

BISHOP OF THE EPISCOPAL DIOCESE OF
GEORGIA, INC. AND OPERATING ENTITY

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

BISHOP OF THE EPISCOPAL DIOCESE OF
GEORGIA, INC. AND OPERATING ENTITY

CONSOLIDATED FINANCIAL STATEMENTS

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Independent Auditors' Report

To the Diocesan Council of
Bishop of the Episcopal Diocese of Georgia, Inc.

We have audited the accompanying consolidated statement of financial position of Bishop of the Episcopal Diocese of Georgia, Inc. (a nonprofit organization) and its operating entity (the Organization) as of December 31, 2010, and the related consolidated statements of activities and changes in net assets and of cash flows for the year then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the 2009 financial statements of Bishop of the Episcopal Diocese of Georgia, Inc. and its operating entity, and, in our reports dated April 27, 2010 and April 20, 2010, respectively, we expressed unqualified opinions on those financial statements on a stand-alone basis.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules on pages 15-18 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Holland, Henry & Bromley, LLP

Holland, Henry & Bromley, LLP
Savannah, Georgia
June 20, 2011

BISHOP OF THE EPISCOPAL DIOCESE OF GEORGIA, INC. AND OPERATING ENTITY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31,	
	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and cash equivalents	\$ 500,091	\$ 451,407
Certificates of deposit	318,453	412,660
Receivables	37,630	3,626
Other current assets	<u>15,872</u>	<u>12,227</u>
Total current assets	872,046	879,920
Property and equipment, net	<u>82,767</u>	<u>61,902</u>
Total assets	<u><u>\$ 954,813</u></u>	<u><u>\$ 941,822</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 37,786	\$ 38,598
Deferred revenue	18,404	11,661
Line of credit	697,286	535,936
Current portion of long-term debt	<u>26,072</u>	<u>22,598</u>
Total current liabilities	779,548	608,793
Long-term debt	<u>158,958</u>	<u>184,902</u>
Total liabilities	<u>938,506</u>	<u>793,695</u>
Net assets		
Unrestricted	(686,342)	(591,842)
Unrestricted - designated	413,874	354,523
Temporarily restricted	<u>288,775</u>	<u>385,446</u>
Total net assets	<u>16,307</u>	<u>148,127</u>
Total liabilities and net assets	<u><u>\$ 954,813</u></u>	<u><u>\$ 941,822</u></u>

(The accompanying notes are an integral part of the consolidated financial statements.)

BISHOP OF THE EPISCOPAL DIOCESE OF GEORGIA, INC. AND OPERATING ENTITY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total all funds</u>	
			<u>2010</u>	<u>2009</u>
Support and revenues				
Parish and mission pledges and donations	\$ 1,385,669	\$ -	\$ 1,385,669	\$ 1,433,178
Meetings, group and lodging	282,301	-	282,301	212,803
Episcopal Church camps	127,548	-	127,548	104,260
Special purpose income	111,029	129,311	240,340	659,111
Trust income	91,718	-	91,718	98,207
Other revenue	30,541	-	30,541	122
Interest income	5,427	-	5,427	8,191
Released from restrictions	225,982	(225,982)	-	-
Total support and revenues	<u>2,260,215</u>	<u>(96,671)</u>	<u>2,163,544</u>	<u>2,515,872</u>
Expenses				
Episcopal office	602,867	-	602,867	585,090
General and administrative	442,883	-	442,883	455,406
Special purpose	270,176	-	270,176	531,672
Missions inside the Diocese	245,469	-	245,469	349,463
Dining room and food	232,943	-	232,943	179,526
Missions outside the Diocese	214,222	-	214,222	268,390
Direct operational	192,304	-	192,304	174,427
Interest	31,532	-	31,532	26,510
Housekeeping	30,840	-	30,840	33,437
Miscellaneous	16,927	-	16,927	15,844
Depreciation	15,201	-	15,201	6,875
Total expenses	<u>2,295,364</u>	<u>-</u>	<u>2,295,364</u>	<u>2,626,640</u>
Change in net assets	<u>(35,149)</u>	<u>(96,671)</u>	<u>(131,820)</u>	<u>(110,768)</u>
Net assets - beginning of year	<u>(237,319)</u>	<u>385,446</u>	<u>148,127</u>	<u>258,895</u>
Net assets - end of year	<u>\$ (272,468)</u>	<u>\$ 288,775</u>	<u>\$ 16,307</u>	<u>\$ 148,127</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

BISHOP OF THE EPISCOPAL DIOCESE OF GEORGIA, INC. AND OPERATING ENTITY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	December 31,	
	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Change in net assets	\$ (131,820)	\$ (110,768)
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation	15,201	6,875
(Increase) decrease in accounts receivable	(34,003)	58,620
Increase in other assets	(3,646)	(12,227)
Decrease in accounts payable and accrued expenses	(812)	(90,291)
Increase in deferred revenue	6,743	11,661
Net cash used for operating activities	<u>(148,337)</u>	<u>(136,130)</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(36,066)</u>	<u>(46,663)</u>
Net cash used for investing activities	<u>(36,066)</u>	<u>(46,663)</u>
Cash flows from financing activities:		
Net borrowings on line of credit	161,350	174,772
Payments on long-term debt	<u>(22,470)</u>	<u>(117,000)</u>
Net cash provided by financing activities	<u>138,880</u>	<u>57,772</u>
Net decrease in cash equivalents	(45,523)	(125,021)
Cash and cash equivalents - beginning of year	<u>864,067</u>	<u>989,088</u>
Cash and cash equivalents - end of year	<u>\$ 818,544</u>	<u>\$ 864,067</u>
Cash paid for interest	<u>\$ 31,532</u>	<u>\$ 26,510</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

BISHOP OF THE EPISCOPAL DIOCESE OF GEORGIA, INC. AND OPERATING ENTITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

NOTE 1 - PURPOSE OF ORGANIZATION

The Bishop of the Episcopal Diocese of Georgia, Inc. (the Diocese) is a non-profit organization located in Savannah, Georgia. In 1992, the Diocese incorporated in Georgia as Bishop of the Episcopal Diocese in Georgia, Inc. It was formerly known as The Episcopal Church in the Diocese of Georgia. The Diocese is the administrative unit of the Episcopal parishes and missions within its geographical boundaries and comprises approximately the southern three-fifths of the state of Georgia.

The Georgia Episcopal Camp and Conference Center (the Camp) is an operating entity of the Diocese. The Camp, which is also known as 'Honey Creek', spans 100 acres in Waverly, Georgia and has been in existence since the 1950's to provide a unique setting for the spiritual, community-building and educational needs of its guests. In addition to being an ideal location for spiritual camps, the facilities are utilized for a variety of other functions including weddings, reunions and retreats.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the consolidated entity of the Diocese and the Camp (the Organization) are described below:

Basis of accounting

The Organization prepares its basic financial statements on the accrual basis of accounting. Consistent with this basis, revenues are recognized when earned and expenses are recognized when incurred.

Financial Accounting Standards Board (FASB) Codification

In June 2009, the FASB Accounting Standards Codification (Codification) was issued to become the source of authoritative U.S. generally accepted accounting principles to be applied by non-governmental entities and superseded all then-existing accounting and reporting standards. All other non-grandfathered accounting literature not included in the Codification became nonauthoritative. The Codification was effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption did not impact the Organization's financial statements.

Basis of presentation

As required by the Not-for-Profit Entities Presentation of Financial Statements topic of the Codification, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Restricted and unrestricted revenue and support

As required by the Not-for-Profit Entities Revenue Recognition topic of the Codification, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a temporary 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 activities as net assets released from restrictions.

Property

Effective January 1, 2009, the Diocese began capitalizing purchases of property and equipment which exceed \$1,000 and are expected to provide benefit for multiple years. The Camp capitalizes purchases of property and equipment which exceed \$2,000 and are expected to provide benefit for multiple years. The Organization recognizes depreciation on these assets using the straight-line method over the following estimated useful lives:

- Automobiles - 5 years
- Equipment - 5 to 10 years
- Furniture and fixtures - 5 to 7 years
- Building improvements - 15 years

Assets acquired by the Diocese prior to January 1, 2009 are not included in the consolidated statement of financial position. The land, building, and facilities spanning approximately 100 acres in Waverly, Georgia and utilized for operations of the Camp are part of these excluded assets. This property was originally gifted to the Diocese in the late 1950's with certain restrictions surrounding the sale of the property. The tax value of this property was approximately \$3,009,000 at December 31, 2010.

Additionally, the office building and land located in downtown Savannah, Georgia and utilized for operations of the Diocese are also excluded. This property was originally purchased for \$5,451 in 1956. At December 31, 2010, the tax value was approximately \$467,500.

Cash and cash equivalents

Cash and short-term highly liquid investments are included as cash and cash equivalents in the accompanying consolidated financial statements.

Concentration of credit risk

The Organization maintains its cash balances with commercial banks throughout southeast Georgia in deposit accounts which at December 31, 2010 and other times throughout the year, exceeded federally insured limits. The Organization has not experienced any losses of such funds and management believes the Organization is not exposed to any significant risk on cash. The amount of uninsured cash at December 31, 2010 and 2009 is approximately \$337,500 and \$394,000, respectively.

Estimates

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

Income taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is classified as other than a private foundation. Therefore, no provision for income taxes has been made in these consolidated financial statements.

The Organization adopted guidance issued by the FASB as of January 1, 2009, with respect to accounting for uncertainty in income taxes. A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. Once the threshold is met, the amount recognized in the financial statements is the largest amount of tax benefit likely realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. The adoption had no effect on the Organization’s financial statements.

If incurred, the Organization would recognize interest and penalties related to unrecognized tax benefits in interest expense. The Organization has no amounts accrued for interest and penalties as of December 31, 2010 and 2009. Additionally, no interest or penalties were recorded for the years then ended.

Due to its tax exempt status, the Organization is not subject to U.S. federal income tax or state income tax. The Organization does not expect the total amount of unrecognized tax benefits to significantly change in the next twelve months.

Diocese funding

The Diocese provides funding annually to the Camp. For the years ended December 31, 2010 and 2009, funds were provided by the Diocese through an annual subsidy paid in installments which totaled \$84,000 in each year and through a summer camp subsidy which totaled \$60,000 and \$59,170, respectively. The Diocese also paid the Camp \$25,497 and \$11,510 during 2010 and 2009, respectively, for lodging, camps and various conferences. These amounts have been eliminated during the consolidation.

Reclassifications

Certain prior year amounts have been reclassified to conform with current year presentation.

Subsequent events

The Organization has evaluated subsequent events through June 20, 2011, the date the financial statements were available to be issued.

NOTE 3 - ENDOWMENT FUNDS

An investment fund earmarked for the Camp is held by the Endowment Fund of the Episcopal Diocese of Georgia (the Endowment Fund), and a balance of \$155,784 and \$139,758 was maintained at December 31, 2010 and 2009, respectively. Because this investment is an asset of the Endowment Fund, rather than the Camp, it is not reflected on the accompanying Consolidated Statements of Financial Position.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2010 and 2009 consists of the following:

	<u>Diocese</u>	<u>Camp</u>	<u>Total</u> <u>2010</u>	<u>2009</u>
Furniture and fixtures		\$ 33,998	\$ 33,998	\$ 27,313
Building improvements		22,675	22,675	-
Maintenance equipment		14,777	14,777	14,777
Vehicles	\$ 27,000	9,500	36,500	36,500
Office equipment	2,642	8,107	10,749	10,749
Kitchen equipment		7,080	7,080	7,080
Disc golf course		6,706	6,706	-
Computers and software		5,535	5,535	5,535
	<u>29,642</u>	<u>108,378</u>	<u>138,020</u>	<u>101,954</u>
Less - accumulated depreciation	<u>(6,804)</u>	<u>(48,449)</u>	<u>(55,253)</u>	<u>(40,052)</u>
Total property and equipment	<u>\$ 22,838</u>	<u>\$ 59,929</u>	<u>\$ 82,767</u>	<u>\$ 61,902</u>

Depreciation expense for the years ended December 31, 2010 and 2009, totaled \$15,201 and \$6,875, respectively. The depreciation expense for December 31, 2010 consists of \$6,281 and \$8,920 for the Diocese and the Camp, respectively. The depreciation expense for December 31, 2009 consists of \$523 and \$6,352 for the Diocese and the Camp, respectively.

NOTE 5 - DONATED SERVICES AND MATERIALS

No amounts have been reflected in the consolidated financial statements for donated services or materials. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with various committees.

NOTE 6 - EMPLOYEE BENEFIT PLANS

The Bishop and his ordained canons participate in the national clergy pension plan of the Church Pension Fund. This is a defined benefit plan, and Diocese contributions are assessed at approximately 18% of related salaries.

All full-time employees of the Diocese with three years of service are eligible to participate in a Section 403(b) plan. The Diocese contributes a total of 10% of related salaries to three defined contribution 403(b) plans for its employees. Total contributions for all plans for the years ended December 31, 2010 and 2009 were \$56,824 and \$74,562, respectively.

NOTE 7 - DEBT

Below is information regarding the Camp's outstanding debt at December 31, 2010.

Long-term debt

Note payable to SunTrust, payable in 83 monthly installments of \$3,016 including interest at 5.85%. Payments begin February 25, 2010, with a final installment of principal and interest due January 25, 2017.	\$ 185,030
Less - current portion of long-term debt	<u>26,072</u>
Long-term debt - due after one year	<u>\$ 158,958</u>

Aggregate maturities of long-term debt are as follows:

<u>Year ending</u> <u>December 31,</u>	
2011	\$ 26,072
2012	27,638
2013	29,299
2014	31,060
2015	32,926
Thereafter	<u>38,035</u>
	<u>\$ 185,030</u>

Line of credit

The Camp renewed a \$700,000 variable rate line of credit agreement with SunTrust. Interest on the outstanding balance is assessed at the one-month LIBOR rate plus 2.75%, with a set minimum of 3.00%. The agreement was renewed December 23, 2010 and matures August 31, 2011. At December 31, 2010 and 2009, \$697,286 and \$535,936, respectively, was outstanding on the line of credit.

Both debt agreements

While the debt agreements are accounted for as liabilities of the Camp and satisfied from the assets of the Camp, the borrower on the banking agreements is the Diocese. Assets of the Camp represent partial collateral under these agreements, but the Diocese is the ultimately responsible as the borrower. Property owned by the Diocese and utilized by the Camp serves as the final collateral under these agreements.

NOTE 8 - RELATED PARTIES

The Diocese has approximately seventy-two related parishes and missions. The revenues received from these parishes and missions are recorded as 'Parish and mission pledges', and the related Diocesan expenses are recorded as 'Missions inside the Diocese' on the consolidated statements of activities and changes in net assets.

NOTE 9 - UNRESTRICTED DESIGNATED NET ASSETS

Amounts designated by the Organization for specific purposes are noted below. The Diocesan Administrator with the approval of the Finance Committee determines these amounts. The following schedule presents the balances as of December 31, 2010 and 2009.

	<u>2010</u>	<u>2009</u>
Emergency reserve	\$ 266,076	\$ 236,964
Clergy interns	48,433	48,433
Diocesan convention	25,016	5,960
Mission operations	19,593	20,650
Convention travel	17,430	7,430
Youth counselor education	13,724	6,454
Bishop's visitation	7,722	5,626
Synod travel	6,475	6,476
Episcopal transition	5,000	-
Memorials	3,405	3,405
Lambeth	1,000	-
Consultant services	-	7,300
Capital funds	-	3,604
Office equipment	-	2,101
Organ repair	-	120
	<u>\$ 413,874</u>	<u>\$ 354,523</u>

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

As of December 31, 2010 and 2009, amounts restricted by donors of the Organization for a specific purpose or time period are noted below.

	<u>2010</u>	<u>2009</u>
Yeoman Trust - St. Barnabas	\$ 245,093	\$ 245,093
Clergy education	8,169	10,612
Dominican Republic	7,565	6,880
Saluda Clergy House	5,001	4,242
PB fund for world relief	4,697	-
Georgia conference center	4,604	1,164
Other	3,906	655
Belize Fund	3,719	3,719
Bishop elect gifts	2,241	1,648
Georgia Southern	1,450	-
Byllesby Fund	1,166	3,822
University of the South	1,164	1,164
Short term special missions	-	87,110
Christ Church - Episcopal	-	15,887
Retirement dinner	-	2,232
Insurance subsidy	-	1,218
	<u>\$ 288,775</u>	<u>\$ 385,446</u>

NOTE 11 - OPERATING LEASE AGREEMENTS

The Diocese leases certain office equipment under operating lease agreements which expire at various times through 2014. The total expense under operating lease agreements was \$4,788 for each of the years ended December 31, 2010 and 2009.

At December 31, 2010, future minimum rental commitments on these noncancelable operating leases are as follows:

2011	\$ 4,788
2012	4,418
2013	2,568
2014 and thereafter	1,284
	<u>\$ 13,058</u>

NOTE 12 - LEGAL MATTERS

The Diocese is currently involved in litigation with The Rector, Wardens and Vestrymen of Christ Church. This claim was filed by the Diocese and one of its parishes to recover property taken by a group that left the Episcopal Church and sought to keep the property. The Diocese prevailed in trial court and in the Georgia Court of Appeals. Christ Church has submitted the case to the Georgia Supreme Court and is waiting for the Georgia Supreme Court to decide if it will hear an appeal.

On January 16, 2010, the Diocese was added as a party to the lawsuit between Christ the King Episcopal Church, Inc. and Lowndes County Board of Equalization and Lowndes County Board of Tax Assessors (Lowndes County). Christ the King Episcopal Church, Inc. is a parish of the Diocese and is challenging a determination by Lowndes County that the first floor of the church property in Valdosta, Georgia was not exempt from ad valorem property taxation. On June 29, 2010, the Superior Court denied the Lowndes County Motion for Summary Judgment. On August 4, 2010, the Georgia Court of Appeals denied the Lowndes County Application for Interlocutory Appeal. The approximate amount of money under dispute for Christ the King Episcopal Church, Inc. is \$20,000. The Diocese plans to vigorously defend the claim, but will explore the possibility of an out-of-court settlement. The likelihood of an unfavorable outcome is neither probable nor remote, and no related amounts have been included in the accompanying financial statements.

NOTE 13 - SUBSEQUENT EVENTS

On March 15, 2011, the Diocese initiated a bond offering to residents in the state of Georgia. The offering limit is \$2,000,000 and each note must be purchased in multiples of \$5,000. The notes are unsecured and will pay five percent interest semi-annually. Repayment of the principal would be due in 2021. Currently, the Diocese is still waiting to see if they sell enough bond subscriptions to make this a viable endeavor. The proceeds from the bond sales will be used to pay off the Camp's line of credit and note payable. This is in an effort to keep the Camp out of debt and positioned to operate on a break-even basis.

In April 2011, the Diocese loaned a related party \$120,000 bearing interest at 1.5%. In June 2011, the related party repaid the loan in full.

SUPPLEMENTAL SCHEDULES

BISHOP OF THE EPISCOPAL DIOCESE OF GEORGIA, INC. AND OPERATING ENTITY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2010

	<u>Diocese</u>	<u>Camp</u>	<u>Intercompany Eliminations</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 489,260	\$ 10,831	\$ -	\$ 500,091
Certificates of deposit	318,453	-	-	318,453
Receivables	34,939	2,691	-	37,630
Other current assets	<u>7,957</u>	<u>7,915</u>	-	<u>15,872</u>
Total current assets	850,609	21,437	-	872,046
Property and equipment, net	<u>22,838</u>	<u>59,929</u>	-	<u>82,767</u>
Total assets	<u>\$ 873,447</u>	<u>\$ 81,366</u>	<u>\$ -</u>	<u>\$ 954,813</u>
LIABILITIES AND NET ASSETS				
Accounts payable and accrued expenses	\$ 18,530	\$ 19,256	\$ -	\$ 37,786
Deferred revenue	-	18,404	-	18,404
Line of credit	-	697,286	-	697,286
Current portion of long-term debt	<u>-</u>	<u>26,072</u>	-	<u>26,072</u>
Total current liabilities	18,530	761,018	-	779,548
Long-term debt	<u>-</u>	<u>158,958</u>	-	<u>158,958</u>
Total liabilities	<u>18,530</u>	<u>919,976</u>	<u>-</u>	<u>938,506</u>
Net assets				
Unrestricted	152,268	(838,610)	-	(686,342)
Unrestricted - designated	413,874	-	-	413,874
Temporarily restricted	<u>288,775</u>	<u>-</u>	<u>-</u>	<u>288,775</u>
Total net assets	<u>854,917</u>	<u>(838,610)</u>	<u>-</u>	<u>16,307</u>
Total liabilities and net assets	<u>\$ 873,447</u>	<u>\$ 81,366</u>	<u>\$ -</u>	<u>\$ 954,813</u>

BISHOP OF THE EPISCOPAL DIOCESE OF GEORGIA, INC. AND OPERATING ENTITY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2009

	<u>Diocese</u>	<u>Camp</u>	<u>Intercompany Eliminations</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 432,148	\$ 7,259	\$ 12,000	\$ 451,407
Certificates of deposit	412,660	-	-	412,660
Receivables	2,426	13,200	(12,000)	3,626
Other current assets	<u>4,603</u>	<u>7,624</u>	-	<u>12,227</u>
Total current assets	851,837	28,083	-	879,920
Property and equipment, net	<u>29,119</u>	<u>32,783</u>	-	<u>61,902</u>
Total assets	<u>\$ 880,956</u>	<u>\$ 60,866</u>	<u>\$ -</u>	<u>\$ 941,822</u>
LIABILITIES AND NET ASSETS				
Accounts payable and accrued expenses	\$ 15,085	\$ 23,513	\$ -	\$ 38,598
Deferred revenue	-	11,661	-	11,661
Line of credit	-	535,936	-	535,936
Current portion of long-term debt	-	<u>22,598</u>	-	<u>22,598</u>
Total current liabilities	15,085	593,708	-	608,793
Long-term debt	-	<u>184,902</u>	-	<u>184,902</u>
Total liabilities	<u>15,085</u>	<u>778,610</u>	<u>-</u>	<u>793,695</u>
Net assets				
Unrestricted	125,902	(717,744)	-	(591,842)
Unrestricted - designated	354,523	-	-	354,523
Temporarily restricted	<u>385,446</u>	-	-	<u>385,446</u>
Total net assets	<u>865,871</u>	<u>(717,744)</u>	<u>-</u>	<u>148,127</u>
Total liabilities and net assets	<u>\$ 880,956</u>	<u>\$ 60,866</u>	<u>\$ -</u>	<u>\$ 941,822</u>

BISHOP OF THE EPISCOPAL DIOCESE OF GEORGIA, INC. AND OPERATING ENTITY
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2010

	Diocese				Camp Total	Intercompany Eliminations	Total
	Unrestricted	Temporarily Restricted	Total				
Support and revenues							
Parish and mission pledges and donations	\$ 1,323,956	\$ -	\$ 1,323,956	\$ 205,713	\$ (144,000)	\$ 1,385,669	
Meetings, group and lodging	-	-	-	290,509	(8,208)	282,301	
Episcopal Church camps	-	-	-	144,837	(17,289)	127,548	
Special purpose income	103,544	129,311	232,855	7,485	-	240,340	
Trust income	91,718	-	91,718	-	-	91,718	
Other revenue	25,156	-	25,156	5,385	-	30,541	
Interest income	5,427	-	5,427	-	-	5,427	
Released from restrictions	225,982	(225,982)	-	-	-	-	
Total support and revenues	<u>1,775,783</u>	<u>(96,671)</u>	<u>1,679,112</u>	<u>653,929</u>	<u>(169,497)</u>	<u>2,163,544</u>	
Expenses							
Episcopal office	602,867	-	602,867	-	-	602,867	
General and administrative	181,553	-	181,553	261,330	-	442,883	
Special purpose	270,176	-	270,176	-	-	270,176	
Missions inside the Diocese	414,966	-	414,966	-	(169,497)	245,469	
Dining room and food	-	-	-	232,943	-	232,943	
Missions outside the Diocese	214,222	-	214,222	-	-	214,222	
Direct operational	-	-	-	192,304	-	192,304	
Interest	-	-	-	31,532	-	31,532	
Housekeeping	-	-	-	30,840	-	30,840	
Miscellaneous	-	-	-	16,927	-	16,927	
Depreciation	6,281	-	6,281	8,920	-	15,201	
Total expenses	<u>1,690,065</u>	<u>-</u>	<u>1,690,065</u>	<u>774,796</u>	<u>(169,497)</u>	<u>2,295,364</u>	
Change in net assets	<u>85,718</u>	<u>(96,671)</u>	<u>(10,953)</u>	<u>(120,867)</u>	<u>-</u>	<u>(131,820)</u>	
Net assets - beginning of year	<u>480,425</u>	<u>385,446</u>	<u>865,871</u>	<u>(717,744)</u>	<u>-</u>	<u>148,127</u>	
Net assets - end of year	<u>\$ 566,143</u>	<u>\$ 288,775</u>	<u>\$ 854,918</u>	<u>\$ (838,611)</u>	<u>\$ -</u>	<u>\$ 16,307</u>	

BISHOP OF THE EPISCOPAL DIOCESE OF GEORGIA, INC. AND OPERATING ENTITY
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Diocese</u>				<u>Camp Total</u>	<u>Intercompany Eliminations</u>	<u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>			
Support and revenues							
Parish and mission pledges and donations	\$ 1,309,083	\$ -	\$ 1,309,083	\$ 208,095	\$ (84,000)	\$ 1,433,178	
Meetings, group and lodging	-	-	-	224,313	(11,510)	212,803	
Episcopal Church camps	-	-	-	163,430	(59,170)	104,260	
Special purpose income	173,950	480,477	654,427	4,684	-	659,111	
Trust income	98,207	-	98,207	-	-	98,207	
Other revenue	-	-	-	122	-	122	
Interest income	8,191	-	8,191	-	-	8,191	
Released from restrictions	381,760	(381,760)	-	-	-	-	
Total support and revenues	1,971,191	98,717	2,069,908	600,644	(154,680)	2,515,872	
Expenses							
Episcopal office	585,622	-	585,622	-	(532)	585,090	
General and administrative	175,568	-	175,568	279,998	(160)	455,406	
Special purpose	531,672	-	531,672	-	-	531,672	
Missions inside the Diocese	503,451	-	503,451	-	(153,988)	349,463	
Dining room and food	-	-	-	179,526	-	179,526	
Missions outside the Diocese	268,390	-	268,390	-	-	268,390	
Direct operational	-	-	-	174,427	-	174,427	
Interest	-	-	-	26,510	-	26,510	
Housekeeping	-	-	-	33,437	-	33,437	
Miscellaneous	-	-	-	15,844	-	15,844	
Depreciation	523	-	523	6,352	-	6,875	
Total expenses	2,065,226	-	2,065,226	716,094	(154,680)	2,626,640	
Change in net assets	(94,035)	98,717	4,682	(115,450)	-	(110,768)	
Net assets - beginning of year	574,460	286,729	861,189	(602,294)	-	258,895	
Net assets - end of year	\$ 480,425	\$ 385,446	\$ 865,871	\$ (717,744)	\$ -	\$ 148,127	