

**THE EPISCOPAL DIOCESE OF  
CENTRAL PENNSYLVANIA**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2015**

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# Greenawalt & Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Since 1955

Deborah J. Kelly  
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Creedon R. Hoffman

## INDEPENDENT AUDITOR'S REPORT

The Episcopal Diocese of  
Central Pennsylvania  
Harrisburg, Pennsylvania

We have audited the accompanying combined financial statements of The Episcopal Diocese of Central Pennsylvania and the Incorporated Trustees of the Diocese of Central Pennsylvania (nonprofit organizations), which comprise the combined statement of assets, liabilities and fund balances-modified cash basis of as of December 31, 2015 and the related combined statement of revenues, expenses and changes in fund balances - modified cash basis for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in the notes to the financial statement; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The Episcopal Diocese of  
Central Pennsylvania

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for Qualified Opinion**

As more fully described in the summary of significant accounting policies footnote to the financial statements, The Episcopal Diocese of Central Pennsylvania and the Incorporated Trustees of the Diocese of Central Pennsylvania has not classified the difference between its assets and liabilities as unrestricted, temporarily restricted, and permanently restricted net assets based on the existence or absence of donor-imposed restrictions. Also, The Episcopal Diocese of Central Pennsylvania has not reported the changes in each of those classes of net assets in the combined statement of revenues, expenses and changes in fund balances - modified cash basis and has not disclosed information about expenses reported by their functional classifications in the combined statement of revenues, expenses and changes in fund balances - modified cash basis or the notes to the financial statements. Presentation of such information is required by the modified cash basis of accounting. The effects on the financial statements of that departure from those accounting principles are not reasonably determinable.

**Qualified Opinion**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the combined financial statements referred to above present fairly, in all material respects, the combined assets, liabilities and fund balances of The Episcopal Diocese of Central Pennsylvania and the Incorporated Trustees of the Diocese of Central Pennsylvania as of December 31, 2015, and its combined revenues, expenses and changes in fund balances for the year then ended in accordance with modified cash basis of accounting as described in the notes to the financial statements.

**Basis of Accounting**

We draw attention to the summary of significant accounting policies footnote to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Greenawalt & Company, P.C.*  
GREENAWALT & COMPANY, P.C.

August 2, 2016

Mechanicsburg, Pennsylvania

**THE EPISCOPAL DIOCESE OF CENTRAL PENNSYLVANIA**  
**COMBINED STATEMENT OF ASSETS, LIABILITIES**  
**AND FUND BALANCES - MODIFIED CASH BASIS**  
**DECEMBER 31, 2015**

**ASSETS**

Cash and investments		
Cash		\$ 269,157
Investments - Incorporated Trustees		18,494,599
		18,494,599
Total assets		\$ 18,763,756

**LIABILITIES AND FUND BALANCES**

Liabilities		
Payroll tax withholdings		\$ 2,109
		2,109
Fund balances		
Unrestricted		191,207
Restricted		
Diocese	\$ 8,030,786	
Incorporated Trustees	608,473	8,639,259
Custodial accounts		9,931,181
Total fund balances		18,761,647
Total liabilities and fund balances		\$ 18,763,756

The accompanying notes are an integral part of these financial statements.

**THE EPISCOPAL DIOCESE OF CENTRAL PENNSYLVANIA**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**YEAR ENDED DECEMBER 31, 2015**

	Unrestricted Funds	Restricted Funds	Custodial Accounts	Total
<b>Revenues</b>				
Fair share pledges	\$ 1,381,220	\$ -	\$ -	\$ 1,381,220
Investment income	1,994	153,913	175,745	331,652
Contributions	173,726	37,512	711,144	922,382
Program fees	-	3,473	-	3,473
Grant income	72,445	14,600	-	87,045
Principal repayments	-	199,429	-	199,429
Unrealized/realized gains	-	(347,061)	(384,589)	(731,650)
Conferences/seminars/camps	61,796	-	-	61,796
Miscellaneous income	2,906	420	-	3,326
	<u>1,694,087</u>	<u>62,286</u>	<u>502,300</u>	<u>2,258,673</u>
<b>Expenses</b>				
World Mission	265,992	-	-	265,992
Diocesan Mission	446,907	73,464	-	520,371
Office of the Bishop	859,085	2,212	-	861,297
Diocesan Programs	577,399	-	-	577,399
Parish trust distributions	-	-	925,615	925,615
Loans disbursed	-	78,360	-	78,360
Offerings	-	-	-	-
Accrued parish/Diocese distribution	-	(169)	(8,524)	(8,693)
	<u>2,149,383</u>	<u>153,867</u>	<u>917,091</u>	<u>3,220,341</u>
Changes in fund balances	(455,296)	(91,581)	(414,791)	(961,668)
<b>Other changes in fund balances</b>				
Transfers between funds	274,341	(274,341)	-	-
Total changes in fund balances	(180,955)	(365,922)	(414,791)	(961,668)
Fund balance, beginning	372,162	9,005,181	10,345,972	19,723,315
Fund balance, ending	<u>\$ 191,207</u>	<u>\$ 8,639,259</u>	<u>\$ 9,931,181</u>	<u>\$ 18,761,647</u>

The accompanying notes are an integral part of these financial statements.

# THE EPISCOPAL DIOCESE OF CENTRAL PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of activities**

The Episcopal Diocese of Central Pennsylvania (Diocese) is a constituent of the Episcopal Church, known as the Protestant Episcopal Church in the United States of America. The Diocese exists, operates and is governed pursuant to a Constitution and Canons adopted in 1789 and subsequently amended from time to time. The Diocese is a nonprofit organization and is dedicated to establishing, developing and promoting all aspects of church ministry within the sixty-six parishes of Central Pennsylvania. The Diocese is supported primarily through fair share pledges from each of the parishes.

#### **Basis of accounting**

The accompanying combined financial statements have been prepared on the modified cash basis of accounting. This basis differs from generally accepted accounting principles primarily because revenues and expenses are recorded when received rather than when earned or incurred, with the exception of investments which are carried at fair market value and the related appreciation or depreciation is recognized in the current period and accounted for as a revenue or expense. In addition, investment income and fourth quarter distributions by the Trust are recognized when earned or incurred, respectively. Payroll tax withholdings are reported as a liability based on wages paid in the current year.

#### **Principles of combining**

The combined financial statements include the accounts of The Episcopal Diocese of Central Pennsylvania and the Incorporated Trustees of the Diocese of Central Pennsylvania (Incorporated Trustees). The Incorporated Trustees is a related entity which acts as a trustee for the Diocese and its parishes by investing funds on their behalf. These funds are pooled and managed by the trust department of BNY Mellon, which also maintains separate accounts for each depositor. All significant inter-organization transactions have been eliminated.

#### **Basis of presentation**

In order to ensure the observance of limitations and restrictions placed on the use of the resources available to the Diocese, the accounts of the Diocese are maintained in accordance with the principles of "fund accounting". That is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with the activities or objectives specified. Separate accounts are maintained for each fund. Accordingly, all financial transactions have been recorded and reported by fund group. Definition of the funds used by the Diocese are:

Unrestricted fund - amounts currently available for use in the Diocese ministries.

Restricted funds - amounts designated by the Diocese to be used for a specific purpose or donor restricted.

Custodial accounts - Diocese parish funds pooled for investment purposes. These are not assets of the Diocese.

# THE EPISCOPAL DIOCESE OF CENTRAL PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS (Cont'd.)

DECEMBER 31, 2015

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

#### **Fund balances (Cont'd.)**

The Diocese has not implemented FASB ASC 958 which requires the Diocese to classify the differences between its assets and liabilities and changes in net assets as unrestricted, temporarily restricted, and permanently restricted net assets based on existence or absence of donor-imposed restrictions. In addition, the Diocese has not disclosed information about expenses reported by their functional classifications in the combined statement of revenues, expenses and changes in fund balances - modified cash basis.

#### **Investments - Incorporated Trustees**

Investments are reported at fair value. Trust accounts maintained by the Incorporated Trustees include investments of the Diocese, the Incorporated Trustees, and custodial funds for any of the sixty-six parishes. The funds are pooled to maximize earnings. Participation and income allocations are based on the market value of the investments held at the quarterly distribution dates. Income for each calendar quarter is allocated on the basis of percentages of participation as of the last day of the quarter. Trust participation terminations are made at market value. The investment balances include investment income earned but not received and includes reductions for fourth quarter distributions paid in the following year.

The Diocese invests in a professionally-managed portfolio that contains various types of securities. Such investments are exposed to market and credit risk. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in the near term would materially affect investment balances and the amounts reported in the financial statements.

#### **Property and equipment**

The cost or value of property and equipment are expensed in the year purchased.

#### **Mission and parish property**

Active missions and parishes of the Diocese are not recorded in the combined financial statements. The Diocesan has control over the property through the Standing Committee. The congregations maintain beneficial use of the properties. In the event that a mission or parish is deconsecrated, beneficial ownership of the property held by the congregation reverts to the Diocese and is therefore held as an asset of the Diocese until sold. The proceeds from the sale of deconsecrated (consecrated) congregations are recorded as revenues on the statement of revenues, expenses and changes in fund balances-modified cash basis.



**THE EPISCOPAL DIOCESE OF CENTRAL PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS (Cont'd.)  
DECEMBER 31, 2015

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

**Contributions**

Contributions received are recorded in a fund based on limitations and restrictions placed on the resources.

**Income taxes**

The Diocese is a non-profit organization which is statutorily exempt from federal income taxes under the Internal Revenue Code. The standards require an assessment of the Diocese's exposure to income taxes at the entity level as a result of uncertain tax positions taken in current and previous years. Examples of tax positions taken at the entity level include the continuing validity of its tax exempt status, potential unrelated business activities and other tax positions that could result in income taxes to the Diocese upon examinations by taxing authorities. The Diocese's management is not aware of any activities that would jeopardize its tax-exempt status or would be subject to unrelated business or excise tax.

As a religious organization, the Diocese is not subject to annual income tax filings. However, any activities that are unrelated to their exempt purpose could subject the Diocese to filing a Form 990T. No such filings were made in the prior three years.

**Subsequent events**

In preparing these financial statements, the Diocese has evaluated events and transactions for potential recognition through August 2, 2016, the date which the financial statements were available to be issued.

# THE EPISCOPAL DIOCESE OF CENTRAL PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS (Cont'd.)

DECEMBER 31, 2015

### INVESTMENTS - INCORPORATED TRUSTEES

At December 31, 2015, the market value totaled \$ 18,494,599. The amount of unrealized/realized gains (losses) was \$ (731,650). Investment earnings totaling \$ 329,361 are shown net of bank fees totaling \$ 84,795. The composition of investments at year end is as follows:

	Cost	Fair Value
Cash and cash equivalents	\$ 313,839	\$ 313,839
Fixed income bond and security funds	7,731,382	7,745,979
Equities		
Energy	274,665	261,518
Materials	115,091	142,114
Industrials	157,449	281,437
Consumer discretionary	313,507	339,967
Consumer staples	302,506	389,580
Healthcare	283,913	305,052
Financials	202,512	180,031
Information technology	89,071	96,631
Telecommunications services	149,969	150,179
Utilities	228,589	263,975
U.S. Large CAP	4,724,828	4,340,767
U.S. Mid CAP	671,555	951,252
U.S. Small CAP	528,327	541,471
Developed international	922,167	985,449
Emerging markets	577,059	591,692
Reits	104,206	108,904
Other equity	288,937	257,924
	9,934,351	10,187,943
Alternative investment	263,000	246,838
	\$ 18,242,572	\$ 18,494,599

The trust funds of the Incorporated Trustees are held by the Trust Department of BNY Mellon. The Trust Department handles the administration of the assets, including allocation of quarterly income to the fund participants.

# THE EPISCOPAL DIOCESE OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS (Cont'd.)

DECEMBER 31, 2015

## FAIR VALUE MEASUREMENTS

Fair value accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation methods used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs have the lowest priority to unobservable inputs.

The Diocese uses the following valuation techniques to measure fair value of assets on a recurring basis. There have been no changes in the methodologies used at December 31, 2015.

Cash and cash equivalents - The carrying amount approximates fair value because of the short-term nature of these investments.

Equities, fixed income bond and security funds and alternative investments - Valued at the closing price reported on the active market on which the individual securities are traded.

Other equity - Primarily preferred debt securities are valued based on yield of comparable securities of issuers with similar credit ratings.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Diocese believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# THE EPISCOPAL DIOCESE OF CENTRAL PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS (Cont'd.)

DECEMBER 31, 2015

### FAIR VALUE MEASUREMENTS (Cont'd.)

The following table sets forth by level, within the fair value hierarchy, the Diocese's assets at fair value on a recurring basis.

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 313,839	\$ -	\$ 313,839	\$ -
Fixed income bond and security funds	7,745,979	7,745,979	-	-
Equities				
Energy	261,518	261,518	-	-
Materials	142,114	142,114	-	-
Industrials	281,437	281,437	-	-
Consumer discretionary	339,967	339,967	-	-
Consumer staples	389,580	389,580	-	-
Healthcare	305,052	305,052	-	-
Financials	180,031	180,031	-	-
Information technology	96,631	96,631	-	-
Telecommunications services	150,179	150,179	-	-
Utilities	263,975	263,975	-	-
U.S. Large CAP	4,340,767	4,340,767	-	-
U.S. Mid CAP	951,252	951,252	-	-
U.S. Small CAP	541,471	541,471	-	-
Developed international	985,449	985,449	-	-
Emerging markets	591,692	591,692	-	-
Reits	108,904	108,904	-	-
Other equity	257,924	-	257,924	-
Alternative investment	246,838	246,838	-	-
	\$ 18,494,599	\$ 17,922,836	\$ 571,763	\$ -

# THE EPISCOPAL DIOCESE OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS (Cont'd.)

DECEMBER 31, 2015

## FAIR VALUE MEASUREMENTS (Cont'd.)

### Level 3 gains and losses

The following table sets forth a summary of changes in the fair value of the Diocese's level 3 assets for the year ended December 31, 2015.

	<u>Alternatives</u>
Balance, beginning of year	\$ 34,669
Purchases	-
Realized gains/(losses)	(5,497)
Unrealized gains/(losses)	9,089
Sales	<u>(38,261)</u>
Balance, end of year	<u>\$ -</u>

### Changes in fair value levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers (if any) between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets. For the year ended December 31, 2015, there were no significant transfers in or out of levels 1, 2 or 3.

## CONTINGENCIES

Certain parishes of the Diocese have entered into loans which have been co-signed by an Officer of the Diocese. In the event of default, the Diocese may be obligated to pay the unpaid portion of the defaulted obligations. The outstanding balance of such loans at December 31, 2015 was approximately \$ 255,000.

## POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

The Diocese provides the cost of a health insurance supplement policy to its retired clergy for life. The primary plan for these benefits is one administered by an agency of the national church (the Episcopal Church Clergy and Employees). For 2015, the monthly premium per clergy totaled approximately \$ 3,700 a month. The total paid for the year was \$ 44,077.

# THE EPISCOPAL DIOCESE OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS (Cont'd.)

DECEMBER 31, 2015

## RETIREMENT PLAN

The Diocese participates in a defined benefit plan and a defined contribution plan. The defined benefit plan is a multi-employer plan maintained for the benefit of clergy and administered by the Church Pension Fund on behalf of the Episcopal Church. The Diocese's contributions to the plan were \$ 48,461. The Diocese's relative position in this plan is not readily determinable.

The defined contribution plan covers substantially all eligible lay employees. The provisions of the plan permit the employees to make tax-deferred contributions to the plan not to exceed IRS limitations. The plan also permits the Diocese to make discretionary contributions to the plan. The Diocese's contributions were \$ 14,186.

## OPERATING LEASES

The Diocese leased certain office equipment under leases with varying terms through 2017. At December 31, 2015, the minimum rental payments under noncancellable leases with a term in excess of one year were as follows:

2016	\$	4,446
2017		1,308

Total lease expense for the year ended December 31, 2015 totaled \$ 4,430.

## RELATED PARTIES

The Diocese provides grants to parishes within its region for the purpose of assisting congregations with major structural and renovation projects as well as assistance with certain qualified projects. During 2015, the Diocese provided \$ 158,356 in funding. By virtue of being member parishes, these transactions are considered related party in nature.

The Diocese is affiliated with the Protestant Episcopal Church in the United States of America. As part of that affiliation, the Diocese committed \$ 265,992 in support of the national church. In addition, the Diocese participates in various health and benefit plans as provide by the national church. Refer to the pension plan disclosure for further details.

# THE EPISCOPAL DIOCESE OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS (Cont'd.)

DECEMBER 31, 2015

## CONCENTRATIONS

The Diocese revenues for the Missionary Budget Fund include amounts received from the sixty-six parishes within its Central Pennsylvania diocese. The Fair Share revenues represent 88% of the total revenues for the Missionary Budget Fund. The continuation of Diocese operations is usually assumed in financial accounting in the absence of evidence to the contrary. The Diocese is subject to the uncertainty as to the amounts of future support.

The Diocese maintains its cash balances in two high-quality financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation up to \$ 250,000. At December 31, 2015, the Diocese's uninsured balances totaled \$ 96,481.

The Diocese has a line-of-credit with Mid-Penn Bank in the amount of \$ 250,000. Interest is payable monthly based on the prime rate as quoted in the Wall Street Journal subject to a floor rate of 3.75%. Principal is due on demand. The line-of-credit is secured by inventory, chattel paper, accounts, equipment and general intangibles. At year-end there was no outstanding balance.

## SUBSEQUENT EVENTS

Effective for the 2016 calendar year, investments were moved from the Trust Department of BNY Mellon to the Episcopal Church Foundation.

On January 1, 2016, the Diocese became the controlling entity of the Episcopal Square, an assisted living facility in Shippensburg, Pennsylvania.

## **SUPPLEMENTARY INFORMATION**





# Greenawalt & Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Since 1955

Deborah J. Kelly  
Scott J. Christ  
Ronald S. Morgan

James E. Lyons  
Howard R. Greenawalt  
Creedon R. Hoffman

## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Episcopal Diocese of  
Central Pennsylvania  
Harrisburg, Pennsylvania

We have audited the combined financial statements of The Episcopal Diocese of Central Pennsylvania and the Incorporated Trustees of the Diocese of Central Pennsylvania as of and for the year ended December 31, 2015, and have issued our report thereon dated August 2, 2016, which contained a qualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the combined financial statements taken as a whole.

The Schedule of Revenues, Expenses and Changes in Fund Balances - Modified Cash Basis - By Fund is presented for purposes of additional analysis and is not a required part of the combined 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 the auditing procedures applied in the audit of the combined financial statements and certain additional 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 information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Greenawalt & Company, P.C.*  
GREENAWALT & COMPANY, P.C.

August 2, 2016

Mechanicsburg, Pennsylvania

**THE EPISCOPAL DIOCESE OF CENTRAL PENNSYLVANIA**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES -**  
**MODIFIED CASH BASIS - BY FUND**  
**DECEMBER 31, 2015**

	Unrestricted				
	Missionary Budget Fund	Discretionary Funds	Bishop and Mrs. Darlington Memorial Fund	Bishop Darlington Fund	Bishop Heistand Fund
Beginning balance					
DCPA 1/1/15	\$ 372,162	\$ 543	\$ -	\$ (959)	\$ 239,194
Incorporated Trustees 1/1/15	-	-	29,656	418,584	1,427,851
Total 1/1/15	372,162	543	29,656	417,625	1,667,045
Revenues					
Fair Share Pledges	1,381,220	-	-	-	-
Investment income	1,994	16	531	7,054	30,060
Contributions	173,726	16,253	1,620	1,000	-
Program fees	-	-	-	-	-
Grant income	72,445	-	-	-	-
Principal repayments	-	-	-	-	199,429
Unrealized/realized gains/(losses)	-	-	(1,219)	(14,963)	(68,748)
Conferences/seminars/camps	61,796	-	-	-	-
Miscellaneous income	2,906	-	-	-	-
Total revenues	1,694,087	16,269	932	(6,909)	160,741
Expenses					
World Mission	265,992	-	-	-	-
Diocesan Mission	446,907	1,328	-	18,400	-
Office of the Bishop	859,085	-	-	-	-
Diocesan programs	577,399	-	-	-	-
Parish trust distributions	-	-	-	-	-
Loans disbursed	-	-	-	-	78,360
Offerings	-	-	-	-	-
Accrued parish/Diocese distribution	-	-	-	-	-
Total expenses	2,149,383	1,328	-	18,400	78,360
Changes in fund balances	(455,296)	14,941	932	(25,309)	82,381
Other changes in fund balances					
Transfers between funds	274,341	-	(1,600)	-	-
Total changes in fund balances	(180,955)	14,941	(668)	(25,309)	82,381
Ending balance					
DCPA 12/31/15	191,207	15,484	-	-	20,560
Incorporated Trustees 12/31/15	-	-	28,988	392,316	1,728,866
Total 12/31/15	\$ 191,207	\$ 15,484	\$ 28,988	\$ 392,316	\$ 1,749,426

(Continued)

See independent auditor's report on supplementary information.

Restricted						
Bishop Honoman En- dowment Fund	Bishop Wyatt-Brown Fund	Bishop Stevenson Fund	Doris Stephenson Fund	Oscar Heinz Endowment	Widows Corp Wellness Fund	Episcopal Ministry at PSU
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,600	\$ -
470,699	100,501	503,609	26,382	574,499	-	37,052
<u>470,699</u>	<u>100,501</u>	<u>503,609</u>	<u>26,382</u>	<u>574,499</u>	<u>30,600</u>	<u>37,052</u>
-	-	-	-	-	-	-
8,169	1,756	8,741	461	9,798	-	647
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(17,704)	(3,807)	(18,942)	(999)	(21,689)	-	(1,403)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(9,535)</u>	<u>(2,051)</u>	<u>(10,201)</u>	<u>(538)</u>	<u>(11,891)</u>	<u>-</u>	<u>(756)</u>
-	-	-	-	-	-	-
-	-	-	-	5,000	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(330)	-	(353)	-	(539)	-	-
<u>(330)</u>	<u>-</u>	<u>(353)</u>	<u>-</u>	<u>4,461</u>	<u>-</u>	<u>-</u>
(9,205)	(2,051)	(9,848)	(538)	(16,352)	-	(756)
-	-	-	-	-	-	-
(8,499)	-	(9,093)	-	(29,000)	(30,600)	-
<u>(17,704)</u>	<u>(2,051)</u>	<u>(18,941)</u>	<u>(538)</u>	<u>(45,352)</u>	<u>(30,600)</u>	<u>(756)</u>
-	-	-	-	-	-	-
452,995	98,450	484,668	25,844	529,147	-	36,296
<u>\$ 452,995</u>	<u>\$ 98,450</u>	<u>\$ 484,668</u>	<u>\$ 25,844</u>	<u>\$ 529,147</u>	<u>\$ -</u>	<u>\$ 36,296</u>

**THE EPISCOPAL DIOCESE OF CENTRAL PENNSYLVANIA**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES -**  
**MODIFIED CASH BASIS - BY FUND (Cont'd.)**  
**DECEMBER 31, 2015**

	Reserve - General Convention Fund	Reserve - Lambeth Conference Fund	Emergency Needs Fund	Disaster Response	Medical Insurance Reimburse- ment
Beginning balance					
DCPA 1/1/15	\$ -	\$ -	\$ 1,585	\$ 6,601	\$ 25,607
Incorporated Trustees 1/1/15	43,107	28,146	-	-	-
Total 1/1/15	<u>43,107</u>	<u>28,146</u>	<u>1,585</u>	<u>6,601</u>	<u>25,607</u>
Revenues					
Fair Share Pledges	-	-	-	-	-
Investment income	635	491	-	-	-
Contributions	-	-	-	-	-
Program fees	-	-	-	-	-
Grant income	-	-	-	-	-
Principal repayments	-	-	-	-	-
Unrealized/realized gains/(losses)	(2,591)	(1,066)	-	-	-
Conferences/seminars/camps	-	-	-	-	-
Miscellaneous income	-	-	-	-	-
Total revenues	<u>(1,956)</u>	<u>(575)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenses					
World Mission	-	-	-	-	-
Diocesan Mission	-	-	1,585	6,601	-
Office of the Bishop	-	-	-	-	-
Diocesan Programs	-	-	-	-	-
Parish trust distributions	-	-	-	-	-
Loan disbursed	-	-	-	-	-
Offerings	-	-	-	-	-
Accrued parish/Diocese distribution	-	-	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>1,585</u>	<u>6,601</u>	<u>-</u>
Changes in fund balances	(1,956)	(575)	(1,585)	(6,601)	-
Other changes in fund balances					
Transfers between funds	(28,000)	-	-	-	-
Total changes in fund balances	<u>(29,956)</u>	<u>(575)</u>	<u>(1,585)</u>	<u>(6,601)</u>	<u>-</u>
Ending balance					
DCPA 12/31/15	-	-	-	-	25,607
Incorporated Trustees 12/31/15	13,151	27,571	-	-	-
Total 12/31/15	<u>\$ 13,151</u>	<u>\$ 27,571</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,607</u>

(Continued)

See independent auditor's report on supplementary information.

Restricted

Diocesan Medical/Life Insurance	Bishop Search	Sharing the Vision Inc. Trustees	Designated Offering Transmittal	Episcopal Church Women	ECW Book of Remem- brance	Bishop Advance Work Fund
\$ -	\$ 7,065	\$ -	\$ 1,340	\$ 7,585	\$ -	\$ -
1,574	25,647	1,315,422	-	23,873	33,333	122,452
1,574	32,712	1,315,422	1,340	31,458	33,333	122,452
-	-	-	-	-	-	-
-	1,056	22,978	-	370	566	2,139
-	-	-	-	14,267	-	-
-	-	-	-	3,473	-	-
-	-	-	-	-	-	-
-	(2,614)	(49,822)	-	(734)	(1,207)	(4,638)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(1,558)	(26,844)	-	17,376	(641)	(2,499)
-	-	-	-	-	-	-
-	-	-	-	28,353	-	-
-	-	-	1,340	819	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(36)	(29)	-
-	-	-	1,340	29,136	(29)	-
-	(1,558)	(26,844)	(1,340)	(11,760)	(612)	(2,499)
(1,574)	39,698	-	-	1,595	(1,595)	-
(1,574)	38,140	(26,844)	(1,340)	(10,165)	(2,207)	(2,499)
-	-	-	-	1,653	-	-
-	70,852	1,288,578	-	19,640	31,126	119,953
\$ -	\$ 70,852	\$ 1,288,578	\$ -	\$ 21,293	\$ 31,126	\$ 119,953

**THE EPISCOPAL DIOCESE OF CENTRAL PENNSYLVANIA**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES -**  
**MODIFIED CASH BASIS - BY FUND (Cont'd.)**  
**DECEMBER 31, 2015**

	Special Housing	Endowment/ Fieldwork Funds	York Springs Church Fund	Sarah Baker Trust Fund	Incorporated General
Beginning balance					
DCPA 1/1/15	\$ -	\$ 14,000	\$ -	\$ -	\$ -
Incorporated Trustees 1/1/15	15,312	921,941	13,591	51,148	680,489
<b>Total 1/1/15</b>	<b>15,312</b>	<b>935,941</b>	<b>13,591</b>	<b>51,148</b>	<b>680,489</b>
Revenues					
Fair Share Pledges	-	-	-	-	-
Investment income	-	21,230	235	894	12,050
Contributions	-	-	-	-	-
Program fees	-	-	-	-	-
Grant income	-	-	-	-	-
Principal repayments	-	-	-	-	-
Unrealized/realized gains	-	(50,676)	(511)	(1,937)	(29,770)
Conferences/seminars/camps	-	-	-	-	-
Miscellaneous income	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>(29,446)</b>	<b>(276)</b>	<b>(1,043)</b>	<b>(17,720)</b>
Expenses					
World Mission	-	-	-	-	-
Diocesan Mission	-	-	-	-	-
Office of the Bishop	-	-	-	-	-
Diocesan Programs	-	-	-	-	-
Parish trust distributions	-	-	-	-	-
Loans disbursed	-	-	-	-	-
Offerings	-	-	-	-	-
Accrued parish/Diocese distribution	-	1,128	(10)	-	-
<b>Total expenses</b>	<b>-</b>	<b>1,128</b>	<b>(10)</b>	<b>-</b>	<b>-</b>
Changes in fund balances	-	(30,574)	(266)	(1,043)	(17,720)
Other changes in fund balances					
Transfers between funds	(15,312)	290,784	(245)	-	(54,296)
<b>Total changes in fund balances</b>	<b>(15,312)</b>	<b>260,210</b>	<b>(511)</b>	<b>(1,043)</b>	<b>(72,016)</b>
Ending balance					
DCPA 12/31/15	-	-	-	-	-
Incorporated Trustees 12/31/15	-	1,196,151	13,080	50,105	608,473
<b>Total 12/31/15</b>	<b>\$ -</b>	<b>\$ 1,196,151</b>	<b>\$ 13,080</b>	<b>\$ 50,105</b>	<b>\$ 608,473</b>

(Continued)

See independent auditor's report on supplementary information.

Restricted

Leadership Endowment	Kermit L. Lloyd Memorial	Bishop Charlie McNutt Endowment	John Baldwin James Fund for Seminarians	G4 Celebration	Called to Grow Communication	101 Pine St. Endowment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55,386	254,792	267,313	15,442	27,189	36,512	279,622
<u>55,386</u>	<u>254,792</u>	<u>267,313</u>	<u>15,442</u>	<u>27,189</u>	<u>36,512</u>	<u>279,622</u>
-	-	-	-	-	-	-
968	4,440	4,671	270	-	637	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(2,098)	(9,628)	(10,125)	(585)	-	(1,383)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(1,130)</u>	<u>(5,188)</u>	<u>(5,454)</u>	<u>(315)</u>	<u>-</u>	<u>(746)</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(1,130)</u>	<u>(5,188)</u>	<u>(5,454)</u>	<u>(315)</u>	<u>-</u>	<u>(746)</u>	<u>-</u>
-	(600)	-	-	(27,189)	-	(279,622)
<u>(1,130)</u>	<u>(5,788)</u>	<u>(5,454)</u>	<u>(315)</u>	<u>(27,189)</u>	<u>(746)</u>	<u>(279,622)</u>
-	-	-	-	-	-	-
54,256	249,004	261,859	15,127	-	35,766	-
<u>\$ 54,256</u>	<u>\$ 249,004</u>	<u>\$ 261,859</u>	<u>\$ 15,127</u>	<u>\$ -</u>	<u>\$ 35,766</u>	<u>\$ -</u>

**THE EPISCOPAL DIOCESE OF CENTRAL PENNSYLVANIA**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES -**  
**MODIFIED CASH BASIS - BY FUND (Cont'd.)**  
**DECEMBER 31, 2015**

	Called to Grow Youth	Closed Parish Funds	SCS Dean Endowment	Training Program	Restricted Risk Management Program
Beginning balance					
DCPA 1/1/15	\$ -	\$ 176	\$ -	\$ 39	\$ 14
Incorporated Trustees 1/1/15	26,119	16,031	58,358	-	-
<b>Total 1/1/15</b>	<b>26,119</b>	<b>16,207</b>	<b>58,358</b>	<b>39</b>	<b>14</b>
Revenues					
Fair Share Pledges	-	-	-	-	-
Investment income	456	-	1,019	-	-
Contributions	-	-	-	-	-
Program fees	-	-	-	-	-
Grant income	-	-	-	-	-
Principal repayments	-	-	-	-	-
Unrealized/realized gains	(989)	-	(2,210)	-	-
Conferences/seminars/camps	-	-	-	-	-
Miscellaneous income	-	-	-	-	-
<b>Total revenues</b>	<b>(533)</b>	<b>-</b>	<b>(1,191)</b>	<b>-</b>	<b>-</b>
Expenses					
World Mission	-	-	-	-	-
Diocesan Mission	-	-	-	-	-
Office of the Bishop	-	-	-	39	14
Diocesan Programs	-	-	-	-	-
Parish trust distributions	-	-	-	-	-
Loans disbursed	-	-	-	-	-
Offerings	-	-	-	-	-
Accrued parish/Diocese distribution	-	-	-	-	-
<b>Total expenses and transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39</b>	<b>14</b>
Changes in fund balances	(533)	-	(1,191)	(39)	(14)
Other changes in fund balances					
Transfers between funds	-	(16,207)	-	-	-
<b>Total changes in fund balances</b>	<b>(533)</b>	<b>(16,207)</b>	<b>(1,191)</b>	<b>(39)</b>	<b>(14)</b>
Ending balance					
DCPA 12/31/15	-	-	-	-	-
Incorporated Trustees 12/31/15	25,586	-	57,167	-	-
<b>Total 12/31/15</b>	<b>\$ 25,586</b>	<b>\$ -</b>	<b>\$ 57,167</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

See independent auditor's report on supplementary information.



St. Mary's Property Fd For SCS Scholarships	Southern York	Mission Fund	St. Mary's Bastian Fd For Mission & Ministry	St. Mary's Heether for C,Y & YA
\$ 12,537	\$ 39,860	\$ -	\$ -	\$ -
220,910	-	52,131	341,361	103,360
<u>233,447</u>	<u>39,860</u>	<u>52,131</u>	<u>341,361</u>	<u>103,360</u>
-	-	-	-	-
3,859	-	-	5,925	1,791
-	4,372	-	-	-
-	-	-	-	-
-	14,600	-	-	-
-	-	-	-	-
(8,367)	-	-	(12,788)	(3,848)
-	-	-	-	-
-	420	-	-	-
<u>(4,508)</u>	<u>19,392</u>	<u>-</u>	<u>(6,863)</u>	<u>(2,057)</u>
-	-	-	-	-
-	9,197	-	3,000	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>9,197</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
(4,508)	10,195	-	(9,863)	(2,057)
-	(50,055)	(52,131)	-	(800)
<u>(4,508)</u>	<u>(39,860)</u>	<u>(52,131)</u>	<u>(9,863)</u>	<u>(2,857)</u>
12,537	-	-	-	-
216,402	-	-	331,498	100,503
<u>\$ 228,939</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,498</u>	<u>\$ 100,503</u>

**THE EPISCOPAL DIOCESE OF CENTRAL PENNSYLVANIA**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES -**  
**MODIFIED CASH BASIS - BY FUND (Cont'd.)**  
**DECEMBER 31, 2015**

	Total Restricted Funds	Custodial Accounts	Total All Funds
Beginning balance			
DCPA 1/1/15	\$ 385,787	\$ -	\$ 757,949
Incorporated Trustees 1/1/15	8,619,394	10,345,972	18,965,366
Total 1/1/15	<u>9,005,181</u>	<u>10,345,972</u>	<u>19,723,315</u>
Revenues			
Fair Share Pledges	-	-	1,381,220
Investment income	153,913	175,745	331,652
Contributions	37,512	711,144	922,382
Program fees	3,473	-	3,473
Grant income	14,600	-	87,045
Principal repayments	199,429	-	199,429
Unrealized/realized gains	(347,061)	(384,589)	(731,650)
Conferences/seminars/camps	-	-	61,796
Miscellaneous income	420	-	3,326
Total revenues	<u>62,286</u>	<u>502,300</u>	<u>2,258,673</u>
Expenses			
World Mission	-	-	265,992
Diocesan Mission	73,464	-	520,371
Office of the Bishop	2,212	-	861,297
Diocesan Programs	-	-	577,399
Parish trust distributions	-	925,615	925,615
Loans disbursed	78,360	-	78,360
Offerings	-	-	-
Accrued parish/Diocese distribution	(169)	(8,524)	(8,693)
Total expenses and transfers	<u>153,867</u>	<u>917,091</u>	<u>3,220,341</u>
Changes in fund balances	(91,581)	(414,791)	(961,668)
Other changes in fund balances			
Transfers between funds	(274,341)	-	-
Total changes in fund balances	<u>(365,922)</u>	<u>(414,791)</u>	<u>(961,668)</u>
Ending balance			
DCPA 12/31/15	75,841	-	267,048
Incorporated Trustees 12/31/15	8,563,418	9,931,181	18,494,599
Total 12/31/15	<u>\$ 8,639,259</u>	<u>\$ 9,931,181</u>	<u>\$ 18,761,647</u>

See independent auditor's report on supplementary information.