

THE DIOCESE OF RHODE ISLAND  
Providence, Rhode Island

FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
December 31, 2010

THE DIOCESE OF RHODE ISLAND  
Providence, Rhode Island

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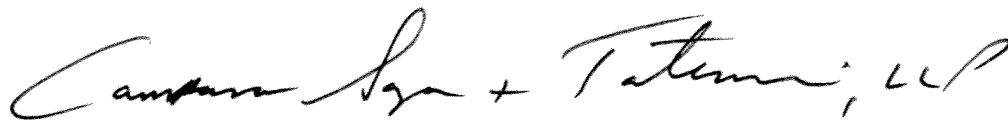
The Diocese of Rhode Island  
Providence, Rhode Island

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of financial position of The Diocese of Rhode Island (a not-for-profit organization) as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the 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 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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Diocese of Rhode Island 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.



May 27, 2011

THE DIOCESE OF RHODE ISLAND  
Providence, Rhode Island

STATEMENT OF FINANCIAL POSITION  
December 31, 2010

ASSETS

CASH AND CASH EQUIVALENTS (Notes 2 and 15)		\$ 3,089,314
RECEIVABLES:		
Apportionment – net of allowance for uncollectibles of \$8,235	\$ 63,966	
Pledges - net of allowance for uncollectibles of \$7,003 (Note 3)	13,005	
Loans (Note 4)	248,299	
Other	<u>6,298</u>	
Total receivables		331,568
BENEFICIAL INTEREST IN PERPETUAL TRUSTS (Note 5)		456,031
INVESTMENTS (Note 2 and Note 6)		18,456,676
PROPERTY AND EQUIPMENT, Net (Note 8)		<u>3,176,435</u>
TOTAL ASSETS		<u>\$25,510,024</u>

LIABILITIES AND NET ASSETS

ACCOUNTS PAYABLE AND ACCRUED EXPENSES		\$ 101,181
NET ASSETS:		
Unrestricted:		
Undesignated	\$5,765,292	
Designated for specific purposes	<u>3,520,493</u>	
Total unrestricted		\$ 9,285,785
Temporarily restricted (Note 10)		12,181,750
Permanently restricted (Note 11)		<u>3,941,308</u>
TOTAL NET ASSETS		<u>25,408,843</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$25,510,024</u>

See accompanying notes to financial statements.

THE DIOCESE OF RHODE ISLAND  
Providence, Rhode Island

STATEMENT OF ACTIVITIES  
For the year ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>OPERATING REVENUE AND OTHER SUPPORT:</b>				
Apportionment	\$2,040,553	\$ -0	\$ -0	\$ 2,040,553
Contributions	8,529	663,817	500	672,846
Program services revenue	191,228	-0	-0	191,228
Interest income	10,400	125	-0	10,525
Investment returns designated for current operations	173,497	755,867	-0	929,364
Other income	151,820	-0	-0	151,820
Net assets released from restrictions (Note 12)	<u>1,139,914</u>	<u>( 1,139,914)</u>	<u>-0</u>	<u>-0</u>
Total operating revenue and other support	<u>\$3,715,941</u>	<u>\$ 279,895</u>	<u>\$ 500</u>	<u>\$ 3,996,336</u>
<b>OPERATING EXPENSES:</b>				
Program expenses (Schedule I)	\$2,306,448	\$ -0	\$ -0	\$ 2,306,448
Support services	751,775	-0	-0	751,775
Episcopal Charities granted to Non- Diocesan programs	231,526	-0	-0	231,526
Fundraising	<u>148,361</u>	<u>-0</u>	<u>-0</u>	<u>148,361</u>
Total operating expenses	<u>\$3,438,110</u>	<u>\$ -0</u>	<u>\$ -0</u>	<u>\$ 3,438,110</u>
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>	<u>\$ 277,831</u>	<u>\$ 279,895</u>	<u>\$ 500</u>	<u>\$ 558,226</u>
<b>OTHER CHANGES</b>				
Investment returns in excess of returns for current operations	\$ 226,149	\$ 691,478	\$ -0	\$ 917,627
Net gain on beneficial interest in perpetual trusts	-0	-0	24,327	24,327
Sale of church property	441,146	-0	-0	441,146
Transfer of church property (Note 14)	<u>1,370,636</u>	<u>205,967</u>	<u>158,774</u>	<u>1,735,377</u>
Total other changes	<u>\$2,037,931</u>	<u>\$ 897,445</u>	<u>\$ 183,101</u>	<u>\$ 3,118,477</u>
<b>CHANGES IN NET ASSETS</b>	\$2,315,762	\$ 1,177,340	\$ 183,601	\$ 3,676,703
<b>NET ASSETS, January 1, 2010</b>	<u>6,970,023</u>	<u>11,004,410</u>	<u>3,757,707</u>	<u>21,732,140</u>
<b>NET ASSETS, December 31, 2010</b>	<u>\$9,285,785</u>	<u>\$12,181,750</u>	<u>\$3,941,308</u>	<u>\$25,408,843</u>

See accompanying notes to financial statements.

THE DIOCESE OF RHODE ISLAND  
Providence, Rhode Island

STATEMENT OF CASH FLOWS  
For the year ended December 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in net assets	\$3,676,703
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	76,920
Land and buildings from church closings	( 1,360,400)
Realized and unrealized (gains) losses	( 941,955)
Decrease in receivables	26,488
Decrease in accounts payable and accrued expenses	( 2,610)
Net cash provided by operating activities	\$1,475,146
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(\$ 28,561)
Proceeds from sale of investments	48,954
Purchase of investments	( 1,086,365)
Net cash used by investing activities	( 1,065,972)
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 409,174
CASH AND CASH EQUIVALENTS, January 1, 2010	<u>2,680,140</u>
CASH AND CASH EQUIVALENTS, December 31, 2010	<u>\$3,089,314</u>

See accompanying notes to financial statements.

THE DIOCESE OF RHODE ISLAND  
Providence, Rhode Island

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

Note 1. NATURE OF ACTIVITIES

The Diocese of Rhode Island (“Diocese”) is a nonprofit religious corporation established under the laws of the State of Rhode Island. The Diocese is dedicated to establishing, developing, and furthering the mission of The Episcopal Church in Rhode Island.

The Diocese is supported by apportionment amounts received from member parishes, contributions received from various donors, and endowment income.

The accompanying financial statements do not include the activities of any of the following funds or entities: The Diocesan Investment Trust; Cathedral of St. John; and the individual parishes and missions within the Diocese.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and follow the provisions of ASC 958-205, which provides guidance on the net asset classification of donor-restricted endowment funds for a non-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) and also requires disclosures about endowment funds, including donor-restricted endowment funds and board-designated endowment funds.

The Diocese is incorporated in and is subject to the laws of Rhode Island, which adopted legislation that incorporates the provisions of UPMIFA. Under UPMIFA, the assets of a donor-restricted endowment fund may be appropriated for expenditure in accordance with the standard of prudence prescribed by UPMIFA. As a result of this law and the adoption of ASC 958-205, the Diocese classifies its net assets as follows:

Unrestricted – includes net assets that are not subject to donor-imposed restrictions and may be expended for any purposes in performing the primary objectives of the Diocese.

Temporarily Restricted – includes net assets that are subject to donor-imposed restrictions that will be met either by actions of the Diocese or the passage of time.

Permanently Restricted – includes net assets that are subject to donor-imposed restrictions that they be maintained in perpetuity by the Diocese. Generally, the donors of these assets permit the Diocese to use all or part of the income and gains earned on related investments for general or specific purposes.

When donor-imposed restrictions are met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. For those temporarily restricted gifts whose restrictions are met within the same fiscal year, the Diocese initially records them within temporarily restricted net assets.

THE DIOCESE OF RHODE ISLAND  
Providence, Rhode Island

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Use of Estimates

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

Cash Equivalents

The Diocese considers all highly liquid instruments with an original maturity of three months or less from the date of the purchase to be cash equivalents, with the exception of cash and short-term investments managed by the Diocese investment managers for long-term investment purposes.

Receivables

Accounts receivable are stated at the amount management expects to collect on outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Investments

The Diocese's investments are in pooled investment funds held by the Diocesan Investment Trust, a separate non-regulated investment fund organized to provide investment options to the Diocese, its parishes and other related organizations. The investments in the Diocesan Investment Trust are carried at estimated fair value based principally upon the quoted market prices of the underlying assets of the fund.

Assets Held in Trust

The Diocese is a beneficiary of certain trusts that have been established by donors with funds contributed to be held in perpetuity. Under provisions of the trusts, the Diocese receives, annually, income on the trusts' assets, as has been stipulated by the donor, that can be utilized in any way that is consistent with the Diocese's mission. Distributions are recorded as unrestricted program service revenue in the combined statements of activities and changes in net assets. Changes in market value are recorded as increases or decreases to permanently restricted net assets in the statement of activities.

THE DIOCESE OF RHODE ISLAND  
Providence, Rhode Island

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

Property and Equipment

Missions and other real property in the name of the Diocese at January 1, 1982 were recorded at appraised value. Subsequent acquisitions are carried at cost. Land and building of the Hallworth House are carried at cost. Land and buildings restricted by donors are recorded at appraised value. Equipment and motor vehicles are carried at cost. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance and routine repairs are charged to expense as incurred; expenditures for improvements and major repairs that materially extend the useful lives of assets are capitalized.

Income Tax Status

The Diocese qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Diocese qualifies for the charitable contribution deduction under Section 170(b)(1)(A).

Subsequent Events

In connection with the preparation of the financial statements, the Diocese evaluated subsequent events through May 27, 2011 which was the date the financial statements were available to be issued.

Note 3. PLEDGES RECEIVABLE

Unconditional promises are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Pledges, net of allowance for uncollectibles, are expected to be collected within the next year.

Total pledges	\$20,008
Less allowance	<u>7,003</u>
Net pledges	<u>\$13,005</u>

Pledges receivable at December 31, 2010 have the following restrictions:

Episcopal Charities	<u>\$13,005</u>
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Note 4. LOANS RECEIVABLE

The Diocese maintains a revolving loan fund for the purpose of granting loans to parishes and missions in need of financial assistance. At December 31, 2010, eight (8) loans were outstanding totaling \$248,299. Interest is charged on the loan balances at an annual rate ranging from 2.25% to 6.50%. The loans mature at various dates until the year 2016.

THE DIOCESE OF RHODE ISLAND  
Providence, Rhode Island

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

Note 5. BENEFICIAL INTERESTS IN PERPETUAL TRUSTS

The Diocese is the beneficiary of certain trusts created by donors, the assets of which are in the possession of financial institutions and not the Diocese. The Diocese's rights to such assets, is the right to income therefrom. Net realized and unrealized gains (losses) related to the beneficial interests are reported as changes in permanently restricted net assets based on explicit donor stipulations. The fair values at December 31, 2010 of those beneficial interests were as follows:

	<u>Fair Value</u>
Arthur A. Gammell Fund	\$235,023
James D. Dunning and Beatrice Marion Dunning Fund	113,170
Edna H. Treat Trust	<u>107,838</u>
	<u>\$456,031</u>

Note 6. INVESTMENTS

Investments at December 31, 2010 are as follows:

	<u>Cost</u>	<u>Fair Value</u>
Pooled investment funds – Diocesan Investment Trust	<u>\$14,112,708</u>	<u>\$18,456,676</u>

Investment income (losses) for the year ended December 31, 2010 is comprised of the following:

Interest and dividend income	\$ 929,364
Realized loss	( 3,606)
Unrealized gain	<u>921,234</u>
	<u>\$ 1,846,992</u>

Note 7. FAIR VALUE MEASUREMENTS

Fair Value Measurements

Fair value is the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following fair value hierarchy is used in selecting inputs, with the highest priority given to Level 1, as these are the most transparent or reliable:

Level 1 – Quoted prices for identical instruments in active markets.

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NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

Level 2 – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs are observable in active markets.

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs are not observable.

Assets measured at fair value on a recurring basis as of December 31, 2010 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pooled investment funds –				
Diocesan Investment Trust	\$ -0	\$18,456,676	\$ -0	\$18,456,676
Assets held in Trust	<u>-0</u>	<u>456,031</u>	<u>-0</u>	<u>456,031</u>
	<u>\$ -0</u>	<u>\$18,912,707</u>	<u>\$ -0</u>	<u>\$18,912,707</u>

Note 8. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>Total</u>
Land and buildings	\$6,707,387
Equipment	37,762
Motor vehicles	<u>94,065</u>
	\$6,839,214
Less accumulated depreciation	<u>3,662,779</u>
Total	<u>\$3,176,435</u>

Depreciation expense for 2010 was \$76,920.

Note 9. ENDOWMENT

The Diocese's endowment consists of approximately 100 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Diocese to function as endowments. Net assets associated with endowment funds, including funds designated by the Diocese to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Diocese has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) requiring the preservation of the original 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 Diocese classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original gift

THE DIOCESE OF RHODE ISLAND  
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NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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 portion of donor-restricted endowment funds that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Diocese in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Diocese considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Diocese and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Diocese
- The investment policies of the Diocese

Net assets comprising true endowment funds and funds designated by the Diocese to function as endowments were as follows at December 31, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	(\$ 24,950)	\$11,475,967	\$3,729,144	\$15,180,161
Board-designated endowment funds	<u>3,732,546</u>	<u>-0</u>	<u>-0</u>	<u>3,732,546</u>
	<u>\$3,707,596</u>	<u>\$11,475,967</u>	<u>\$3,729,144</u>	<u>\$18,912,707</u>

Changes in endowment net assets for the year ended December 31, 2010 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of the year	<u>\$2,850,232</u>	<u>\$10,537,566</u>	<u>\$3,545,543</u>	<u>\$16,933,341</u>
Investment return:				
Dividend and interest income	\$ 173,497	\$ 755,867	\$ -0	\$ 929,364
Realized and unrealized gains	226,149	691,479	-0	917,628
Increase value to beneficial interest in perpetual trusts	<u>-0</u>	<u>-0</u>	<u>24,327</u>	<u>24,327</u>
Total investment return	<u>\$ 399,646</u>	<u>\$1,447,346</u>	<u>\$ 24,327</u>	<u>\$ 1,871,319</u>

THE DIOCESE OF RHODE ISLAND  
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NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

Other changes:				
Contributions	\$ -0	\$ 287,478	\$ 159,274	\$ 446,752
Transfers to create funds functioning as endowment	513,255	-0	-0	513,255
Appropriation of endowment assets for expenditure	( 55,537)	( 796,423)	-0	( 851,960)
Total other changes	<u>\$ 457,718</u>	<u>(\$ 508,945)</u>	<u>\$ 159,274</u>	<u>\$ 108,047</u>
Endowment net assets, end of the year	<u>\$3,707,596</u>	<u>\$11,475,967</u>	<u>\$3,729,144</u>	<u>\$18,912,707</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the amount designated as permanently restricted net assets. Deficiencies of this nature, which are reported in unrestricted net assets, aggregated \$24,950 as of December 31, 2010. These deficiencies resulted principally from investment losses and continued appropriation for certain programs that was deemed prudent by the Diocese. Subsequent gains that restore the fair value of the assets of these endowment funds to the required level will be classified as increases in unrestricted net assets.

Return Objectives and Risk Parameters

The Diocese 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, including both donor-restricted and designated funds. The long-term investment return objective is developed to maintain purchasing power after accounting for both inflation and spending. Actual returns in any given year or period of years may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Diocese relies on a total return strategy in which the investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Diocese targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

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NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Diocese invests its endowment funds and allocates the related earnings for expenditure in accordance with the total return concept. The endowment usage is determined in accordance with the policy adopted by the Diocese. This policy fixes the spending range of endowment total return between 4.25% and 5.25% of the average fair value of applicable endowment for the twelve quarters preceding the quarter of a distribution, with the objective being to hold the spending rate to no more than 5% average over time. Applicable endowments include Diocese-designated and donor-designated endowment funds.

Note 10. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available to support the following purposes at December 31, 2010:

Office of the Bishop	\$ 3,535,881
Clergy development	523,766
Other leadership and pastoral support	30,346
Episcopal Conference Center and City Camp	516,559
Ministry to higher education	229,781
Other outreach	625,259
Congregational development	2,436,101
Support services	1,907,158
Episcopal charities	<u>2,376,899</u>
	<u>\$12,181,750</u>

Note 11. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consisting of property and investments are restricted in perpetuity, the income from which is available to support the following purposes at December 31, 2010:

Office of the Bishop	\$1,578,626
Episcopal Conference Center and City Camp	108,193
Other outreach	90,039
Congregational development	384,776
Support services	387,998
Episcopal charities	<u>1,391,676</u>
	<u>\$3,941,308</u>

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NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

Note 12. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donor.

Purpose restrictions accomplished:

Office of the Bishop	\$ 293,627
Clergy development	26,972
Other leadership and pastoral support	4,860
Episcopal Conference Center and City Camp	143,045
Ministry to higher education	12,312
Other outreach	40,833
Congregational development	152,765
Support services	92,785
Episcopal charities	<u>372,715</u>
	<u>\$1,139,914</u>

Note 13. PENSION PLANS

The Diocese has a defined benefit pension plan covering its retired lay employees. Benefits are based on years of service and the employee's average earnings for the highest five (5) consecutive years. The Diocese's funding policy is to annually contribute the amount required under the minimum funding standards.

The Diocese did not contribute to this plan in 2010. An actuary's statement shows that no contribution was needed to keep the plan funded in accordance with the minimum funding standards of ERISA.

The Diocese also has a defined contribution plan sponsored by the National Church. The plan covers the Diocese's active lay employees. Contributions are made by the Diocese at a minimum of five percent of an employee's salary to a maximum of nine percent. The Diocese contributed \$63,303 to this plan in 2010.

The Diocese also contributed \$60,125 to a plan sponsored by the National Church covering clergy employed by the Diocese.

THE DIOCESE OF RHODE ISLAND  
Providence, Rhode Island

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

Note 14. CHURCH PROPERTIES

In 2010 the Diocese received assets upon the closing of certain parishes. The assets received were comprised of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Cash and investments	\$ 10,236	\$205,967	\$158,774	\$ 374,977
Land and buildings	<u>1,360,400</u>	<u>-0</u>	<u>-0</u>	<u>1,360,400</u>
	<u>\$1,370,636</u>	<u>\$205,967</u>	<u>\$158,774</u>	<u>\$1,735,377</u>

At December 31, 2010, mergers and closings of other parishes and missions were under consideration. The financial effect to the Diocese from future mergers and closings cannot be estimated at this time, and therefore are not reflected in the financial statements.

Note 15. CONCENTRATION OF CREDIT RISK

At times, throughout the year, the Diocese maintained amounts in certain bank accounts in excess of the FDIC insured limits.

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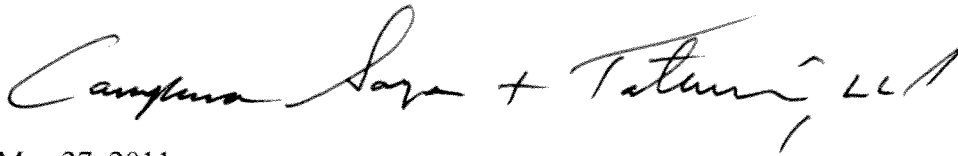
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**INDEPENDENT AUDITOR'S REPORT  
ON ADDITIONAL INFORMATION**

Our report on our audit of the basic financial statements of The Diocese of Rhode Island as of December 31, 2010 appears on Page 1. That audit was for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of program expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



May 27, 2011

THE DIOCESE OF RHODE ISLAND  
Providence, Rhode Island

SCHEDULE OF PROGRAM EXPENSES

For the year ended December 31, 2010

	<u>Apportionment Funded</u>	<u>Non- Apportionment Funded</u>	<u>Total Program Expenses</u>
Leadership & Pastoral Support			
Office of the Bishop	\$ 284,037	\$193,888	\$ 477,925
Support of the Bishop	93,443	-0	93,443
Communications	87,994	-0	87,994
Clergy Development/Deployment	100,069	5,392	105,461
Other Leadership & Support	<u>75,945</u>	<u>4,000</u>	<u>79,945</u>
Total leadership & pastoral support	<u>\$ 641,488</u>	<u>\$203,280</u>	<u>\$ 844,768</u>
Outreach, Advocacy & Service			
Episcopal Conference Center & City Camp	\$ 419,595	\$ 7,605	\$ 427,200
National Church Assessment	470,983	-0	470,983
Ministry to Higher Education	42,116	-0	42,116
Chaplaincies	75,736	10,280	86,016
Other Outreach	<u>52,265</u>	<u>42,745</u>	<u>95,010</u>
Total outreach, advocacy & service	<u>\$1,060,695</u>	<u>\$ 60,630</u>	<u>\$1,121,325</u>
Congregational Development	<u>\$ 246,161</u>	<u>\$ 94,194</u>	<u>\$ 340,355</u>
Total program expenses	<u>\$1,948,344</u>	<u>\$358,104</u>	<u>\$2,306,448</u>