.95	\$19,262.13
Meeting Expenses	\$0.00	\$0.00	\$6,104.33
MPP/CPP W/T Northern Trust	\$2,261,741.07	\$2,648,022.86	\$855,119.68
Past Service Liab. W/T Northern Trust	\$1,797,030.53	\$2,489,771.12	\$2,495,099.13
Special Grants	\$850.00	\$3,000.00	\$0.00
The Call Subscriptions	\$4,500.00	\$5,544.00	\$5,400.00
AFLAC Premiums	\$4,831.76	\$4,805.76	\$4,805.76
BCBS Premiums w/held From Checks	\$1,507.68	\$0.00	\$0.00
Refunds	\$195.44	\$2,551.68	\$323.63
Retirees Luncheon	\$3,890.34	\$2,831.42	\$2,962.30
Retirees Seminar	\$171.99	\$942.88	\$974.20
Gifts for Retirees	\$201.50	\$0.00	\$0.00
General Disbursements	\$0.00	\$0.00	\$0.00
Insurance for Thomas Byrd	\$0.00	\$1,507.68	\$2,448.00
Death Benefit Premium	\$0.00	\$4,952.88	\$1,932.97
Total Expenses	\$4,085,242.49	\$5,170,478.23	\$3,394,432.13

Report No. F-6

ACCOUNTS WITH HOLSTON CONFERENCE

HEALTH INSURANCE

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Balance Forward	\$333,016.74	(\$56,194.76)	(\$336,441.01)	(\$587,085.52)
Income				
Allocation	\$1,255,387.68	\$1,303,339.91	\$1,316,143.38	\$1,376,644.88
Claims Payment Refunds	\$164,939.25	\$80,293.80	\$0.00	\$0.00
Audit Recoveries	\$0.00	\$63,173.17	\$41,896.10	\$102,001.94
Audit Review Refund		\$0.00	\$0.00	\$36,095.74
Payments From Ministers	\$1,982,981.67	\$2,151,832.62	\$2,002,000.13	\$2,088,504.92
Payments From Lay Participants	\$826,247.44	\$897,811.80	\$957,520.30	\$1,001,409.71
Payment From Retirees and Surviving Spouses	\$2,530.35	\$4,726.24	\$9,015.12	\$11,964.32
Flex. Administrative Fee	\$0.00	\$30.00	\$190.00	\$15.00
Wellness	\$2,680.00	\$3,080.00	\$2,656.00	\$2,743.00
Payment From Board for Thomas Byrd	\$0.00	\$0.00	\$1,507.68	\$2,448.00
Income From Reserves at GBOP	\$0.00	\$0.00	\$500,000.00	\$0.00
Total Income	\$4,234,766.39	\$4,504,287.54	\$4,830,928.71	\$4,621,827.51
Expenses				
Adm. Fees to Holston Conf. Admin. Office	\$36,000.00	\$36,000.00	\$36,000.00	\$36,150.00
Premium Payment	\$4,563,908.24	\$4,725,633.34	\$5,025,659.89	\$5,112,507.91
Refunds	\$10,504.66	\$8,693.45	\$12,933.33	\$2,036.10
Leased Line	\$3,300.00	\$3,600.00	\$0.00	\$0.00
Flexible Benefit Administrative Fee	(\$65.01)	\$35.00	\$45.00	\$0.00
Wellness	\$10,330.00	\$10,572.00	\$6,935.00	\$11,580.00
General Disbursements	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses	\$4,623,977.89	\$4,784,533.79	\$5,081,573.22	\$5,162,274.01
Ending Balance	(56,194.76)	(336,441.01)	(587,085.52)	(1,127,532.02)

Report No. F-7

Witness Team
FINANCIAL REPORT
 February 10, 2001

12/31/00	Gatlinburg Property Fund		\$409,743.90
12/31/00	Fund for Starting New Churches		\$112,427.11
12/31/00	CEPD Loan Fund	<i>Notes Held:</i>	\$281,414.65
		<i>Available:</i>	\$116,299.12
12/31/00	Builders Club Loan Fund	<i>Notes Held:</i>	\$552,299.55
		<i>Available:</i>	\$586,387.38
12/31/00	H.C. Colleges Endowment Loan	<i>Available to Loan:</i>	\$453,415.96
12/31/00	Builders Club Grant Fund		\$185,664.15

Witness Team (Church Extension & Parish Development)

1/1/00	Brought Forward		\$258,367.22
	Allocation		\$403,906.04
		<i>Total Income:</i>	\$662,273.26
	Grants to Churches		\$262,500.00
	Committee Expense		00
		<i>Total Expense:</i>	\$262,500.00
		<i>Balance 1/1/2001:</i>	\$399,773.26

Grants to Churches in 2000

Martel (Oak Ridge District)	\$155,000.00
Cokesbury/Pan Asian (Knoxville District)	\$ 10,000.00
Ooltewah (Cleveland District)	\$ 25,000.00
Shady Grove (Morristown District)	\$ 50,000.00
Lighthouse (Chattanooga District)	\$ 12,500.00
App. Prayer Fellowship (Big Stone Gap District)	\$ 10,000.00

Report No. F-8

Conference Board of Trustees
ASSETS AND REAL ESTATE
 Fiscal Year of 2000

CCOM Building – Johnson City, TN	\$233,000.00
Page’s Meeting House – Pulaski Co., VA	Unknown
Page’s Cemetery – Pulaski Co., VA	Unknown
Episcopal Residence – Knoxville, TN	\$280,000.00
Bailey Property – Sullivan Co., TN	10,000.00
Acuff’s Chapel Shrine – Sullivan Co., TN	18,600.00

Report No. F-10

DEPENDENT CHILDREN SUPPLEMENT COMMITMENTS – 2000

District	Abingdon	Cleveland	Kingsport	Kingsport	Emory	Maryville	Morristown	Oak Ridge
Charge	Pleasant View	McDonald/Pleasant Gr.	Old Union/McFerrin			Fairgarden Circuit	Rutledge Circuit	Jellico
Begin Date	1/1/2000	1/1/2000	1/1/2000	1/1/2000	1/1/2000	1/1/2000	1/1/2000	1/1/2000
End Date	6/30/2000	12/31/2000	12/31/2000	12/31/2000	12/31/2000	12/31/2000	12/31/2000	12/31/2000
Pastor	John Sarver	Doug Armstrong	Chris Stanfield	Jeffery Tallent		C. Don Jones	Ronnie Maness	Wayne Hedrick
Status	SP	SP	SP	SP	SP	SP	SP	SP
Supplement for Dependent Children Request (annualized)	900	900	1,800	900	900	900	500	1,200
Supplement for Dependent Children Request (actual)	450	900	1,800	900	900	900	500	1,200
Monthly Amount	75.00	75.00	150.00	75.00	75.00	75.00	41.67	100.00

Report No. F-11
CHURCHES RECEIVING SPECIAL MINISTRIES SUPPORT - 2000

District	Chattanooga	Chattanooga	Chattanooga	Chattanooga	Chattanooga	Chattanooga	Chattanooga	Chattanooga	Chattanooga	Chattanooga	Johnson City
Charge	Bethlehem	Eastdale	Eastdale	Eastdale	Jones Memorial Korean-American Min.	Hands Across the River	Lighthouse	Washington Hills			Marvin's Chapel
Begin Date	7/1/94	7/1/96	7/1/96	7/1/00	12/1/94	7/1/99	7/1/97				8/1/00
End Date	12/31/2000	6/30/2000	12/31/2000	12/31/2000	6/30/2000	12/31/2001	12/31/2000	12/31/2000			12/31/2000
Pastor	Lurone Jennings	Sandra Johnson	Stanley Williams	Joshua Kyong	Laura Trent	Brian Rainwater	Walter Cross, Jr.	Allen Shupe			
Status	OF	PL	FL		FE	OE	FL	FE			FE
Special Ministries (annualized)	7,800	4,000	25,760	5,000	3,610	45,180	2,633				7,525
Special Ministries (actual)	7,800.00	1,999.98	25,760.04	2,083.35	1,805.16	45,180.00	2,633.04				3,762.50
Monthly Amount	650.00	333.33	2,146.67	416.37	300.86	3,765.00	219.42				627.08

District	Kingsport	Kingsport	Knoxville	Maryville	Knoxville	Knoxville	Knoxville	Knoxville	Maryville	
Charge	Crossroads	Fall Branch	Beulah	Wellspring	Cokesbury	Emerald Ave. (New church)	Wellsprings			
Begin Date	9/9/96	7/1/98	7/1/98	7/1/98	7/1/00	8/1/00	7/1/98			
End Date	12/31/2000	12/31/2000	12/31/2000	36525	12/31/2000	12/31/2000	12/31/2000			
Pastor	Mark Fleenor	Gary Lankford	Ashley Calhoun	David Knight, Jr.	Gwang Hee-Son	Van Sanks	David Knight, Jr.			
Status	FE	PM	FE	FE	FL	FL	FE			
Special Ministries (annualized)	18,667	3,872	2,500	29,845	13,319	24,000	37,400			
Special Ministries (actual)	18,666.72	3,872.04	2,500.08		6,659.50	13,750.00	37,400.04			
Monthly Amount	1,555.56	322.67	208.34	2,487.09	1,109.92	2,750.00	3,116.67			

Knoxville Center Staff



Annette Bender



Rita Broderick



Bill Daugherty



Norma Edwards



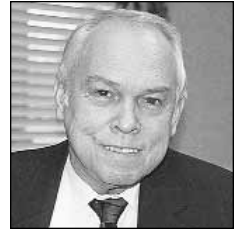
Eric Glass



Jim Green



Donna Hankins



Ron Hammond



Roger Redding



John Ripley



Sandy Ruebush



Kevin Slimp



Anne Travis



Sue Weber



Raymon White