

# THE DIOCESE OF NORTHERN INDIANA



## TREASURER'S REPORT

113<sup>th</sup> Annual Convention – October 14, 2011

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DIOCESE OF NORTHERN INDIANA OF THE  
EPISCOPAL CHURCH, INC.

South Bend, Indiana

ANNUAL REPORT

December 31, 2010

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## INDEPENDENT AUDITORS' REPORT

To the Council  
Diocese of Northern Indiana of the Episcopal Church, Inc.  
South Bend, Indiana

We have audited the accompanying statements of financial position (modified cash basis) of Diocese of Northern Indiana of the Episcopal Church, Inc. as of December 31, 2010 and 2009 and the related (modified cash basis) statements of activities and change in net assets for the years then ended. These financial statements are the responsibility of Diocese's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The Diocese also did not record capital assets and the related depreciation prior to January 1, 1994.

In our opinion, except for the effects of not recording capital assets and related depreciation, the financial statements of Diocese of Northern Indiana of the Episcopal Church, Inc. present fairly, in all material respects, the financial position as of December 31, 2010 and 2009, and its activities and changes in net assets for the year then ended on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The additional information included on pages 17 - 24 is presented for additional analysis and are not a required part of the 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 financial statements. The information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
ARMSTRONG, & REIST CPAs, LLP

August 29, 2011

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

STATEMENTS OF FINANCIAL POSITION - MODIFIED CASH BASIS

December 31, 2010

ASSETS	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total All Funds</u>
Cash	\$ 26,801	\$ 39,280		\$ 66,081
Investments (at market)	591,792	477,287	\$ 301,683	1,370,762
Prepaid expenses				
Property and Equipment				
Land	300,000			300,000
Buildings	546,614			546,614
Equipment	21,868			21,868
Total cost	<u>868,482</u>			<u>868,482</u>
Accumulated depreciation	<u>(167,765)</u>			<u>(167,765)</u>
Net Property and Equipment	700,717			700,717
Life insurance - Cash Value	<u>77,151</u>			<u>77,151</u>
Total Assets	<u>\$ 1,396,461</u>	<u>\$ 516,567</u>	<u>\$ 301,683</u>	<u>\$ 2,214,711</u>
LIABILITIES AND NET ASSETS				
Net Assets	<u>\$ 1,396,461</u>	<u>\$ 516,567</u>	<u>\$ 301,683</u>	<u>\$ 2,214,711</u>
Total Liabilities and Net Assets	<u>\$ 1,396,461</u>	<u>\$ 516,567</u>	<u>\$ 301,683</u>	<u>\$ 2,214,711</u>

(See accompanying notes and auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

STATEMENTS OF FINANCIAL POSITION - MODIFIED CASH BASIS

December 31, 2009

ASSETS	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total All Funds</u>
Cash	\$ 125,896	\$ 39,342		\$ 165,238
Investments (at market)	528,949	435,899	\$ 301,683	1,266,531
Prepaid expenses				
Property and Equipment				
Land	300,000			300,000
Buildings	596,614			596,614
Equipment	<u>22,735</u>			<u>22,735</u>
Total cost	919,349			919,349
Accumulated depreciation	<u>(154,422)</u>			<u>(154,422)</u>
Net Property and Equipment	764,927			764,927
Life insurance - Cash Value	<u>72,628</u>			<u>72,628</u>
 Total Assets	 <u>\$ 1,492,400</u>	 <u>\$ 475,241</u>	 <u>\$ 301,683</u>	 <u>\$ 2,269,324</u>
 LIABILITIES AND NET ASSETS				
Net Assets	<u>\$ 1,492,400</u>	<u>\$ 475,241</u>	<u>\$ 301,683</u>	<u>\$ 2,269,324</u>
Total Liabilities and Net Assets	<u>\$ 1,492,400</u>	<u>\$ 475,241</u>	<u>\$ 301,683</u>	<u>\$ 2,269,324</u>

(See accompanying notes and auditors' report.)

## DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

## STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS - MODIFIED CASH BASIS

For the year ended December 31, 2010

	---- Unrestricted ----			Total All Funds
	Currently Expendable	Endowment	Temporarily Restricted	
<b>SUPPORT AND REVENUE</b>				
Parishes and missions	\$ 653,133			\$ 653,133
Conferences and rental - Wawasee	26,858			26,858
Contributions			\$ 38,009	38,009
Investment income	1,698	\$ 11,724	52,746	66,168
Miscellaneous	24,289			24,289
Late payments from parishes	7,293			7,293
Loss on sale of asset	(47,190)			(47,190)
Net assets released from restrictions:	49,429		(49,429)	
<b>Total Support and Revenue</b>	<b>715,510</b>	<b>11,724</b>	<b>41,326</b>	<b>768,560</b>
<b>EXPENSES</b>				
Program services	214,913			214,913
General and administrative	608,260			608,260
<b>Total Expenses</b>	<b>823,173</b>			<b>823,173</b>
Increase (Decrease) in Net Assets Before Board Designations	(107,663)	11,724	41,326	(54,613)
Designations by the governing board:				
Investment returns utilized for current operations	26,357	(26,357)		
Held for long-term investment	(12,850)	12,850		
Increase (Decrease) in Net Assets	(94,156)	(1,783)	41,326	(54,613)
Net Assets - Beginning	967,667	524,733	475,241	2,269,324
Net Assets - Ending	\$ 873,511	\$ 522,950	\$ 516,567	\$ 2,214,711

(See accompanying notes and auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS - MODIFIED CASH BASIS

For the year ended December 31, 2009

	- - - - Unrestricted - - - -				
	Currently Expendable	Endowment	Temporarily Restricted	Permanently Restricted	Total All Funds
<b>SUPPORT AND REVENUE</b>					
Parishes and missions	\$ 654,531				\$ 654,531
Conferences and rental - Wawasee	27,268				27,268
Contributions			\$ 44,059		44,059
Investment income	(2,224)	\$ 13,224	69,462		80,462
Miscellaneous	73,048				73,048
Late payments from parishes	8,730				8,730
Net assets released from restrictions:	55,164		(55,164)		
Total Support and Revenue	816,517	13,224	58,357		888,098
<b>EXPENSES</b>					
Program services	300,464				300,464
General and administrative	615,740				615,740
Total Expenses	916,204				916,204
Increase (Decrease) in Net Assets Before Board Designations	(99,687)	13,224	58,357		(28,106)
Designations by the governing board:					
Investment returns utilized for current operations	125,156	(125,156)			
Held for long-term investment	(11,715)	11,715			
Increase (Decrease) in Net Assets	13,754	(100,217)	58,357		(28,106)
Net Assets - Beginning	953,913	624,950	416,884	301,683	2,297,430
Net Assets - Ending	\$ 967,667	\$ 524,733	\$ 475,241	\$ 301,683	\$ 2,269,324

(See accompanying notes and auditors' report )

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

To take, administer and dispose of in accordance with the laws and constitution and canons of the Episcopal Church of the United States of America, and more especially of the constitution and canons of the Diocese of Northern Indiana of the Episcopal Church, Inc., properties of all kinds, character and types, real, personal and mixed, tangible and intangible, for the benefit of the ecclesiastical body known as the Diocese of Northern Indiana of the Episcopal Church, Inc. The Diocese covers a geographical area in Northern Indiana spreading East to the Ohio border, West to the Illinois border, North to the Michigan border, and South to Kokomo, Indiana. The Diocese includes thirty-seven parishes and missions. The Diocese is mainly supported by the parishes and missions included in the Diocese.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting principles generally accepted in the United States of America. Under that basis, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligations are incurred. Consequently, the Organization has not recognized assessment receivable from parishes, accounts payable to vendors, and the related effects on the change in net assets in the accompanying financial statements.

Financial Statement Presentation

The Diocese reports information regarding its financial position and activities according to classes of net assets: unrestricted net assets, temporarily restricted and permanently restricted net assets.

Cash and Cash Equivalents

The Diocese considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments purchased by the Diocese are initially recorded at their cost and donated investments are recorded at fair value on the date they are received as a donation.

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Subsequent to their acquisition, investments in marketable securities with readily determinable fair values and all investments in debt securities are adjusted to their fair values based on quoted market prices as of the date of the statement of assets and net assets. Unrealized gains and losses are included in the change in net assets. The Diocese participates in an investment pool of which the parishes and missions may contribute. The investments are managed by Merrill Lynch. Quarterly, contributions and withdraws are summarized and recorded to the underlying parish or Diocese fund, income, gains (losses) and management fees are allocated based on the previous quarters fair value as adjusted for contributions and withdraws.

Property and Equipment, and Depreciation

Beginning January 1, 1994, it is the policy of the Diocese to record property and equipment acquisitions at cost as capital assets. Prior acquisitions of office equipment have been recorded as an operating expense. This is a departure from generally accepted accounting principles. Donations of property and equipment are recorded as contributions at their estimated fair value. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reports as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Diocese reports expirations of donor restrictions when the donated or acquired assets are placed in service. Depreciation is provided over the estimated useful lives of the capital assets on the straight-line basis for the post January 1, 1994 acquisitions only. Depreciation expense is \$14,210 for 2010 and \$14,021 for 2009.

Contributions

Contributions are recorded when received. The Diocese reports gifts of cash and other assets as 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 activities as net assets released from restrictions.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Diocese generally pays for services requiring specific expertise. However, individuals do donate their time and perform a variety of tasks, but these services do not meet the criteria for recognition as contributed services.

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income Tax Status

The Diocese is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and under a similar state statute. Therefore, no provision has been made for income taxes in the financial statements.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from these estimates

Retirement Plan

The Diocese has a defined contribution retirement plan. Individual contracts with the church pension fund are purchased for all qualifying employees. To qualify for the retirement plan, an employee must be a full-time salaried employee of the Diocese. The retirement plan expense for the years ended December 31, were \$46,425 - 2010 and \$46,719 - 2009.

Date of Management's Review

Management has evaluated subsequent events through August 29, 2011, the date the financials were available to be issued.

Accounting for Net Assets

To ensure the observance of limitations and restrictions placed on the use of the resources available to the Diocese, the accounts are classified according to their nature and purpose, and accordingly, all financial transactions have been recorded and grouped by class. The net assets and Diocese activities are grouped and reported in major classes as described below:

Unrestricted net assets - are available for use at the discretion of the Council to support general and administrative operations. They include Operating Net Assets and Endowment Net Assets.

Endowment Net Assets - are restricted by the Council for particular activities and/or programs. The following are Endowment Net Assets:

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounting for Net Assets - Continued

Episcopate

An endowment fund for operations was established as required by the National Church. The interest is used for operations.

WCRS Reserve

An endowment fund established as an emergency reserve for salaries of the bishop and staff in case of any interruption of income from the congregations. The Council must approve any reduction in principal. The interest is available for general operations. An amount is budgeted each year to increase the reserve.

Sabbatical

The Council has established a fund to provide for the Bishop and Canon's sabbatical.

General Convention

The Council has established a fund from which to pay for the Bishop and eight other people to attend the National Convention, which is held every three years.

Lambeth

The Council has established a fund from which to pay the expenses of the Bishop attending a Lambeth conference in England every ten years.

Historiographer

The Diocese has a historiographer fund from which to pay such expenses.

Bishop's Association

This fund is utilized to help individuals and families of the Diocese. The Bishop is authorized to disburse these funds.

Wawasee

This fund is for the Wawasee Center, a retreat facility.

Youth Ministries

This fund is to be utilized for the salary of the Diocesan Youth Minister.

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounting for Net Assets - Continued

Election of Bishop

This fund is to be utilized for the election of the Bishop.

Temporarily and Permanently Restricted Net Assets - are restricted as to use by the donor or a gift instrument and are not available for operating purposes. These include the following:

Delphi Fund

This fund is from the Delphi Church (no longer in existence). The original donor restricted the interest for sustaining a choir. By court order, interest now is available to the Diocese for operations.

Krause Fund

The income may be used by the Bishop for "educational support and maintenance of the many worthy and capable young men as the Bishop should desire to select and who desire to become ministers of the Episcopal Church." The Bishop uses the income for education expenses such as books and conferences.

Emma Wallach Theological Fund

The dividends from stock that was given to the Diocese and other donations are contained in this fund that is restricted for seminarian education expenses.

Education Fund

This fund was established by the Capital Fund Campaign for the purpose of making grants to better prepare the people of God for ministry.

WCRS Diocesan Endowment

This fund was established by the Capital Fund Campaign. Income from this fund is utilized for operations.

Clergy Conferences

This fund was established for the purpose of making grants to the clergy of the Diocese that they may attend conferences.

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 2 - SUPPORT FROM PARISHES

Annually, assessments on the churches of the Northern Indiana Diocese are computed based on a three-year average of income of each parish. Churches can request a hearing for relief from assessments if necessary. The Diocese received assessments of \$660,426 - 2010 and \$663,321 - 2009 of which \$7,293 and \$8,730 respectively was for assessments from the prior year. Assessments outstanding as of December 31, were \$23,918 - 2010 and \$21,876 - 2009.

NOTE 3 - INVESTMENTS

Investments consist of the following at December 31:

	2010	2009
Certificate of deposits	\$ 66,256	
Equity Mutual Funds	410,336	\$ 367,380
Bond Funds	<u>894,170</u>	<u>899,151</u>
Total	<u>\$1,370,762</u>	<u>\$1,266,531</u>

Investment expense of \$9,493 for 2010 and \$8,790 for 2009 was netted against net investment gains. Investment income consists of the following for the years ended December 31, 2010 and 2009:

	<u>Unrestricted</u>	<u>Board Designated</u>	<u>Temporarily Restricted</u>	<u>Total</u>
2010				
Interest and dividends	\$ 942	\$ 11,426	\$ 19,580	\$ 31,948
Net investment gains/(losses)	<u>756</u>	<u>298</u>	<u>33,166</u>	<u>34,220</u>
Total Investment Income	<u>\$ 1,698</u>	<u>\$ 11,724</u>	<u>\$ 52,746</u>	<u>\$ 66,168</u>
2009				
Interest and dividends	\$ 488	\$ 17,733	\$ 23,248	\$ 41,469
Net investment gains/(losses)	<u>(2,712)</u>	<u>(4,509)</u>	<u>46,214</u>	<u>38,993</u>
Total Investment Income	<u>\$ (2,224)</u>	<u>\$ 13,224</u>	<u>\$ 69,462</u>	<u>\$ 80,462</u>

NOTE 4 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) accounting standards codification (ASC) 820, Fair Value Measurements and Disclosures, which defines fair value under U.S. generally accepted accounting principles, establishes a framework for measuring fair value and enhances disclosures about fair value measurements. This standard defines fair value as the

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 4 – FAIR VALUE MEASUREMENTS -- CONTINUED

exchange price that would be received for an asset, or paid to transfer a liability (an exit price), in the principal or most advantageous market for the asset or liability, in an orderly transaction value hierarchy, which requires an entity to maximize the use of observable inputs when measuring fair value.

Level 1 inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date and fair value can be determined through the use of models or other valuation methods.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010 and 2009.

Investments held in a pooled account of investments in the name of the Episcopal Diocese of Northern Indiana. Investments are valued at the underlying securities that are traded on an active market.

Fair values of assets measured on a recurring basis at December 31, 2010 and 2009 are as follows:

	Fair Value	Significant Other Observable Inputs (Level 2)
2010		
Investment – income funds	\$ 894,170	\$ 894,170
Certificate of deposits	66,256	66,256
Investment – growth funds	<u>410,336</u>	<u>410,336</u>
Total	<u>\$ 1,370,762</u>	<u>\$ 1,370,762</u>
2009		
Investment – income funds	\$ 899,151	\$ 899,151
Investment – growth funds	<u>367,380</u>	<u>367,380</u>
Total	<u>\$ 1,266,531</u>	<u>\$ 1,266,531</u>

(See auditor's report)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 5 - OPERATING LEASE

The Diocese leases office space from the Cathedral of St. James on a year-to-year basis. The total rent paid for the years ended December 31, were \$20,682 - 2010 and \$21,282 - 2009. There are no future minimum lease payments for this operating lease.

NOTE 6 – EXCESS BANK AND SECURITIES DEPOSITS

The Diocese maintains accounts with the Merrill Lynch with balances greater than the insured amount of up to \$500,000 by the Securities Investor Protection Corporation. Historically the Diocese has not experienced any losses (other than market losses).

NOTE 7 - ENDOWMENTS

The Board of Trustees of the Organization has interpreted the Indiana of Prudent Management of Institutional Funds Act (IPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by IPMIFA. In accordance with IPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

(See auditor's report)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 7 – ENDOWMENTS - CONTINUED

Endowment Net Asset Composition by Type of Fund  
As of December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted Endowment funds	\$ -	\$ 516,567	\$ 301,683	\$ 818,250
Board-designated Endowment funds	<u>522,950</u>	<u>-</u>	<u>-</u>	<u>522,950</u>
Total funds	<u>\$ 522,950</u>	<u>\$ 516,567</u>	<u>\$ 301,683</u>	<u>\$1,341,200</u>

Changes in Endowment Net Assets  
For the Fiscal Year Ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 524,733	\$ 475,241	\$ 301,683	\$1,301,657
Investment return:				
Investment income	11,426	19,580		31,006
Net appreciation (realized and unrealized)	<u>298</u>	<u>33,166</u>		<u>33,464</u>
Total investment return	11,724	52,746		64,470
Contributions		38,009		38,009
Appropriation of endowment assets for expenditure	(26,357)	(49,429)		(75,786)
Other changes:				
Transfers to create board- designated endowment funds	<u>12,850</u>	<u>-</u>	<u>-</u>	<u>12,850</u>
Endowment net assets, end of year	<u>\$ 522,950</u>	<u>\$ 516,567</u>	<u>\$ 301,683</u>	<u>\$1,341,200</u>

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 7 – ENDOWMENTS – CONTINUED

Endowment Net Asset Composition by Type of Fund  
As of December 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted				
Endowment funds	\$ -	\$ 475,241	\$ 301,683	\$ 776,924
Board-designated				
Endowment funds	<u>524,733</u>	<u>-</u>	<u>-</u>	<u>524,733</u>
Total funds	<u>\$ 524,733</u>	<u>\$ 475,241</u>	<u>\$ 301,683</u>	<u>\$1,301,657</u>

Changes in Endowment Net Assets  
For the Fiscal Year Ended December 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 624,950	\$ 416,884	\$ 301,683	\$1,343,517
Investment return:				
Investment income	17,733	23,248		40,981
Net depreciation (realized and unrealized)	<u>(4,509)</u>	<u>46,214</u>		<u>41,705</u>
Total investment return	13,224	69,462		82,686
Contributions		44,059		44,059
Appropriation of endowment assets for expenditure	(125,156)	(55,164)		(180,320)
Other changes:				
Transfers to create board- designated endowment funds	<u>11,715</u>	<u>-</u>	<u>-</u>	<u>11,715</u>
Endowment net assets, end of year	<u>\$ 524,733</u>	<u>\$ 475,241</u>	<u>\$ 301,683</u>	<u>\$1,301,657</u>

(See auditor's report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 7 – ENDOWMENTS - CONTINUED

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or IPMIFA requires the Organization to retain as a fund of perpetual donation. There were no such deficiencies as of December 31, 2010 and 2009.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the majority of the endowment assets are invested in a manner that is intended to produce fixed income using a laddering approach. The remainder of the endowment's assets are invested in a mixture of equity and bonds assuming a moderate level of risk

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified assets allocation of 60% equity and 40% fixed income for the growth portion of the endowment.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution the interest income for several of the funds and budgets the amounts of the other distributions based on the historical investment income. This is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

(See auditor's report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

SCHEDULES OF ACTIVITY FOR TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

For the year ended December 31, 2010

TEMPORARILY RESTRICTED NET ASSETS	Delphi Fund	Krause Fund	Emma Wallach Theo- logical Fund	Education Fund	WCRS Diocesan Endowment Fund	Clergy Conference	Other (see page 21)	Total
Revenue, Gains and Other Support:								
Contributions	\$ 4,520	\$ 408	\$ 4,345	\$ 2,637	\$ 7,454	\$ 216	\$ 38,009	\$ 38,009
Interest	1,083	97	285	228	(1,228)	53		19,580
Realized gains (losses)	(1,271)	(114)	(350)	3,710	30,707	(34)		518
Unrealized gains (losses)								32,648
Net Assets released from restrictions								
Released for program expenses	(5,054)	(1,565)		(5,000)		(4,000)	(33,810)	(44,375)
Time restrictions								
Contributions:								
Held for Long-term Investment								
Increase (decrease) in temporarily restricted net assets	(722)	(1,174)	4,280	1,575	36,933	(3,765)	4,199	41,326
Temporarily Restricted Net Assets - Beginning	165,358	10,671	53,523	27,675	179,263	11,070	27,681	475,241
Temporarily Restricted Net Assets - Ending	<u>\$ 164,636</u>	<u>\$ 9,497</u>	<u>\$ 57,803</u>	<u>\$ 29,250</u>	<u>\$ 216,196</u>	<u>\$ 7,305</u>	<u>\$ 31,880</u>	<u>\$ 516,567</u>
PERMANENTLY RESTRICTED NET ASSETS								
Permanently Restricted Net Assets - Beginning	\$ 47,241	\$ 17,840	\$ -0-	\$ 100,000	\$ 136,602	\$ -0-	\$ -0-	\$ 301,683
Permanently Restricted Net Assets - Ending	<u>\$ 47,241</u>	<u>\$ 17,840</u>	<u>\$ -0-</u>	<u>\$ 100,000</u>	<u>\$ 136,602</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 301,683</u>

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

SCHEDULES OF ACTIVITY FOR TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

For the year ended December 31, 2009

	Delphi Fund	Krause Fund	Emma Wallach Theological Fund	Education Fund	WCRS Diocesan Endowment Fund	Clergy Conference	Other (see page 22)	Total
<b>TEMPORARILY RESTRICTED NET ASSETS</b>								
Revenue, Gains and Other Support:								
Contributions	\$ 6,973	\$ 646	\$ 11,513	\$ 3,513	\$ 7,123	\$ 337	\$ 32,546	\$ 44,059
Interest	(6,261)	(561)	4,656	(7,956)	(41,736)	(321)		23,248
Realized gains (losses)	4,043	362	(1,325)	13,129	85,755	214		(58,160)
Unrealized gains (losses)			871					104,374
Net Assets released from restrictions		(500)		(7,392)			(39,306)	(47,198)
Released for program expenses	(7,966)							(7,966)
Time restrictions								
Contributions:								
Held for Long-term Investment								
Increase (decrease) in temporarily restricted net assets	(3,211)	(53)	15,715	1,294	51,142	230	(6,760)	58,357
Temporarily Restricted Net Assets - Beginning	168,569	10,724	37,808	26,381	128,121	10,840	34,441	416,884
Temporarily Restricted Net Assets - Ending	\$ 165,358	\$ 10,671	\$ 53,523	\$ 27,675	\$ 179,263	\$ 11,070	\$ 27,681	\$ 475,241
<b>PERMANENTLY RESTRICTED NET ASSETS</b>								
Permanently Restricted Net Assets - Beginning	\$ 47,241	\$ 17,840	\$ -0-	\$ 100,000	\$ 136,602	\$ -0-	\$ -0-	\$ 301,683
Permanently Restricted Net Assets - Ending	\$ 47,241	\$ 17,840	\$ -0-	\$ 100,000	\$ 136,602	\$ -0-	\$ -0-	\$ 301,683

(See auditors' report.)

DIocese of Northern Indiana of the Episcopal Church, Inc.

SCHEDULES OF ACTIVITY FOR UNRESTRICTED ENDOWMENT

For the year ended December 31, 2010

	Episcopate Fund	WCRS Reserve Fund	General Convention	Lambeth Conference	Sabbaticals	Historiographer	Bishop's Assoc.	Wawasee Fund	Youth Fund	Election of Bishop	Total
Revenue, Gains and Support:											
Interest	\$ 2,874	6,303	\$ 245	\$ 106	\$ 293	\$ 69	\$ 697	\$ 159	\$ 243	\$ 437	\$ 11,426
Realized gains (losses)	658	1,520	11	26	71	17	87	38	73	106	2,607
Unrealized gains (losses)	(772)	(1,782)	(78)	(37)	(85)	(20)	692	(46)	(34)	(147)	(2,309)
Total	2,760	6,041	178	95	279	66	1,476	151	282	396	11,724
Designations by the governing board:											
Investment returns utilized for current operations (withdrawals)	(3,068)	(7,089)	9,000	850					(16,200)	3,000	(26,357)
Held for long-term investment (deposits)	(3,068)	(7,089)	9,000	850					(16,200)	3,000	12,850
Total	(308)	(1,048)	9,178	945	279	66	1,476	151	(15,918)	3,396	(1,783)
Increase (decrease) in net assets	128,980	298,201		4,804	13,774	3,237	29,702	4,570	21,621	19,844	524,733
Net Assets - Beginning	\$ 128,672	\$ 297,153	\$ 9,178	\$ 5,749	\$ 14,053	\$ 3,303	\$ 31,178	\$ 4,721	\$ 5,703	\$ 23,240	\$ 522,950
Net Assets - Ending											

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.  
SCHEDULES OF ACTIVITY FOR UNRESTRICTED ENDOWMENT

For the year ended December 31, 2009

	Episcopate Fund	WCRS Reserve Fund	General Convention	Lambeth Conference	Sabbaticals	Historiographer	Bishop's Assoc.	Wawasee Fund	Youth Fund	Social Ministry Fund	Election of Bishop	Total
Revenue, Gains and Support:												
Interest	\$ 4,213	9,439	\$ 231	\$ 129	\$ 448	\$ 104	\$ 933	\$ 205	\$ 768	\$ 733	\$ 530	\$ 17,733
Realized gains (losses)	(3,799)	(8,544)	3	(115)	(399)	(94)	(1,839)	(217)	(714)	9	(489)	(16,198)
Unrealized gains (losses)	2,453	5,673	(140)	74	258	61	2,809	159	470	(444)	316	11,689
Total	2,867	6,568	94	88	307	71	1,903	147	524	298	357	13,224
Designations by the governing board:												
Investment returns utilized for current operations (withdrawals)	(4,834)	(11,177)	(21,410)	850					(10,765)	(76,970)	3,000	(125,156)
Held for long-term investment (deposits)	(4,834)	(11,177)	(21,410)	850					7,865			11,715
Total	(1,967)	(4,609)	(21,316)	938	307	71	1,903	147	(2,900)	(76,970)	3,000	(113,441)
Increase (decrease) in net assets	130,947	302,810	21,316	3,866	13,467	3,166	27,799	4,423	23,997	76,672	16,487	624,950
Net Assets - Beginning	\$ 128,980	\$ 298,201	\$ -	\$ 4,804	\$ 13,774	\$ 3,237	\$ 29,702	\$ 4,570	\$ 21,621	\$ -	\$ 19,844	\$ 524,733
Net Assets - Ending												

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

SCHEDULES OF OTHER ACTIVITY REVENUE AND EXPENSE

For the year ended December 31, 2010

OTHER TEMPORARILY RESTRICTED

ACTIVITY	Net Assets Beginning of Year	Revenue	Expense	Net Revenue/ (Expense)	Net Assets Released	Net Assets End of Year
Bishop association	\$ 2,121	\$ -	\$ -	\$ -		\$ 2,121
Bishop discretionary fund	6,485	19,239	15,852	3,387	(15,852)	9,872
Bishop gift	8,549		875	(875)	(875)	7,674
Retired Bishop	1,935	800	1,250	(450)	(1,250)	1,485
Camp for Prisoners Children	3,824	17,420	15,833	1,587	(15,833)	5,411
Camp scholarships	1,884	550		550		2,434
Syracuse Seawall	2,883					2,883
<b>TOTAL</b>	<b>\$ 27,681</b>	<b>\$ 38,009</b>	<b>\$ 33,810</b>	<b>\$ 4,199</b>	<b>\$ (33,810)</b>	<b>\$ 31,880</b>

(See auditors' report.)

## DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

## SCHEDULES OF OTHER ACTIVITY REVENUE AND EXPENSE

For the year ended December 31, 2009

## OTHER TEMPORARILY RESTRICTED

ACTIVITY	Net Assets Beginning of Year	Revenue	Expense	Net Revenue/ (Expense)	Net Assets Released	Net Assets End of Year
Bishop association	\$ 3,121	\$ -	\$ 1,000	\$ (1,000)	\$ (1,000)	\$ 2,121
Bishop discretionary fund	6,363	12,250	12,128	122	(12,128)	6,485
Bishop gift	12,003		3,454	(3,454)	(3,454)	8,549
Darkness Day						-
Retired Bishop	78	4,360	2,503	1,857	(2,503)	1,935
Camp for Prisoners Children	8,409	15,536	20,121	(4,585)	(20,121)	3,824
Camp scholarships	1,584	300		300		1,884
Wells mission trip		100	100		(100)	-
Syracuse Seawall	2,883					2,883
TOTAL	<u>\$ 34,441</u>	<u>\$ 32,546</u>	<u>\$ 39,306</u>	<u>\$ (6,760)</u>	<u>\$ (39,306)</u>	<u>\$ 27,681</u>

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended December 31, 2010

UNRESTRICTED FUNDS

	Program Services	Adminis- trative	Retreat Center	Total All Funds
Assessments - national	\$ 69,864			\$ 69,864
Dues	785			785
Commissions and ministries:				
Revitalization and development	35,022			35,022
Service/Outreach	7,961			7,961
Ministries	4,510			4,510
Christian education	2,140			2,140
Youth	24,476			24,476
Clergy retreat	11,010			11,010
Millennium development	3,423			3,423
Salaries and payroll taxes		\$ 252,277		252,277
Housing		63,000		63,000
Pension, annuity and health		88,279		88,279
Other benefits		36,891		36,891
Rent		20,682		20,682
Maintenance		4,117	\$ 30,763	34,880
Telephone		8,367	638	9,005
Depreciation expense		14,210		14,210
Professional fees		4,800		4,800
Insurance - retired clergy		42,198		42,198
Convention and conferences		3,455		3,455
Travel		4,145		4,145
Minimum salary		4,780		4,780
Supplies		10,074	1,552	11,626
Postage		2,159		2,159
Other expenses	11,347	6,231		17,578
General expenses released from restrictions	10,565			10,565
Insurance		5,084	4,198	9,282
Communications		360		360
Other activity expenses (see page 21)	33,810			33,810
	\$ 214,913	\$ 571,109	\$ 37,151	\$ 823,173
TOTAL				

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended December 31, 2009

UNRESTRICTED FUNDS

	Program Services	Adminis- trative	Retreat Center	Total All Funds
Assessments - national	\$ 70,198			\$ 70,198
Dues	782			782
Commissions and ministries:				
Revitalization and development	35,734			35,734
Service/Outreach	85,037			85,037
Ministries	4,944			4,944
Christian education	2,130			2,130
Youth	24,873			24,873
Clergy retreat	8,985			8,985
Millennium development	5,003			5,003
Salaries and payroll taxes		\$ 260,154		260,154
Housing		58,000		58,000
Pension, annuity and health		69,877		69,877
Other benefits		36,787		36,787
Rent		21,282		21,282
Maintenance		3,956	\$ 21,182	25,138
Telephone		8,806	580	9,386
Depreciation expense		14,210		14,210
Professional fees		4,800		4,800
Insurance - retired clergy		33,966		33,966
Convention and conferences		36,152		36,152
Travel		4,973		4,973
Minimum salary		4,806		4,806
Supplies		11,163	3,644	14,807
Postage		2,747		2,747
Other expenses	15,580	5,468		21,048
General expenses released from restrictions	7,892			7,892
Insurance		3,693	9,134	12,827
Communications		360		360
Other activity expenses (see page 22)	39,306			39,306
TOTAL	\$ 300,464	\$ 581,200	\$ 34,540	\$ 916,204

(See auditors' report.)

**Diocese of Northern Indiana  
Fund Balances**

**FORWARD IN FAITH  
January 1, 2010 – December 31, 2010**

**NEW CONGREGATIONS**

The Foundation makes grants from the corpus with recommendations from the Bishop and the Revitalization and Development Committee. The money is in the Merrill Lynch income account.

Beginning Balance	\$393,944.58
Additions	\$93.97
Withdrawals	\$0.00
Earnings	\$8,864.20
Management Fee	(\$1,959.30)
Accrued interest	(\$484.82)
Realized	\$3,993.00
<u>Unrealized</u>	<u>(\$2,417.81)</u>
Ending	\$402,033.82

**CONGREGATION REVITALIZATION**

The Foundation makes grants from interest of corpus only, and makes loans from corpus with recommendations from the Bishop and the Revitalization and Development Committee. The money is in the Merrill Lynch income account.

Beginning Balance	\$545,845.05
Additions	\$133.67
Withdrawals	(\$11,903.10)
Earnings	\$12,153.65
Management Fee	(\$2,684.59)
Accrued interest	(\$669.67)
Realized	\$5,479.01
<u>Unrealized</u>	<u>(\$3,268.20)</u>
Ending	\$545,085.82

## OUTREACH

The Foundation makes grants from the interest of corpus with recommendations from the Bishop and the Social Outreach and Economic Justice Committee. The money is in the Merrill Lynch income account.

Beginning Balance	\$214,670.40
Additions	\$36.09
Withdrawals	(\$6,000.00)
Earnings	\$4,729.64
Management Fee	(\$1,045.11)
Accrued interest	(\$259.54)
Realized	\$2,132.74
<u>Unrealized</u>	<u>(\$1,281.78)</u>
Ending	\$212,982.44

## EDUCATION

Grants are made from the interest of corpus by the Commission on Ministry with recommendations from the Bishop. The money is in the Merrill Lynch income account and the growth fund.

	<b>INCOME</b>	<b>GROWTH</b>
Beginning Balance	\$77,539.32	\$42,928.56
Additions	\$0.00	\$0.00
Withdrawals	(\$1,843.12)	\$0.00
Earnings	\$1,718.95	\$1,013.06
Management Fee	(\$379.73)	(\$596.89)
Accrued interest	(\$94.62)	
Realized	\$774.81	\$430.05
<u>Unrealized</u>	<u>(\$463.38)</u>	<u>\$4,173.30</u>
Ending	\$77,252.23	\$47,948.08

## DIOCESAN ENDOWMENT

Named for Bishop WCR Sheridan, the money is in the Merrill Lynch growth fund.

Beginning Balance	\$315,865.34
Additions	\$0.00
Withdrawals	\$0.00
Earnings	\$7,454.02
Management Fee	(\$4,391.88)
Realized	\$3,164.31
<u>Unrealized</u>	<u>\$30,706.83</u>
Ending	\$352,798.62

*Diocese of Northern Indiana*  
**Balance Sheet (UNAUDITED)**  
OPERATING FUND 01, September 2011

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	Current Year
<hr/>	
ASSETS	
CHECKING ACCOUNTS	
Oper. Checking-Key Bank	\$57,248.31
SHORT TERM INVESTMENTS	
Certificates of Deposit	65,376.47
FIXED ASSETS	
LAND AND BUILDINGS	
Wawasee Center&All Saints	<u>300,000.00</u>
TOTAL ASSETS	<u><u>\$422,624.78</u></u>
LIABILITIES	
CURRENT LIABILITIES	
TAXES PAYABLE	
Clearing Account	\$7,785.50
CURRENT ACCOUNTS	
Diocesan Bishop	200.00
Oxford Documents	<u>-240.00</u>
Subtotal Current Accounts	<u>-40.00</u>
Subtotal Current Liabilities	<u>7,745.50</u>
TOTAL LIABILITIES	<u>7,745.50</u>
FUND BALANCE	
Fund Balance	<u>\$414,879.28</u>
TOTAL FUND BALANCE	<u>414,879.28</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$422,624.78</u></u>

January 2011 - September 2011

Fund	Beginning Balance	Direct Transactions	Income	Expense	Transfer	Ending Balance
01 - OPERATING FUND	374,072.00	0.00	542,779.70	519,498.73	17,526.31	414,879.28
02 - UR-WAWASEE FUND	3,349.32	0.00	28,293.90	28,104.64	0.00	3,538.58
03 - UR-COMPANEROS EN	16,772.26	0.00	4,536.07	17,392.55	0.00	3,915.78
04 - UR-YOUTH FUND	4,685.30	0.00	20,230.79	21,807.65	1,374.44	4,482.88
06 - UR-ML EPISCOPATE	128,672.54	0.00	2,201.11	3,356.59	0.00	127,517.06
07 - UR-ML BSHP.ASSOC.	9,589.64	0.00	926.91	1,920.25	0.00	8,596.30
08 - UR-ML BSHP.ASSOC. INCOME	23,709.55	0.00	396.56	2,739.44	0.00	21,366.67
09 - UR-ML EQUIPMENT FUND	0.00	0.00	0.00	0.00	0.00	0.00
10 - UR-ML GEN'L CONVENTION	9,177.78	0.00	158.60	96.87	0.00	9,239.51
11 - UR-ML HISTORIOGRAPHER F	3,303.04	0.00	57.08	34.87	0.00	3,325.25
12 - UR-ML LAMBETH FUND	5,749.24	0.00	99.37	60.68	0.00	5,787.93
13 - UR-LAMBETH FUND WACHVIA	0.00	0.00	0.00	0.00	0.00	0.00
14 - UR-ML SABBATICAL	14,053.02	0.00	242.87	148.33	0.00	14,147.56
15 - UR-ML CENTENNIAL FUND	0.00	0.00	0.00	0.00	0.00	0.00
16 - UR-ML WCRS ENDOWMENT F	297,152.50	0.00	5,099.82	7,768.28	0.00	294,484.04
17 - UR-ML YOUTH MINISTRIES	5,702.26	0.00	39.32	5,032.57	0.00	709.01
18 - TR-ML WAWASEE FUND	7,603.95	0.00	131.41	80.26	0.00	7,655.10
19 - TR-ML WCRS GROWTH FUND	352,798.62	0.00	34,100.48	70,644.22	0.00	316,254.88
20 - TR-ML DELPHI FUND	211,876.01	0.00	3,624.39	5,527.06	0.00	209,973.34
21 - TR- ML EDUCATION GROWTH	47,948.08	0.00	4,634.51	9,601.10	0.00	42,981.49
22 - TR-ML EMMA WALLACH FUN	57,803.02	0.00	3,376.54	607.19	-4,404.51	56,167.86
23 - TR-BA KRAUSE FUND	8,352.64	0.00	300.00	8,652.64	0.00	0.00
24 - TR-ML SEMINARIAN FUND	0.00	0.00	0.00	0.00	0.00	0.00
25 - PR-ML KRAUSE FUND	18,550.80	0.00	324.74	495.23	0.00	18,380.31
26 - PR-ML EDUCATION INCOME	77,685.90	0.00	1,321.48	2,015.23	0.00	76,992.15
27 - TR-ML SOCIAL MINISTRY	0.00	0.00	0.00	0.00	0.00	0.00
28 - UR-SPECIAL OFFERINGS	19,349.59	0.00	1,457.85	4,431.54	0.00	16,375.90
29 - DISCRETIONARY FUND	9,871.68	0.00	12,370.00	6,031.66	0.00	16,210.02
30 - ML-ELECTION OF 8TH BISHOP	23,239.39	0.00	401.63	245.30	0.00	23,395.72
31 - CLERGY INSURANCE	-3,601.22	0.00	22,629.50	20,034.00	0.00	-1,005.72
32 - ML-CLERGY CONFERENCES	7,303.66	0.00	120.39	1,179.73	0.00	6,244.32
33 - ML-WAWASEE PROPERTY	0.00	0.00	0.00	0.00	0.00	0.00
34 - ML-RALLY FUND	2,166.86	0.00	0.00	2,166.86	0.00	0.00
35 - KB - KRAUSE FUND	0.00	0.00	8,652.64	1,000.00	0.00	7,652.64
36 - CAMP CHILDRENOF	5,410.74	0.00	20,535.93	24,589.80	0.00	1,356.87
Totals	1,742,348.17	0.00	719,043.59	765,263.27	14,496.24	1,710,624.73

Diocese of Northern Indiana  
**Balance Sheet (UNAUDITED)**  
 Consolidated - September 2011

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	Current Year
<b>ASSETS</b>	
<b>CHECKING ACCOUNTS</b>	
Oper. Checking-Key Bank	\$93,565.24
Discretionary Fund	16,210.02
	109,775.26
<b>SHORT TERM INVESTMENTS</b>	
Certificates of Deposit	65,376.47
<b>LONG TERM INVESTMENTS</b>	
ML-Episcopate Fund	127,517.06
ML-Bshp. Assoc. Growth	8,596.30
ML-Bshp. Assoc. Income	21,366.67
ML-Gen'l Convention Fun	9,239.51
ML-Historiographer Fund	3,325.25
ML-Lambeth Fund	5,787.93
ML-Sabbatical Fund	14,147.56
ML-WCRS Endowment IncFu	294,484.04
ML-Youth Ministries	709.01
ML-Wawasee Inc. Fund	7,655.10
ML-WCRS Growth Fund	316,254.88
ML-Delphi Fund	209,973.34
ML-Education Growth Fun	42,981.49
ML-Emma Wallach Fund	56,167.86
ML-Krause Fund	18,813.98
ML-Education Inc fund	76,558.48
ML-Election of 8th Bish	23,395.72
ML-Clergy Conferences	6,244.32
	1,243,218.50
<b>FIXED ASSETS</b>	
<b>LAND AND BUILDINGS</b>	
Wawasee Center&All Saints	300,000.00
	300,000.00
<b>TOTAL ASSETS</b>	<b>\$1,718,370.23</b>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
<b>TAXES PAYABLE</b>	
Clearing Account	\$7,785.50
<b>CURRENT ACCOUNTS</b>	
Diocesan Bishop	200.00
Oxford Documents	-240.00
	-40.00
Subtotal Current Accounts	-40.00
	7,745.50
Subtotal Current Liabilities	7,745.50
<b>TOTAL LIABILITIES</b>	<b>7,745.50</b>
<b>FUND BALANCE</b>	
Fund Balance	\$1,710,624.73
<b>TOTAL FUND BALANCE</b>	<b>1,710,624.73</b>

*Diocese of Northern Indiana*  
**Balance Sheet (UNAUDITED)**  
Consolidated - September 2011

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	Current Year
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$1,718,370.23</u></u>

## Income and Expense Statement (UNAUDITED)

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OPERATING FUND 01, January 2011 - September 2011

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	Current Period	Annual Budget	Annual Budget Difference	Annual Budget Percentage
<b>INCOME</b>				
Assessments-Congregations	\$485,916.52	\$680,509.53	-\$194,593.01	71.40%
Assessments Prior Year	14,261.15	10,000.00	4,261.15	142.61%
Miscellaneous Income	8,649.00	0.00	8,649.00	0.00%
Youth Income	5,000.00	5,000.00	0.00	100.00%
Summer Camp Income	15,164.70	0.00	15,164.70	0.00%
CR&D Income-Hispanic Min	8,000.00	8,000.00	0.00	100.00%
<b>INTEREST INCOME</b>				
Checking Account Interest	79.86	300.00	-220.14	26.62%
<b>INVESTMENT INCOME</b>				
Earnings on Investment	9,970.55	23,800.00	-13,829.45	41.89%
CD gains/losses	-4,262.08	0.00	-4,262.08	0.00%
Subtotal Investment Income	5,708.47	23,800.00	-18,091.53	23.99%
<i>Budgeted</i>	9,970.55	23,800.00	-13,829.45	41.89%
<i>Non-Budgeted</i>	-4,262.08			
<b>TOTAL INCOME</b>				
	542,779.70	727,609.53	-184,829.83	74.60%
<i>Budgeted</i>	538,392.76	727,609.53	-189,216.75	73.99%
<i>Non-Budgeted</i>	4,386.92			
<b>EXPENSES</b>				
<b>NATIONAL CHURCH EXPENSE</b>				
Nat'l Church Assessment	\$52,701.48	\$70,268.58	-\$17,567.10	75.00%
Provincial Synod	769.00	800.00	-31.00	96.13%
Millennium Dev. Goals	6,400.91	4,933.76	1,467.15	129.74%
Subtotal National Church Expense	59,871.39	76,002.34	-16,130.95	78.78%
<i>Budgeted</i>	59,871.39	76,002.34	-16,130.95	78.78%
<i>Non-Budgeted</i>	0.00			
<b>REVITAL. &amp; DEVELOP.</b>				
Congregational Rev.& Dev	16,587.84	35,241.16	-18,653.32	47.07%
<b>YOUTH EXPENSE</b>				
Summer Camp Support	38,681.37	24,000.00	14,681.37	161.17%
<b>OTHER PROGRAM EXPENSES</b>				
Commission on Ministry	1,779.60	6,000.00	-4,220.40	29.66%
Communications	360.00	1,000.00	-640.00	36.00%
Cursillo Support	0.00	800.00	-800.00	0.00%
Ecumenical Relations	1,787.39	3,000.00	-1,212.61	59.58%
Subtotal Other Program Expenses	3,926.99	10,800.00	-6,873.01	36.36%
<i>Budgeted</i>	3,926.99	10,800.00	-6,873.01	36.36%
<i>Non-Budgeted</i>	0.00			

## Income and Expense Statement (UNAUDITED)

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OPERATING FUND 01, January 2011 - September 2011

Page: 2

	Current Period	Annual Budget	Annual Budget Difference	Annual Budget Percentage
<b>OFFICE OF THE BISHOP</b>				
Bishop-Stipend	57,197.97	76,263.99	-19,066.02	75.00%
Bishop-Housing Allowance	29,999.97	40,000.00	-10,000.03	75.00%
Bishop-Pension Provision	15,695.64	20,927.52	-5,231.88	75.00%
Bishop-H & L Insurance	11,875.50	15,878.00	-4,002.50	74.79%
Bishop-Cont Ed & Wellness	239.95	1,000.00	-760.05	24.00%
Bishop-Auto and Expense	15,936.70	25,000.00	-9,063.30	63.75%
Subtotal Office Of The Bishop	130,945.73	179,069.51	-48,123.78	73.13%
<i>Budgeted</i>	130,945.73	179,069.51	-48,123.78	73.13%
<i>Non-Budgeted</i>	0.00			
<b>CANON TO THE ORDINARY</b>				
Canon-Stipend	49,612.59	66,150.14	-16,537.55	75.00%
Canon-Housing Allowance	15,000.03	20,000.00	-4,999.97	75.00%
Canon-Pension Provision	11,630.25	15,507.03	-3,876.78	75.00%
Canon-H & L Insurance	6,835.50	9,902.00	-3,066.50	69.03%
Canon-Cont Ed & Wellness	84.53	1,000.00	-915.47	8.45%
Canon-Auto and Expense	5,673.99	8,000.00	-2,326.01	70.92%
Subtotal Canon To The Ordinary	88,836.89	120,559.17	-31,722.28	73.69%
<i>Budgeted</i>	88,836.89	120,559.17	-31,722.28	73.69%
<i>Non-Budgeted</i>	0.00			
<b>VOCATIONS DIRECTOR</b>				
Vocat. Director.-Stipend	13,897.44	18,530.00	-4,632.56	75.00%
Vocat. Dir-Housing Allow	2,250.00	3,000.00	-750.00	75.00%
Vocat. Dir-Auto and Expen	216.75	1,000.00	-783.25	21.68%
Subtotal Vocations Director	16,364.19	22,530.00	-6,165.81	72.63%
<i>Budgeted</i>	16,364.19	22,530.00	-6,165.81	72.63%
<i>Non-Budgeted</i>	0.00			
<b>OTHER STAFF EXPENSES</b>				
Salary-Camp Director	6,000.00	6,000.00	0.00	100.00%
Salary-Diocesan Secretary	37,530.00	50,040.00	-12,510.00	75.00%
Salary-Wawasee Director	1,434.42	2,606.36	-1,171.94	55.04%
Salary-Sr. Hi Camp Direct	7,499.97	10,000.00	-2,500.03	75.00%
Staff-Payroll Taxes	3,941.32	5,251.45	-1,310.13	75.05%
Staff-Pension Provision	5,608.95	8,379.00	-2,770.05	66.94%
Staff-Travel	169.32	2,000.00	-1,830.68	8.47%
Staff-Life & Medical Ins	14,258.10	19,210.80	-4,952.70	74.22%
Subtotal Other Staff Expenses	76,442.08	103,487.61	-27,045.53	73.87%
<i>Budgeted</i>	76,442.08	103,487.61	-27,045.53	73.87%
<i>Non-Budgeted</i>	0.00			

## Income and Expense Statement (UNAUDITED)

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OPERATING FUND 01, January 2011 - September 2011

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	Current Period	Annual Budget	Annual Budget Difference	Annual Budget Percentage
<b>ADMINISTRATIVE EXPENSES</b>				
Audit Fees	5,212.80	5,000.00	212.80	104.26%
Clergy Assistance	0.00	5,000.00	-5,000.00	0.00%
Clergy Retreat & Conferen	6,097.73	11,000.00	-4,902.27	55.43%
Conferences-Other	1,900.00	1,900.00	0.00	100.00%
Diaconal Ministry Expense	98.05	900.00	-801.95	10.89%
Equipment Expense	6,318.92	5,740.00	578.92	110.09%
Hospitality	1,405.39	3,000.00	-1,594.61	46.85%
Insur-Retr'd Clgy & Widow	21,884.10	32,000.00	-10,115.90	68.39%
Insurance-Other	6,444.78	6,000.00	444.78	107.41%
Office Utilization	18,335.00	21,282.00	-2,947.00	86.15%
Postage	1,297.60	3,000.00	-1,702.40	43.25%
Maintenance	1,412.78	4,000.00	-2,587.22	35.32%
Standing Committee Expens	214.90	400.00	-185.10	53.73%
Supplies	2,183.25	7,500.00	-5,316.75	29.11%
Telephone	7,334.83	7,500.00	-165.17	97.80%
Reserve Fund	0.00	7,809.47	-7,809.47	0.00%
Subtotal Administrative Expenses	80,140.13	122,031.47	-41,891.34	65.67%
<i>Budgeted</i>	80,140.13	122,031.47	-41,891.34	65.67%
<i>Non-Budgeted</i>	0.00			
<b>DIOCESAN CONVENTION</b>				
Diocesan Convention Costs	2,400.00	4,000.00	-1,600.00	60.00%
Diocesan Convention Meals	1,641.00	0.00	1,641.00	0.00%
Secretarial Costs-Convent	750.00	1,000.00	-250.00	75.00%
Subtotal Diocesan Convention	4,791.00	5,000.00	-209.00	95.82%
<i>Budgeted</i>	3,150.00	5,000.00	-1,850.00	63.00%
<i>Non-Budgeted</i>	1,641.00			
<b>OTHER MISCELLANEOUS</b>				
Bank Service Charges	130.40	150.00	-19.60	86.93%
Contingent & Emergencies	2,780.72	3,603.27	-822.55	77.17%
Subtotal Other Miscellaneous	2,911.12	3,753.27	-842.15	77.56%
<i>Budgeted</i>	2,911.12	3,753.27	-842.15	77.56%
<i>Non-Budgeted</i>	0.00			
<b>TOTAL EXPENSES</b>				
	519,498.73	702,474.53	-182,975.80	73.95%
<i>Budgeted</i>	517,857.73	702,474.53	-184,616.80	73.72%
<i>Non-Budgeted</i>	1,641.00			
<b>TRANSFER ACCOUNTS</b>				
Transfer from M Lynch	\$26,850.00	\$0.00	\$26,850.00	0.00%
Transfer from budget	-9,323.69	-35,135.00	25,811.31	26.54%
<b>TOTAL TRANSFERS</b>	17,526.31	-35,135.00	52,661.31	-49.88%
<i>Budgeted</i>	17,526.31	-35,135.00	52,661.31	-49.88%
<i>Non-Budgeted</i>	0.00			
<b>EXCESS INCOME\EXPENSES</b>				
	\$40,807.28	-\$10,000.00	\$50,807.28	-408.07%
<i>Budgeted</i>	38,061.36	-10,000.00	48,061.36	-380.61%

**Income and Expense Statement (UNAUDITED)**

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OPERATING FUND 01, January 2011 - September 2011

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	Current Period	Annual Budget	Annual Budget Difference	Annual Budget Percentage
<i>Non-Budgeted</i>	2,745.92			

**DIOCESE OF NORTHERN INDIANA**  
**MONTHLY ASSESSMENT PAYMENT TRACKING**  
**December 2010**

PARISH	ASSESSMENT	ADJUSTED	DUE MONTHLY	DUE 12-31-2010	PAID 12-31-2010	PAST DUE	PAID in 2011
ANGOLA, HOLY FAMILY	\$ 7,329.40		\$ 610.78	\$ 7,329.40	\$ 6,718.62	\$ 610.78	\$ 610.82
BERNE, ST GEORGE	\$ 3,481.06		\$ 290.09	\$ 3,481.06	\$ 3,481.02	\$ 0.04	
BRISTOL, ST JOHN'S	\$ 14,413.13		\$ 1,201.09	\$ 14,413.13	\$ 14,413.08	\$ 0.05	
CHESTERTON, ST FRANCIS'	\$ 8,946.32		\$ 745.53	\$ 8,946.32	\$ 8,946.32		
CROWN POINT, ST. CHRISTOPHER'S	\$ 8,065.88		\$ 672.16	\$ 8,065.88	\$ 8,065.88		
CULVER, ST. ELIZABETH	\$ 4,713.27		\$ 392.77	\$ 4,713.27	\$ 4,713.24	\$ 0.03	
EAST CHICAGO, GOOD SHEPHERD	\$ 3,578.91		\$ 298.24	\$ 3,578.91	\$ 3,578.91		
ELKHART, ST. DAVID'S	\$ 18,446.82		\$ 1,537.24	\$ 18,446.82	\$ 15,428.88	\$ 3,017.94	\$ 1,537.18
ELKHART, ST. JOHN THE EVANGELIST	\$ 44,170.95		\$ 3,680.91	\$ 44,170.95	\$ 40,490.01	\$ 3,680.94	\$ 3,680.94
FORT WAYNE, GRACE CHURCH	\$ 28,307.67		\$ 2,358.97	\$ 28,307.67	\$ 28,307.67		
FORT WAYNE, ST. ALBAN'S	\$ 13,739.99	\$ 12,000.00	\$ 1,145.00	\$ 13,739.99	\$ 13,739.99		
FORT WAYNE, TRINITY	\$ 80,665.94		\$ 6,722.16	\$ 80,665.94	\$ 80,665.92	\$ 0.02	
GARY, ST. AUGUSTINE'S	\$ 13,385.51		\$ 1,115.46	\$ 13,385.51	\$ 12,271.32	\$ 1,114.19	\$ 1,115.64
GARY, ST. BARNABAS IN THE DUNES	\$ 5,306.76		\$ 442.23	\$ 5,306.76	\$ 3,537.84	\$ 1,768.92	\$ 1,021.94
GAS CITY, ST. PAUL'S	\$ 4,459.13		\$ 371.59	\$ 4,459.13	\$ 4,459.08	\$ 0.05	
GOSHEN, ST. JAMES'	\$ 7,373.51		\$ 614.46	\$ 7,373.51	\$ 7,373.51		
GRIFFITH, ST. TIMOTHY'S	\$ 9,880.75		\$ 823.40	\$ 9,880.75	\$ 8,234.00	\$ 1,646.75	\$ 1,646.80
HOBART, ST. STEPHEN'S	\$ 8,160.14		\$ 680.01	\$ 8,160.14	\$ 7,480.11	\$ 680.03	\$ 680.03
HOWE, ST. MARK'S	\$ 5,349.21		\$ 445.77	\$ 5,349.21	\$ 5,349.21		
HUNTINGTON, CHRIST THE KING	\$ 10,533.90	\$ 3,000.00	\$ 877.83	\$ 10,533.90	\$ 5,632.11	\$ 4,901.79	\$ 761.31
KOKOMO, ST. ANDREW	\$ 57,872.59		\$ 4,822.72	\$ 57,872.59	\$ 57,872.59		
LAPORTE, ST. PAUL'S	\$ 19,058.23	\$ 6,352.75	\$ 1,588.19	\$ 19,058.23	\$ 17,470.04	\$ 1,588.19	
LOGANSPOUT, TRINITY	\$ 10,567.66		\$ 880.64	\$ 10,567.66	\$ 10,567.66		
MARION, GETHSEMANE	\$ 24,856.79		\$ 2,071.40	\$ 24,856.79	\$ 24,856.79		
MICHIGAN CITY, ST ANDREW'S BY THE LAKE	\$ 4,363.25	\$ 4,400.00	\$ 363.60	\$ 4,363.25	\$ 4,363.25		
MICHIGAN CITY, TRINITY	\$ 15,860.09	\$ 8,000.00	\$ 1,321.67	\$ 15,860.09	\$ 15,860.04	\$ 0.05	
MISHAWAKA, ST. PAUL'S	\$ 24,162.70		\$ 2,013.56	\$ 24,162.70	\$ 24,162.70		
MUNSTER, ST. PAUL'S	\$ -	\$ 27,334.72		\$ -			
PLYMOUTH, ST. THOMAS'	\$ 15,347.77	\$ 8,000.00	\$ 1,278.98	\$ 15,347.77	\$ 15,347.76	\$ 0.01	
RENSELAER, ST. PETER'S	\$ 1,137.21		\$ 94.77	\$ 1,137.21	\$ 93.52	\$ 1,043.69	
SOUTH BEND, CATHEDRAL OF ST JAMES	\$ 52,524.08		\$ 4,377.01	\$ 52,524.08	\$ 52,524.08		
SOUTH BEND, HOLY TRINITY	\$ 7,892.27		\$ 657.69	\$ 7,892.27	\$ 7,234.59	\$ 657.68	
SOUTH BEND, ST MICHAEL'S	\$ 38,478.21		\$ 3,206.52	\$ 38,478.21	\$ 35,271.72	\$ 3,206.49	\$ 3,206.49
SYRACUSE, ALL SAINTS'	\$ 4,099.42		\$ 341.62	\$ 4,099.42	\$ 4,099.42		
VALPARAISO, ST. ANDREW'S	\$ 47,616.70		\$ 3,968.06	\$ 47,616.70	\$ 47,616.70		
WARSAW, ST. ANNE'S	\$ 52,905.03		\$ 4,408.75	\$ 52,905.03	\$ 52,905.03		
TOTAL	\$ 677,050.25	\$ 69,087.47	\$ 56,420.87	\$ 677,050.26	\$ 653,132.61	\$ 23,917.64	\$ 14,261.15

**DIOCESE OF NORTHERN INDIANA**  
**MONTHLY ASSESSMENT PAYMENT TRACKING**  
September 2011

PARISH	ASSESSMENT	ADJUSTED	DUE MONTHLY	DUE 9-30-2011	PAID 9-30-2011	PAST DUE	OVERPAY
ANGOLA, HOLY FAMILY	\$7,342.14		\$ 611.85	\$ 5,506.65	\$ 6,118.50		\$ 611.85
BERNE, ST GEORGE	\$3,571.14		\$ 297.59	\$ 2,678.31	\$ 2,678.31		
BRISTOL, ST JOHN'S	\$14,483.47		\$ 1,206.96	\$ 10,862.64	\$ 10,862.59	\$ (0.05)	
CHESTERTON, ST FRANCIS'	\$8,800.30		\$ 733.36	\$ 6,600.24	\$ 6,600.24		
CROWN POINT, ST. CHRISTOPHER'S	\$9,087.52		\$ 757.29	\$ 6,815.61	\$ 6,815.65		\$ 0.04
CULVER, ST. ELIZABETH	\$5,359.37		\$ 446.61	\$ 4,019.49	\$ 4,019.49		
EAST CHICAGO, GOOD SHEPHERD	\$3,473.43		\$ 289.45	\$ 2,605.05	\$ 2,604.87	\$ (0.18)	
ELKHART, ST. DAVID'S	\$17,201.00		\$ 1,433.42	\$ 12,900.78	\$ 8,600.52	\$ (4,300.26)	
ELKHART, ST. JOHN THE EVANGELIST	\$41,921.97		\$ 3,493.50	\$ 31,441.50	\$ 24,454.44	\$ (6,987.06)	
FORT WAYNE, GRACE CHURCH	\$27,976.49		\$ 2,331.37	\$ 20,982.33	\$ 20,982.33		
FORT WAYNE, ST. ALBAN'S	\$16,107.32	\$ 8,400.00	\$ 1,342.28	\$ 12,080.52	\$ 12,080.52		
FORT WAYNE, TRINITY	\$82,961.09		\$ 6,913.42	\$ 62,220.78	\$ 62,220.88		\$ 0.10
GARY, ST. AUGUSTINE'S	\$12,742.94		\$ 1,061.91	\$ 9,557.19	\$ 7,433.37	\$ (2,123.82)	
GARY, ST. BARNABAS IN THE DUNES	\$5,839.21		\$ 486.60	\$ 4,379.40	\$ 2,000.00	\$ (2,379.40)	
GAS CITY, ST. PAUL'S	\$3,258.68		\$ 271.56	\$ 2,444.04	\$ 2,715.60		\$ 271.56
GOSHEN, ST. JAMES'	\$7,882.65		\$ 656.89	\$ 5,912.01	\$ 5,255.12	\$ (656.89)	
GRIFFITH, ST. TIMOTHY'S	\$9,928.59		\$ 827.38	\$ 7,446.42	\$ 7,446.42		
HOBART, ST. STEPHEN'S	\$7,995.18		\$ 666.27	\$ 5,996.43	\$ 4,663.89	\$ (1,332.54)	
HOWE, ST. MARK'S	\$5,885.24		\$ 490.44	\$ 4,413.96	\$ 4,413.96		
HUNTINGTON, CHRIST THE KING	\$13,420.64		\$ 1,118.39	\$ 10,065.51	\$ 10,065.51		
KOKOMO, ST. ANDREW	\$54,049.28	\$ 4,000.00	\$ 4,504.11	\$ 40,536.99	\$ 40,536.99		
LAPORTE, ST. PAUL'S	\$24,586.97	\$ 1,200.00	\$ 2,048.91	\$ 18,440.19	\$ 18,440.19		
LOGANSPORT, TRINITY	\$11,089.65		\$ 924.14	\$ 8,317.26	\$ 8,317.65		\$ 0.39
MARION, GETHSEMANE	\$24,434.90		\$ 2,036.24	\$ 18,326.16	\$ 16,291.72	\$ (2,034.44)	
MICHIGAN CITY, ST ANDREW'S BY THE LAKE	\$1,713.21	\$ 6,851.20	\$ 142.77	\$ 1,284.93	\$ 1,284.93		
MICHIGAN CITY, TRINITY	\$20,474.26	\$ 3,899.20	\$ 1,706.19	\$ 15,355.71	\$ 13,649.52	\$ (1,706.19)	
MISHAWAKA, ST. PAUL'S	\$24,936.31		\$ 2,078.03	\$ 18,702.27	\$ 18,702.27		
MUNSTER, ST. PAUL'S		\$ 26,135.75		\$ -			
PLYMOUTH, ST. THOMAS'	\$15,029.81	\$ 8,000.00	\$ 1,252.48	\$ 11,272.32	\$ 11,272.32		
RENSELAER, ST. PETER'S	\$901.92		\$ 75.16	\$ 676.44		\$ (676.44)	
SOUTH BEND, CATHEDRAL OF ST JAMES	\$47,376.03		\$ 3,948.00	\$ 35,532.00	\$ 31,584.00	\$ (3,948.00)	
SOUTH BEND, HOLY TRINITY	\$8,654.52		\$ 721.21	\$ 6,490.89	\$ 6,490.89		
SOUTH BEND, ST MICHAEL'S	\$38,039.22		\$ 3,169.94	\$ 28,529.46	\$ 22,189.58	\$ (6,339.88)	
SYRACUSE, ALL SAINTS'	\$4,067.96		\$ 339.00	\$ 3,051.00	\$ 3,051.00		
VALPARAISO, ST. ANDREW'S	\$47,897.27		\$ 3,991.44	\$ 35,922.96	\$ 35,922.96		
WARSAW, ST. ANNE'S	\$61,533.70		\$ 5,127.81	\$ 46,150.29	\$ 46,150.29		
<b>TOTAL</b>	<b>\$690,023.37</b>	<b>\$58,486.15</b>	<b>\$57,501.97</b>	<b>\$517,517.73</b>	<b>\$ 485,916.52</b>	<b>(\$32,485.15)</b>	<b>\$883.94</b>

Primary Account: 620-02044

EPISCOPAL DIOCESE OF N INDIANA  
117 N LAFAYETTE BLVD  
SOUTH BEND IN 46601-1507

# YOUR MERRILL LYNCH REPORT

September 01, 2011 - September 30, 2011

## PORTFOLIO SUMMARY

	September 30	August 31	Month Change
<b>Net Portfolio Value</b>	<b>\$3,571,487.25</b>	<b>\$3,671,320.57</b>	<b>(\$99,833.32)</b>
Your assets	\$3,571,487.25	\$3,671,320.57	(\$99,833.32)
Your liabilities <sup>1</sup>	-	-	-
Your Net Cash Flow (Inflows/Outflows)	(\$26,862.24)	(\$6,540.40)	(\$20,321.84)
Securities You Transferred In/Out	-	-	-
<b>Subtotal Net Contributions</b>	<b>(\$26,862.24)</b>	<b>(\$6,540.40)</b>	<b>(\$20,321.84)</b>
Your Dividends/Interest Income	\$7,706.72	\$4,525.59	\$3,181.13
Your Market Change	(\$80,677.80)	(\$52,189.25)	(\$28,488.55)
<b>Subtotal Investment Earnings</b>	<b>(\$72,971.08)</b>	<b>(\$47,663.66)</b>	<b>(\$25,307.42)</b>

**If you have questions on your statement, call 24-Hour Assistance: (800) MERRILL (800) 637-7455**

**Investment Advice and Guidance: Call Your Financial Advisor**

**Your Financial Advisor:**  
THE SIMON BISSELL GROUP  
100 NORTH MICHIGAN SUITE 500  
SOUTH BEND IN 46601  
1-574-282-3649

Up-to-date account information can be viewed at: [www.mymerrill.com](http://www.mymerrill.com), where your statements are archived for three or more years.

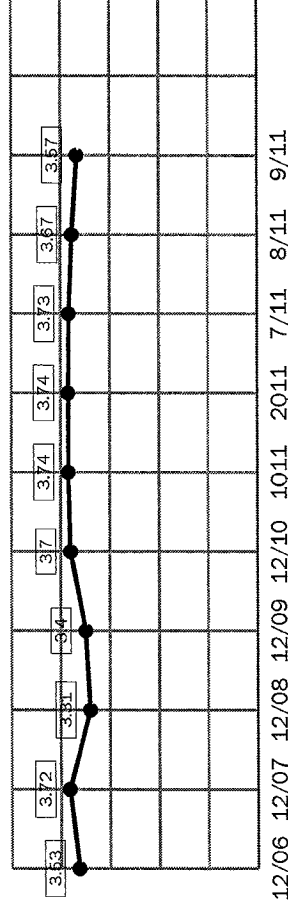
Questions about MyMerrill? Click the "help" tab at the top of the screen once you log in.

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'Follow us' at [www.twitter.com/merrilllynch](http://www.twitter.com/merrilllynch) to get the latest investment insights and strategies from Merrill Lynch sent directly to you. Then, talk to your Financial Advisor to see if they may help you meet your financial goals.

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**Net Portfolio Value (in millions), 2006-2011**



<sup>1</sup> Includes cash/margin debit balances and short market values. See Your Balance Sheet and account statements for more details.

Primary Account: 620-02044

24-Hour Assistance: (800) MERRILL

# YOUR ACCOUNTS

September 01, 2011 - September 30, 2011

Account No.	Account Type/Managing Firm	September 30	August 31	Page
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## BEYOND BANKING

Discover how premium banking solutions can complement your long-term financial strategy. Contact your Financial Advisor.

## INVESTMENTS

EPISCOPAL DIOCESE OF N INDIANA	620-02044	EMA/BlackRock Sht-Term Tax FI (R)	2,875,350.96	2,905,845.82	6•
EPISCOPAL DIOCESE OF N INDIANA	620-02045	EMA/BLACKROCK WDP ALL EQTY	696,136.29	765,474.75	18•
Subtotal			3,571,487.25	3,671,320.57	

## RETIREMENT

Changing jobs or retiring? Ask your Financial Advisor about IRA rollover options.

## CREDIT & LENDING

Consider a Loan Management Account® for your cash needs. Call your Financial Advisor to learn more.

## ESTATE PLANNING SERVICES

A Trusteed IRA can help integrate retirement assets and estate plans. Learn more from your Financial Advisor.

## SOLUTIONS FOR BUSINESS

Manage expenses and earn rewards with a Merrill Rewards for Business credit card. Learn about our special offers.

• Your account statement is enrolled in electronic delivery viewable at [www.mymerrill.com](http://www.mymerrill.com)

All brokerage accounts are held at Merrill Lynch, Pierce, Fenner & Smith Incorporated, Member SIPC. Bank deposits are held at Merrill Lynch affiliated banks or other depository institutions and are covered by FDIC insurance up to applicable limits. They are not protected by SIPC, see the section titled "Protection for Your Account" on the second to last page of your statement for more information.

These summary reports are provided for informational purposes only and contain information from accounts linked for delivery in a single package. The underlying accounts may have different owners and use of "you" or "your" in these reports refer to all owners. The enclosed separate account statements are the official record for each account.

Primary Account: 620-02044

# YOUR BALANCE SHEET (for your ML accounts)

September 01, 2011 - September 30, 2011

	September 30	August 31	This Report	Year to Date
<b>ASSETS</b>				
Cash/Money Accounts	47,331.17	60,021.71	<b>\$60,021.71</b>	
Fixed Income	2,830,832.11	2,853,185.06		
Equities	581,388.83	630,310.95		20,482.19
Mutual Funds	95,948.40	110,540.94		
Options	-	-		95.05
Other	-	-		20,577.24
<i>Subtotal (Long Portfolio)</i>	<b>3,555,500.51</b>	3,654,058.66		
Estimated Accrued Interest	15,986.74	17,261.91		
<b>TOTAL ASSETS</b>	<b>\$3,571,487.25</b>	<b>\$3,671,320.57</b>		
<b>LIABILITIES</b>				
Margin Loan/Debit Balance	-	-		
Short Market Value	-	-		
<i>Subtotal</i>	-	-		
<b>NET PORTFOLIO VALUE</b>	<b>\$3,571,487.25</b>	<b>\$3,671,320.57</b>		
<b>OTHER LIABILITIES (not included in Net Portfolio Value)</b>				
Loan Management Account <sup>(1)</sup>	-	-		
Mortgages	-	-		
Home Equity Loans	-	-		
Business Loans	-	-		
<i>Subtotal</i>	-	-		
<b>TOTAL LIABILITIES</b>	-	-		
<b>CASH FLOW</b>				
<b>Opening Cash/Money Accounts</b>			<b>\$60,021.71</b>	
<b>CREDITS</b>				
Funds Received				20,482.19
Electronic Transfers				-
Other Credits				95.05
<i>Subtotal</i>				20,577.24
<b>DEBITS</b>				
Electronic Transfers				-
Margin Interest Charged				-
Other Debits			<b>(26,862.24)</b>	(110,448.06)
<i>Subtotal</i>			<b>(26,862.24)</b>	(110,448.06)
<b>Net Cash Flow</b>			<b>(\$26,862.24)</b>	<b>(\$89,870.82)</b>
Dividends/Interest Income			7,706.72	58,658.10
Security Purchases/Debits			<b>(26,960.31)</b>	(851,044.63)
Security Sales/Credits			33,425.29	800,223.16
<b>Closing Cash/Money Accounts</b>			<b>\$47,331.17</b>	
Securities You Transferred In/Out			-	4,877.40

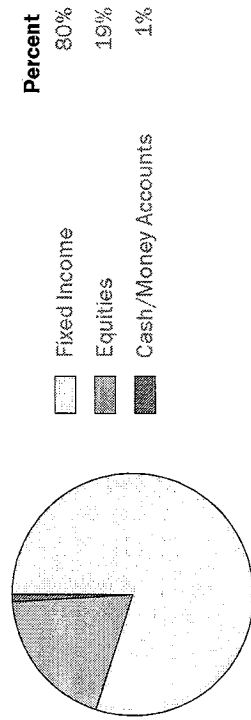
<sup>(1)</sup> Secured by assets in a Merrill Lynch account

# YOUR PORTFOLIO REVIEW

September 01, 2011 - September 30, 2011

## ASSET ALLOCATION \*

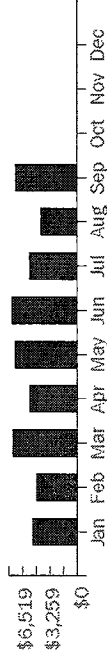
Estimated Accrued Interest not included  
May not reflect all holdings



## TOTAL

100%  
\* Includes the categorical values for the underlying portfolio of individual mutual funds, closed end funds, and UITs

## CURRENT INCOME



	This Report	Year To Date
Tax-Exempt Interest	5,983.26	45,397.94
Taxable Interest	-	-
Tax-Exempt Dividends	1,723.46	13,260.16
Taxable Dividends	-	-
<b>Total</b>	<b>\$7,706.72</b>	<b>\$58,658.10</b>

**Your Estimated Annual Income** \$74,961.00

## BOND MATURITY SCHEDULE

Does not include Fixed Income Mutual Funds

Maturity Years	% of Total Bond Assets	Par Value	Estimated Market Value
<1	23%	654,000	660,644.49
1-2	64%	1,780,000	1,819,320.92
2-5	12%	346,000	350,866.70

**Total** 100% 2,780,000 \$2,830,832.11

## TOP FIVE PORTFOLIO HOLDINGS

Based on Estimated Market Value

	Current Value	% of Portfolio
U.S. TREASURY NOTE	205,584.19	5.78%
U.S. TREASURY NOTE	202,882.00	5.71%
U.S. TREASURY NOTE	184,005.64	5.18%
U.S. TREASURY NOTE	176,771.40	4.97%
FEDERAL HOME LN MTG CORP	172,780.11	4.86%

Primary Account: 620-02044

September 01, 2011 - September 30, 2011

## YOUR MONTHLY INCOME & GAIN/(LOSS) REVIEW

### INCOME SUMMARY

Account No.	This Report				Year to Date			Total YTD Income
	Tax-Exempt Interest	Taxable Interest	Tax-Exempt Dividends	Taxable Dividends	Tax-Exempt Dividends	Taxable Interest	Taxable Dividends	
Non-Retirement								
620-02044	-	5,983	-	-	-	45,398	17	45,415
620-02045	-	-	-	1,723	-	-	13,243	13,243
<b>TOTAL</b>	-	\$5,983	-	\$1,723	-	\$45,398	\$13,260	\$58,658

### GAIN/(LOSS) SUMMARY

Account No.	Realized Gains/(Losses)		Unrealized Gains/(Losses)	
	This Report Short Term	YTD Short Term	This Report Long Term	YTD Long Term
Non-Retirement				
620-02044	-	14.48	-	9,012.64
620-02045	(2,648.93)	4,602.60	(1,135.13)	21,502.84
<b>TOTAL</b>	<b>(\$2,648.93)</b>	<b>\$4,617.08</b>	<b>(\$1,135.13)</b>	<b>\$30,515.48</b>

Long Term Capital Gain Distributions		Year To Date	
Short Term	Long Term	Short Term	Long Term
-	-	2,792.29	22,606.77
-	-	(47,844.02)	4,193.31
-	-	<b>(\$45,051.73)</b>	<b>\$26,800.08</b>

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