

THE DIOCESE OF NORTHERN INDIANA

TREASURER'S REPORT

Convention October 25, 2008

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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 statement of financial position (cash basis) of Diocese of Northern Indiana of the Episcopal Church, Inc. as of December 31, 2007 and the related (cash basis) statements of activities and change in net assets for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2006 financial statements and, in our report dated September 21, 2007, we expressed an unqualified opinion except for an audit departure from generally accepted accounting standards (see 2006 financial statements).

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 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, 2007, and its support, revenue, expenses, and changes in net assets for the year then ended on the basis of accounting described in Note 1.

The additional information included on pages 10 - 13 has been subjected to 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.


ARMSTRONG, & REIST CPAs, LLP

July 11, 2008

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

STATEMENTS OF FINANCIAL POSITION - CASH BASIS

December 31, 2007 with comparative totals for 2006

ASSETS	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2007 Total All Funds</u>	<u>2006 Total All Funds</u>
Cash	\$ 102,928	\$ 55,685		\$ 158,613	\$ 157,580
Investments (at market)	667,653	565,714	\$ 301,683	1,535,050	1,426,486
Prepaid expenses	4,753			4,753	
Property and Equipment					
Buildings	546,614			546,614	546,614
Equipment	<u>22,735</u>			<u>22,735</u>	<u>22,735</u>
Total cost	569,349			569,349	569,349
Accumulated depreciation	<u>(125,120)</u>			<u>(125,120)</u>	<u>(109,794)</u>
Net Property and Equipment	444,229			444,229	459,555
Life insurance - Cash Value	<u>69,196</u>			<u>69,196</u>	<u>65,490</u>
Total Assets	<u>\$ 1,288,759</u>	<u>\$ 621,399</u>	<u>\$ 301,683</u>	<u>\$ 2,211,841</u>	<u>\$ 2,109,111</u>
LIABILITIES AND NET ASSETS					
Net Assets	<u>\$ 1,288,759</u>	<u>\$ 621,399</u>	<u>\$ 301,683</u>	<u>\$ 2,211,841</u>	<u>\$ 2,109,111</u>
Total Liabilities and Net Assets	<u>\$ 1,288,759</u>	<u>\$ 621,399</u>	<u>\$ 301,683</u>	<u>\$ 2,211,841</u>	<u>\$ 2,109,111</u>

(See accompanying notes and auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS - CASH BASIS

For the year ended December 31, 2007 with comparative totals for 2006

	---- Unrestricted ----				2007 Total All Funds	2006 Total All Funds
	Currently Expendable	Endowment	Temporarily Restricted	Permanently Restricted		
SUPPORT AND REVENUE						
Parishes and missions	\$ 629,607				\$ 629,607	\$ 639,049
Conferences and rental - Wawasee	27,768				27,768	28,047
Contributions			\$ 57,416		57,416	60,017
Investment income	3,650	\$ 38,978	47,931		90,559	103,313
Miscellaneous	7,299				7,299	6,737
Late payments from parishes	24,041				24,041	30,582
Net assets released from restrictions:	51,895		(51,895)			
Total Support and Revenue	744,260	38,978	53,452		836,690	867,745
EXPENSES						
Program services	198,293				198,293	227,083
General and administrative	535,667				535,667	548,394
Total Expenses	733,960				733,960	775,477
Increase (Decrease) in Net Assets Before Board Designations	10,300	38,978	53,452		102,730	92,268
Designations by the governing board:						
Investment returns utilized for current operations	32,765	(32,765)				
Held for long-term investment	(22,850)	22,850				
Increase (Decrease) in Net Assets	20,215	29,063	53,452		102,730	92,268
Net Assets - Beginning	631,065	608,416	567,947	301,683	2,109,111	2,016,843
Net Assets - Ending	\$ 651,280	\$ 637,479	\$ 621,399	\$ 301,683	\$ 2,211,841	\$ 2,109,111

(See accompanying notes and auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose and Presentation

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.

Financial Statement Presentation

The Diocese adopted provisions of Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Diocese is required to report information regarding its financial position and activities according to classes of net assets: unrestricted net assets, temporarily restricted and permanently restricted net assets.

Contributions

The Diocese also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made". In accordance with SFAS No. 116, 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.

Basis of Accounting

It is the policy of the Diocese to prepare its financial statements on the basis of cash receipts and disbursements. Under this method, revenue is not recognized until it is received, and expenses incurred are not recognized until they are paid. This is a comprehensive basis of accounting other than generally accepted accounting principles.

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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. 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 \$15,325 for 2007 and \$16,194 for 2006. This is a departure from generally accepted accounting principles.

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 \$35,454 - 2007 and \$37,460 - 2006.

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.

Prior Period Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Diocese's financial statements for the year ended December 31, 2006, from which the summarized information was derived.

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:

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounting for Net Assets - Continued

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:

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.

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounting for Net Assets - Continued

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.

Equipment

This fund is for purchase of equipment for the office.

Youth Ministries

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

Social Ministries

This fund is to be utilized for social ministries. The Bishop is authorized to disburse these funds.

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.

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounting for Net Assets - Continued

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.

Christ Church Gary Seminarian's Fund

The donor was the church in Gary, Indiana. The principal came from the funds on hand when it closed. The interest is to be divided equally to seminarians from the Gary area each year. If no seminarians from the Gary area exist, then it is to be given to other seminarians in the Diocese of Northern Indiana. Funds are disbursed as requests are made to the Bishop. In 2007, this fund was combined with the Emma Wallach fund due to similar purposes.

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.

Wawasee Properties

This fund was established for the maintenance of the property at Wawasee.

Clergy Conferences

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

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 \$653,648 - 2007 and \$669,931 - 2006 of which \$24,041 and \$30,582 respectively was for assessments from the prior year. Assessments outstanding as of December 31, were \$30,909 - 2007 and \$28,135 - 2006.

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE 3 - 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 \$21,282 - 2007 and \$21,282 - 2006. There are no future minimum lease payments for this operating lease.

NOTE 4 - INVESTMENTS

Investments consist of the following at December 31:

	2007		2006	
	Market	Cost	Market	Cost
Equity Mutual Funds	\$ 489,085	\$ 360,498	\$ 468,373	\$ 325,433
Certificate of deposits	29,855	30,120		
Treasury Notes/Bonds	<u>1,016,110</u>	<u>955,955</u>	<u>958,113</u>	<u>953,722</u>
Total	<u>\$1,535,050</u>	<u>\$1,386,573</u>	<u>\$1,426,486</u>	<u>\$1,279,155</u>

Realized gains (losses) on the sale of investments are \$19,419 for 2007 and \$(6,121) for 2006. Management fees for 2007 of \$10,863 and \$9,913 for 2006 are netted against realized gains. The following table summarizes the relationship between market value and cost of the investments as of December 31, 2007:

	-Market-	--Cost--	Excess of Market Over Cost
Balance at end of year	<u>\$1,535,050</u>	<u>\$1,386,574</u>	\$148,476
Balance at beginning of year	<u>\$1,426,486</u>	<u>\$1,279,155</u>	<u>147,331</u>
Increase in unrealized appreciation			1,145
Realized gain for 2007			<u>19,419</u>
Total gain for 2007			<u>\$ 20,564</u>
Total gain for 2006			<u>\$ 50,969</u>

NOTE 5 – EXCESS BANK AND SECURITIES DEPOSITS

The Diocese frequently has cash account balances in excess of the \$100,000 Federal Deposit Insurance Corporation limit. In addition, the Diocese maintains accounts with the trust department with balances greater than the insured amount of up to \$500,000 by the Securities Investor Protection Corporation. The Company has not experienced any losses and believes it is not exposed to any significant credit risk.

(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, 2007 with comparative totals for 2006

	Delphi Fund	Krause Fund	Semi- arian Fund	Emma Wallach Theo- logical Fund	Education Fund	WCRS Diocesan Endowment Fund	Wawasee Properties	Clergy Conference	Other (see page 12)	2007 Total	2006 Total
TEMPORARILY RESTRICTED NET ASSETS											
Revenue, Gains and Other Support:											
Contributions	\$ 11,291	\$ 1,044	\$ -	\$ 4,999	\$ 5,824	\$ 11,745	\$ 11,994	\$ 448	\$ 45,422	\$ 57,416	\$ 37,093
Interest	(437)	(39)		(70)	2,236	18,404	550	(19)		35,901	26,946
Realized gains (losses)	3,485	312		541	(406)	(12,340)	(33)	151		20,042	(2,996)
Unrealized gains (losses)							245			(8,012)	55,994
Net Assets released from restrictions Released for program expenses	(10,326)			(4,523)	(2,715)				(34,331)	(41,569)	(22,415)
Time restrictions:										(10,326)	(8,654)
Contributions:											
Held for Long-term Investment			(3,020)	3,020							10,000
Increase (decrease) in temporarily restricted net assets	4,013	1,317	(3,020)	3,967	4,939	17,809	12,736	580	11,091	53,452	95,968
Temporarily Restricted Net Assets - Beginning	170,839	9,523	3,020	32,237	42,326	266,095	8,098	10,083	25,706	567,947	471,979
Temporarily Restricted Net Assets - Ending	\$ 174,852	\$ 10,840	\$ -	\$ 36,224	\$ 47,265	\$ 283,904	\$ 20,854	\$ 10,663	\$ 36,797	\$ 621,399	\$ 567,947
PERMANENTLY RESTRICTED NET ASSETS											
Permanently Restricted Net Assets - Beginning	\$ 47,241	\$ 17,840	\$ -0-	\$ -0-	\$ 100,000	\$ 136,602	\$ -0-	\$ -0-	\$ -0-	\$ 301,683	\$ 301,683
Permanently Restricted Net Assets - Ending	\$ 47,241	\$ 17,840	\$ -0-	\$ -0-	\$ 100,000	\$ 136,602	\$ -0-	\$ -0-	\$ -0-	\$ 301,683	\$ 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, 2007 with comparative totals for 2006

	Episcopate Fund	WCRS Reserve Fund	General Convention	Lambeth Conference	Sabbaticals	Historiographer	Bishop's Assoc.	Wavases Fund	Equipment Fund	Youth Fund	Social Ministry Fund	Election of Bishop	2007 Total	2006 Total
Revenue, Gains and Support														
Interest	\$ 6,787	15,403	343	\$ 659	\$ 815	\$ 153	\$ 1,357	\$ 208	\$ 68	\$ 885	\$ 3,226	\$ 541	\$ 30,446	\$ 24,852
Realized gains (losses)	(2,655)	(614)	(24)	(105)	(25)	(6)	461	(8)	(3)	122	(139)	(26)	(623)	(3,125)
Unrealized gains (losses)	2,113	4,890	226	206	220	48	(20)	68	20	138	1,027	219	9,155	1,096
Total	8,635	19,679	545	760	1,009	195	1,798	268	85	1,146	4,124	734	38,978	22,823
Designations by the governing board														
Investment returns utilized for current operations (withdrawals)	(6,273)	(14,492)	9,000	850	(12,000)					10,000		3,000	(32,765)	(45,765)
Field for long-term investment (deposits)	(6,273)	(14,492)	9,000	850	(12,000)					10,000		3,000	22,850	20,774
Total	2,362	5,187	9,545	1,610	(10,991)	195	1,798	268	85	11,146	4,124	3,734	(9,915)	(24,990)
Increase (decrease) in net assets	132,398	306,437	2,262	12,484	24,213	2,914	29,861	4,074	1,218	12,416	79,725	9,414	608,416	610,583
Net Assets - Beginning	\$ 134,760	\$ 311,624	\$ 11,807	\$ 14,094	\$ 13,222	\$ 3,109	\$ 31,659	\$ 4,342	\$ 1,303	\$ 23,562	\$ 74,849	\$ 13,148	\$ 637,479	\$ 608,416
Net Assets - Ending														

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

SCHEDULES OF OTHER ACTIVITY REVENUE AND EXPENSE

For the year ended December 31, 2007

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	\$ -		\$ -		\$ 3,121
Bishop discretionary fund	9,322	15,310	16,347	(1,037)	16,347	8,285
Bishop gift	9,550	10,000	900	9,100	900	18,650
Darkness Day	731	15,652	16,383	(731)	16,383	-
Retired Bishop		760		760		760
Camp for Prisoners Children		3,700	701	2,999	701	2,999
Camp scholarships	99					99
Syracuse Seawall	2,883					2,883
TOTAL	\$ 25,706	\$ 45,422	\$ 34,331	\$ 11,091	\$ 34,331	\$ 36,797

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended December 31, 2007 with comparative totals for 2006

UNRESTRICTED FUNDS	Program Services	Adminis- trative	Retreat Center	2007 Total All Funds	2006 Total All Funds
Assessments - national	\$ 71,876			\$ 71,876	\$ 68,354
Dues	755			755	563
Commissions and ministries:					
Revitalization and development	26,629			26,629	36,125
Service/Outreach	2,117			2,117	3,447
Ministries	3,722			3,722	4,714
Christian education	3,500			3,500	500
Stewardship	1,020			1,020	633
Youth	29,256			29,256	35,328
Clergy retreat	9,344			9,344	13,566
Millennium development	6,000			6,000	
Salaries and payroll taxes		\$ 212,830		212,830	203,376
Housing		56,000		56,000	53,700
Pension, annuity and health		67,919		67,919	69,035
Other benefits		42,717		42,717	32,378
Rent		21,282		21,282	21,282
Maintenance		3,505	\$ 16,369	19,874	29,843
Telephone		6,776	546	7,322	7,519
Depreciation expense		15,325		15,325	16,194
Professional fees		4,200		4,200	6,340
Insurance - retired clergy		31,480		31,480	29,260
Convention and conferences		4,767		4,767	26,380
Travel		4,357		4,357	2,800
Minimum salary		4,910		4,910	5,000
Supplies		12,996	1,544	14,540	16,202
Postage		3,531		3,531	5,774
Congregations				-	38,609
Other expenses	2,505	8,899		11,404	13,642
General expenses released from restrictions	7,238			7,238	5,311
Insurance		6,423	7,721	14,144	11,295
Communications		1,570		1,570	1,203
Other activity expenses (see page 12)	34,331			34,331	17,104
TOTAL	<u>\$ 198,293</u>	<u>\$ 509,487</u>	<u>\$ 26,180</u>	<u>\$ 733,960</u>	<u>\$ 775,477</u>

(See auditors' report.)

FORWARD IN FAITH 12-31-07

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.

Balance 1-07	\$ 354,537.13
Additions	\$ 1,147.30
Withdrawals	\$
Earnings	\$ 17,056.25
Fee	\$ -1,807.92
Accrued Interest	\$ 470.76
Realized	\$ 1,066.98
Unrealized	\$ 5,897.33
Balance 12-07	\$ 378,367.83

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.

Balance 1-07	\$ 507,111.96
Additions	\$ 1,631.91
Withdrawals	\$
Earnings	\$ 24,395.97
Fee	\$ -2,585.90
Accrued Interest	\$ 673.34
Realized	\$ 1,526.13
Unrealized	\$ 8,435.10
Balance 12-07	\$ 541,188.51

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.

Balance 1-07	\$ 133,777.55
Additions	\$ 440.69
Earnings	\$ 6,436.21
Fee	\$ -682.22
Accrued Interest	\$ 177.64
Withdrawals	\$
Realized	\$ 402.63
Unrealized	\$ 2,225.37
Balance 12-07	\$ 142,777.87

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.

	INCOME	GROWTH
Balance 1-07	\$79,532.25	\$54,729.71
Additions	\$ 295.73	
Withdrawals	\$ -3,766.01	
Earnings	\$ 3,735.38	\$ 1,596.17
Fee	\$ -394.67	\$ -699.79
Accrued Interest	\$ 91.86	\$
Realized	\$ 235.16	\$ 3,200.99
Unrealized	\$ 1,271.13	\$ -1,677.12
Balance 12-07	\$ 81,000.83	\$57,149.96

DIOCESAN ENDOWMENT Growth account Merrill Lynch.

Balance 1-07	\$402,697.24
Additions	\$
Withdrawals	\$
Earnings	\$ 11,744.53
Fee	\$ -5,149.03
Realized	\$ 23,552.68
Unrealized	\$ -12,340.06
Balance 12-07	\$420,505.36

	Current Year
<hr/>	
ASSETS	
CHECKING ACCOUNTS	
Oper. Checking-Key Bank	\$22365.02
SHORT TERM INVESTMENTS	
Certificates of Deposit	63845.42
TOTAL ASSETS	<u>\$86210.44</u>
LIABILITIES	
CURRENT LIABILITIES	
TAXES PAYABLE	
Dental withheld	\$111.00
State Tax Withheld-MI	307.74
Clearing Account	922.75
Subtotal Taxes Payable	<u>1341.49</u>
CURRENT ACCOUNTS	
Diocesan Bishop	29.00
Oxford Documents	-120.00
Subtotal Current Accounts	<u>-91.00</u>
Subtotal Current Liabilities	<u>1250.49</u>
TOTAL LIABILITIES	<u>1250.49</u>
FUND BALANCE	
Fund Balance	<u>\$84959.95</u>
TOTAL FUND BALANCE	84959.95
TOTAL LIABILITIES AND FUND BALANCE	<u>\$86210.44</u>

Diocese of Northern Indiana
Income and Expense Statement (UNAUDITED)
 OPERATING FUND 01, January 2008 - October 2008

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	Current Period	Current Budget	Year to Date	Year to Date Budget	Annual Budget	YTD Budget Difference
INCOME						
Assessments-Congregations	\$480914.48	\$568134.60	\$480914.48	\$568134.60	\$681725.52	-\$87220.12
Assessments Prior Year	13957.25	30909.30	13957.25	30909.30	30909.30	-16952.05
Summer Camp Income	20870.88	24380.00	20870.88	24380.00	24380.00	-3509.12
INTEREST INCOME						
Checking Account Interest	341.43	333.30	341.43	333.30	400.00	8.13
INVESTMENT INCOME						
CD gains/losses	1080.70	0.00	1080.70	0.00	0.00	1080.70
TOTAL INCOME	517164.74	623757.20	517164.74	623757.20	737414.82	-106592.46
<i>Budgeted</i>	<i>516084.04</i>	<i>623757.20</i>	<i>516084.04</i>	<i>623757.20</i>	<i>737414.82</i>	<i>-107673.16</i>
<i>Non-Budgeted</i>	<i>1080.70</i>		<i>1080.70</i>			
EXPENSES						
NATIONAL CHURCH EXPENSE						
Nat'l Church Assessment	\$51697.77	\$57432.26	\$51697.77	\$57432.26	\$68901.20	-\$5734.49
Provincial Synod	800.82	1300.00	800.82	1300.00	1300.00	-499.18
Millennium Dev. Goals	2500.00	4148.30	2500.00	4148.30	4977.96	-1648.30
Subtotal National Church Expense	54998.59	62880.56	54998.59	62880.56	75179.16	-7881.97
<i>Budgeted</i>	<i>54998.59</i>	<i>62880.56</i>	<i>54998.59</i>	<i>62880.56</i>	<i>75179.16</i>	<i>-7881.97</i>
<i>Non-Budgeted</i>	<i>0.00</i>					
REVITAL. & DEVELOP.						
Congregational Rev. & Dev	36982.23	29630.80	36982.23	29630.80	35556.90	7351.43
YOUTH EXPENSE						
Summer Camp Support	45236.64	24000.00	45236.64	24000.00	24000.00	21236.64
OTHER PROGRAM EXPENSES						
Congregational Development	0.00	6458.30	0.00	6458.30	7750.00	-6458.30
Commission on Ministry	4816.32	3750.00	4816.32	3750.00	4500.00	1066.32
Communications	360.00	1100.00	360.00	1100.00	1250.00	-740.00
Cursillo Support	0.00	1250.00	0.00	1250.00	1500.00	-1250.00
Ecumenical Relations	2721.13	2500.00	2721.13	2500.00	3000.00	221.13
Subtotal Other Program Expenses	7897.45	15058.30	7897.45	15058.30	18000.00	-7160.85
<i>Budgeted</i>	<i>7897.45</i>	<i>15058.30</i>	<i>7897.45</i>	<i>15058.30</i>	<i>18000.00</i>	<i>-7160.85</i>
<i>Non-Budgeted</i>	<i>0.00</i>					

Diocese of Northern Indiana
Income and Expense Statement (UNAUDITED)
 OPERATING FUND 01, January 2008 - October 2008

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	Current Period	Current Budget	Year to Date	Year to Date Budget	Annual Budget	YTD Budget Difference
OFFICE OF THE BISHOP						
Bishop-Stipend	57594.24	63993.60	57594.24	63993.60	76792.29	-6399.36
Bishop-Housing Allowance	26250.03	29166.70	26250.03	29166.70	35000.00	-2916.67
Bishop-Pension Provision	16156.42	20122.60	16156.42	20122.60	20122.60	-3966.18
Bishop-H & L Insurance	8516.00	12691.80	8516.00	12691.80	12691.80	-4175.80
Bishop-Cont Ed & Wellness	509.24	830.00	509.24	830.00	1000.00	-320.76
Bishop-Auto and Expense	18748.84	18333.30	18748.84	18333.30	22000.00	415.54
Subtotal Office Of The Bishop	127774.77	145138.00	127774.77	145138.00	167606.69	-17363.23
<i>Budgeted</i>	<i>127774.77</i>	<i>145138.00</i>	<i>127774.77</i>	<i>145138.00</i>	<i>167606.69</i>	<i>-17363.23</i>
<i>Non-Budgeted</i>	<i>0.00</i>					
CANON TO THE ORDINARY						
Canon-Stipend	48627.54	54030.60	48627.54	54030.60	64836.67	-5403.06
Canon-Housing Allowance	13500.00	15000.00	13500.00	15000.00	18000.00	-1500.00
Canon-Pension Provision	11182.95	14910.15	11182.95	14910.15	14910.15	-3727.20
Canon-H & L Insurance	6457.50	8560.00	6457.50	8560.00	8560.00	-2102.50
Canon-Cont Ed & Wellness	135.00	830.00	135.00	830.00	1000.00	-695.00
Canon-Auto and Expense	7338.85	4583.30	7338.85	4583.30	5500.00	2755.55
Subtotal Canon To The Ordinary	87241.84	97914.05	87241.84	97914.05	112806.82	-10672.21
<i>Budgeted</i>	<i>87241.84</i>	<i>97914.05</i>	<i>87241.84</i>	<i>97914.05</i>	<i>112806.82</i>	<i>-10672.21</i>
<i>Non-Budgeted</i>	<i>0.00</i>					
VOCATIONS DIRECTOR						
Vocat. Director.-Stipend	6386.47	6722.60	6386.47	6722.60	8067.17	-336.13
Vocat. Dir-Housing Allow	2375.00	2500.00	2375.00	2500.00	3000.00	-125.00
Vocat. Dir-Auto and Expen	63.18	833.30	63.18	833.30	1000.00	-770.12
Subtotal Vocations Director	8824.65	10055.90	8824.65	10055.90	12067.17	-1231.25
<i>Budgeted</i>	<i>8824.65</i>	<i>10055.90</i>	<i>8824.65</i>	<i>10055.90</i>	<i>12067.17</i>	<i>-1231.25</i>
<i>Non-Budgeted</i>	<i>0.00</i>					
OTHER STAFF EXPENSES						
Salary-Cathd'l. Reception	777.03	3700.30	777.03	3700.30	4440.30	-2923.27
Salary-Camp Director	6000.00	6000.00	6000.00	6000.00	6000.00	0.00
Salary-Diocesan Secretary	30416.73	32033.30	30416.73	32033.30	38500.00	-1616.57
Salary-Dioc. Treasurer	19500.84	20527.20	19500.84	20527.20	24632.64	-1026.36
Salary-Wawasee Director	2025.61	2088.40	2025.61	2088.40	2506.12	-62.79
Salary-Sr. Hi Camp Direct	5000.00	4166.70	5000.00	4166.70	5000.00	833.30
Staff-Payroll Taxes	4789.43	5164.30	4789.43	5164.30	6197.20	-374.87
Staff-Pension Provision	4481.55	7144.70	4481.55	7144.70	8573.64	-2663.15
Staff-Travel	3346.63	4166.70	3346.63	4166.70	5000.00	-820.07
Staff-Life Medical Ins	132.30	135.00	132.30	135.00	162.00	-2.70
Subtotal Other Staff Expenses	76470.12	85126.60	76470.12	85126.60	101011.90	-8656.48
<i>Budgeted</i>	<i>76470.12</i>	<i>85126.60</i>	<i>76470.12</i>	<i>85126.60</i>	<i>101011.90</i>	<i>-8656.48</i>
<i>Non-Budgeted</i>	<i>0.00</i>					

Diocese of Northern Indiana
Income and Expense Statement (UNAUDITED)
 OPERATING FUND 01, January 2008 - October 2008

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	Current Period	Current Budget	Year to Date	Year to Date Budget	Annual Budget	YTD Budget Difference
ADMINISTRATIVE EXPENSES						
Audit Fees	4810.00	3750.00	4810.00	3750.00	4500.00	1060.00
Clergy Assistance	2850.00	4170.00	2850.00	4170.00	5000.00	-1320.00
Clergy Deployment	0.00	830.00	0.00	830.00	1000.00	-830.00
Clergy Retreat & Conferen	7906.82	12504.00	7906.82	12504.00	15000.00	-4597.18
Conferences-Other	877.87	1580.00	877.87	1580.00	1900.00	-702.13
Diaconal Ministry Expense	727.00	750.00	727.00	750.00	900.00	-23.00
Equipment Expense	4377.84	4780.00	4377.84	4780.00	5740.00	-402.16
Hospitality	2363.35	2500.00	2363.35	2500.00	3000.00	-136.65
Insur-Retr'd Clgy & Widow	24342.00	36000.00	24342.00	36000.00	36000.00	-11658.00
Insurance-Other	5685.41	5000.00	5685.41	5000.00	6000.00	685.41
Office Utilization	17735.00	17740.00	17735.00	17740.00	21282.00	-5.00
Postage	1982.15	5000.00	1982.15	5000.00	6000.00	-3017.85
Repairs and Maintenance	4107.86	3333.30	4107.86	3333.30	4000.00	774.56
Standing Committee Expens	202.56	333.30	202.56	333.30	400.00	-130.74
Supplies	5637.51	6260.00	5637.51	6260.00	7500.00	-622.49
Telephone	5247.80	5666.70	5247.80	5666.70	6800.00	-418.90
Reserve Fund	0.00	2142.60	0.00	2142.60	2571.09	-2142.60
Subtotal Administrative Expenses	88853.17	112339.90	88853.17	112339.90	127593.09	-23486.73
<i>Budgeted</i>	<i>88853.17</i>	<i>112339.90</i>	<i>88853.17</i>	<i>112339.90</i>	<i>127593.09</i>	<i>-23486.73</i>
<i>Non-Budgeted</i>	<i>0.00</i>					
DIOCESAN CONVENTION						
Diocesan Convention Costs	-190.94	4170.00	-190.94	4170.00	5000.00	-4360.94
Secretarial Costs-Convent	500.00	830.00	500.00	830.00	1000.00	-330.00
Subtotal Diocesan Convention	309.06	5000.00	309.06	5000.00	6000.00	-4690.94
<i>Budgeted</i>	<i>309.06</i>	<i>5000.00</i>	<i>309.06</i>	<i>5000.00</i>	<i>6000.00</i>	<i>-4690.94</i>
<i>Non-Budgeted</i>	<i>0.00</i>					
OTHER MISCELLANEOUS						
Bank Service Charges	100.50	125.00	100.50	125.00	150.00	-24.50
Contingent & Emergencies	2875.28	3002.70	2875.28	3002.70	3603.27	-127.42
Subtotal Other Miscellaneous	2975.78	3127.70	2975.78	3127.70	3753.27	-151.92
<i>Budgeted</i>	<i>2975.78</i>	<i>3127.70</i>	<i>2975.78</i>	<i>3127.70</i>	<i>3753.27</i>	<i>-151.92</i>
<i>Non-Budgeted</i>	<i>0.00</i>					
TOTAL EXPENSES	537564.30	590271.81	537564.30	590271.81	683575.00	-52707.51
<i>Budgeted</i>	<i>537564.30</i>	<i>590271.81</i>	<i>537564.30</i>	<i>590271.81</i>	<i>683575.00</i>	<i>-52707.51</i>
<i>Non-Budgeted</i>	<i>0.00</i>					
TRANSFER ACCOUNTS						
Transfer to M Lynch	\$69.30	\$0.00	\$69.30	\$0.00	\$0.00	\$69.30
Transfer from M Lynch	17370.59	1208.30	17370.59	1208.30	1450.00	16162.29
Transfer from budget	-10500.00	10500.00	-10500.00	10500.00	10500.00	-21000.00
TOTAL TRANSFERS	6939.89	11708.30	6939.89	11708.30	11950.00	-4768.41
<i>Budgeted</i>	<i>6870.59</i>	<i>11708.30</i>	<i>6870.59</i>	<i>11708.30</i>	<i>11950.00</i>	<i>-4837.71</i>
<i>Non-Budgeted</i>	<i>69.30</i>		<i>69.30</i>			
EXCESS INCOME\EXPENSES	-\$13459.67	\$45193.69	-\$13459.67	\$45193.69	\$65789.82	-\$58653.36
<i>Budgeted</i>	<i>-14609.67</i>	<i>45193.69</i>	<i>-14609.67</i>	<i>45193.69</i>	<i>65789.82</i>	<i>-59803.36</i>
<i>Non-Budgeted</i>	<i>1150.00</i>		<i>1150.00</i>			

2009 ASSESSMENTS
DIOCESE OF NORTHERN INDIANA

	2005	2006	2007	TOTAL 3 YEARS	AVERAGE	0.16	REDUCTION OF	MONTHLY
Angola, Holy Family	\$51,281.06	\$46,415.06	\$48,448.73	\$146,144.85	\$48,714.95	\$7,793.90		\$649.49
Berne, St. George	\$18,872.00	\$18,121.00	\$24,171.00	\$61,164.00	\$20,388.00	\$3,261.88		\$271.82
Bristol, St. John's	\$119,405.00	\$90,012.00	\$92,251.00	\$301,668.00	\$100,556.00	\$16,087.95		\$1,340.66
Chesterton, St. Francis'	\$59,668.00	\$55,093.00	\$60,047.00	\$174,808.00	\$58,269.33	\$9,322.51		\$776.88
Crown Point, St. Christopher's	\$45,797.00	\$51,054.00	\$52,616.00	\$149,467.00	\$49,822.33	\$7,971.08		\$664.26
Culver, St. Elizabeth's	\$12,168.00	\$15,202.90	\$31,029.45	\$58,400.35	\$19,466.78	\$3,114.49		\$259.54
East Chicago, Good Shepherd	\$18,907.20	\$23,360.85	\$19,026.00	\$61,294.05	\$20,431.35	\$3,268.81		\$272.40
Elkhart, St. David's	\$108,911.00	\$111,124.54	\$132,219.00	\$352,254.54	\$117,418.18	\$18,785.73		\$1,565.48
Elkhart, St. John's	\$299,361.00	\$281,629.00	\$274,091.00	\$855,081.00	\$285,027.00	\$45,601.47		\$3,800.12
Fort Wayne, Grace Church	\$178,337.00	\$192,888.00	\$165,996.00	\$537,221.00	\$179,073.67	\$28,650.00		\$2,387.50
Fort Wayne, St. Alban's	\$145,626.00	\$169,560.00	\$157,686.00	\$472,872.00	\$157,624.00	\$25,218.26		\$2,101.52
Fort Wayne, Trinity	\$481,970.67	\$504,181.72	\$508,040.83	\$1,494,193.22	\$498,064.41	\$79,685.32		\$6,640.44
Gary, St. Augustine's	\$96,831.00	\$92,454.00	\$76,595.00	\$265,880.00	\$88,626.67	\$14,179.38		\$1,181.62
Gary, St. Barnabas'	\$26,814.00	\$33,313.00	\$31,349.00	\$91,476.00	\$30,492.00	\$4,878.42		\$406.53
Gas City, St. Paul's	\$21,696.00	\$20,953.00	\$23,002.00	\$65,651.00	\$21,883.67	\$3,501.17		\$291.76
Goshen, St. James'	\$47,228.13	\$47,524.00	\$55,174.00	\$149,926.13	\$49,975.38	\$7,995.56		\$666.30
Griffith, St. Timothy's	\$57,941.00	\$53,797.00	\$63,540.70	\$175,278.70	\$58,426.23	\$9,347.61		\$778.97
Hobart, St. Stephen's	\$52,946.24	\$53,218.21	\$49,750.00	\$155,914.45	\$51,971.48	\$8,314.92		\$692.91
Howe, St. Mark's	\$38,440.76	\$31,540.64	\$41,537.64	\$111,519.04	\$37,173.01	\$5,947.31		\$495.61
Huntington, Christ The King	\$87,277.51	\$85,611.72	\$86,976.37	\$259,865.60	\$86,621.87	\$13,858.63		\$1,154.89
Kokomo, St. Andrew	\$373,133.56	\$359,479.64	\$344,949.85	\$1,077,563.05	\$359,187.68	\$57,466.44		\$4,788.87
LaPorte, St. Paul's	\$183,036.00	\$172,078.63	\$118,897.52	\$474,012.15	\$158,004.05	\$25,279.07		\$2,106.59
Logansport, Trinity	\$56,597.00	\$63,546.00	\$66,406.00	\$186,549.00	\$62,183.00	\$9,948.66		\$829.05
Marion, Gethsemane	\$184,097.00	\$190,126.00	\$119,931.00	\$494,154.00	\$164,718.00	\$26,353.23		\$2,196.10
Michigan City, St. Andrew's	\$52,471.66	\$57,600.50	\$51,876.66	\$161,948.82	\$53,982.94	\$8,636.73		\$719.73
Michigan City, Trinity	\$149,599.38	\$140,051.56	\$160,581.00	\$450,231.94	\$150,077.31	\$24,010.87		\$2,000.91
Mishawaka, St. Paul's	\$138,875.06	\$153,753.00	\$148,205.00	\$440,833.06	\$146,944.35	\$23,509.63		\$1,959.14
Munster, St. Paul's	\$184,363.00	\$182,806.00	\$154,898.00	\$522,067.00	\$174,022.33	\$27,841.83		\$2,320.15
Plymouth, St. Thomas	\$148,231.00	\$150,534.00	\$145,086.00	\$443,851.00	\$147,950.33	\$23,670.57		\$1,972.55
Rensselaer, St. Peter's	\$7,020.00	\$7,548.00	\$6,476.00	\$21,044.00	\$7,014.67	\$1,122.28		\$93.52
South Bend, Cathedral	\$328,386.00	\$389,825.00	\$293,374.00	\$1,011,585.00	\$337,195.00	\$53,947.83		\$4,495.65
South Bend, Holy Trinity	\$37,672.25	\$38,829.99	\$51,665.95	\$128,168.19	\$42,722.73	\$6,835.21		\$569.60
South Bend, St. Michael's	\$273,245.80	\$271,087.56	\$234,462.00	\$778,795.36	\$259,598.45	\$41,533.16		\$3,461.10
Syracuse, All Saints'	\$25,045.00	\$26,850.00	\$24,219.00	\$76,114.00	\$25,371.33	\$4,059.16		\$338.26
Valparaiso, St. Andrew's	\$220,790.00	\$270,485.00	\$304,927.00	\$796,202.00	\$265,400.67	\$42,461.45		\$3,538.45
Warsaw, St. Anne's	\$253,103.00	\$271,861.32	\$337,810.00	\$862,774.32	\$287,591.44	\$46,011.75		\$3,834.31
TOTALS	\$4,585,144.28	\$4,723,515.84	\$4,557,311.70	\$13,865,971.82	\$4,621,990.61	\$739,472.27		\$61,622.69

THE DIOCESE OF NORTHERN INDIANA, INC.
PAYMENTS MADE ON 2007 ASSESSMENTS
1-1-08 to 9-30-08

PARISH

Elkhart, St. John's	\$4,056.90
Gary, St. Augustine's	\$ 665.62
Griffith, St. Timothy's	\$ 801.70
Huntington, Christ the King	\$2,407.41
LaPorte, St. Paul's	\$2,434.87
South Bend, St. Michael's	\$3,590.75

TOTAL	\$13,957.25
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Primary Account: 620-02044

TOTAL MERRILL®

EPISCOPAL DIOCESE OF N INDIANA
35-1048903
117 N LAFAYETTE BLVD
SOUTH BEND IN 46601-1507

YOUR MERRILL LYNCH REPORT

August 30, 2008 - September 30, 2008

PORTFOLIO SUMMARY

	September 30	August 29	Month Change
Net Portfolio Value	\$3,402,351.30	\$3,571,866.48	(\$169,515.18)
Your assets	\$3,402,351.30	\$3,571,866.48	(\$169,515.18)
Your liabilities ¹	-	-	-
Your Net Cash Flow (Inflows/Outflows) Securities You Transferred In/Out	\$1,182.72	(\$14,646.75)	
Subtotal Net Contributions	\$1,182.72	(\$14,646.75)	
Your Dividends/Interest Income	\$24,435.73	\$16,713.56	
Your Market Change	(\$195,133.63)	(\$6,037.55)	
Subtotal Investment Earnings	(\$170,697.90)	\$10,676.01	

**Need Investment Guidance?
Call Your Financial Advisor**

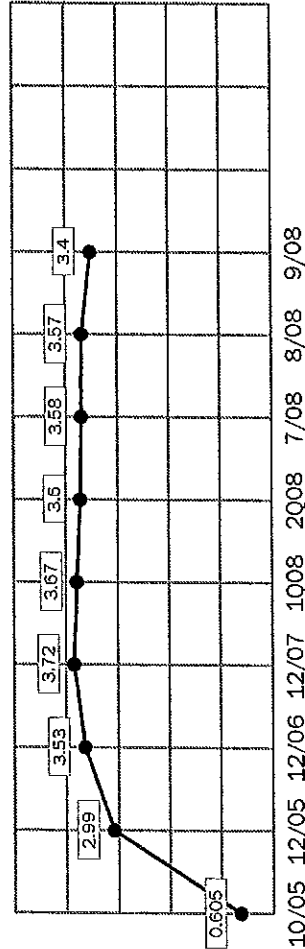
Your Financial Advisor:
THE SIMON BISSELL GROUP
100 NORTH MICHIGAN SUITE 500
SOUTH BEND IN 46601
(574) 282-3649

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

Up-to-date account information can be viewed
at: www.mlol.ml.com, where your statements
are archived for three or more years.

Questions about ML0L? Click the "help" tab at
the top of the screen once you log in.

Net Portfolio Value (in millions), 2005-2008



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

SAFE HARBORS AND MARKET OPPORTUNITIES FOR TODAY'S MARKETS

With the ongoing global market volatility, it's important that you talk with
your Financial Advisor, who will weigh your goals and risk tolerance and use
Merrill Lynch's broad expertise to help you position your portfolio for success.



YOUR ACCOUNTS

August 30, 2008 - September 30, 2008

September 30 August 29 Page

BEYOND BANKING

Ask your Financial Advisor about online bill payment that's fast, easy and secure.

INVESTMENTS

	Account No.	Account Type/Managing Firm	September 30	August 29	Page
EPISCOPAL DIOCESE OF N INDIANA	620-02044	EMA/BlackRock Sht-Term Tax F I (R)	2,676,937.91	2,775,271.42	6
EPISCOPAL DIOCESE OF N INDIANA	620-02045	EMA/BlackRock WDP All Equity	725,413.39	796,595.06	13
Subtotal			3,402,351.30	3,571,866.48	

RETIREMENT

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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

TOTAL MERRILL®

YOUR BALANCE SHEET (for your ML accounts)

August 30, 2008 - September 30, 2008

	September 30	August 29		This Report	Year to Date
ASSETS					
Cash/Money Accounts	181,875.93	155,393.73	Opening Cash/Money Accounts	\$155,393.73	
Fixed Income	2,488,129.99	2,597,318.07	CREDITS		
Equities	636,917.25	700,440.59	Funds Received	1,189.79	16,620.41
Mutual Funds	74,781.06	85,322.64	Electronic Transfers	-	-
Options	-	-	Other Credits	9.90	76.47
Other	-	-	Subtotal	1,199.69	16,696.88
Subtotal (Long Portfolio)	3,381,704.23	3,538,475.03	DEBITS		
Estimated Accrued Interest	20,647.07	33,391.45	Electronic Transfers	-	-
TOTAL ASSETS	\$3,402,351.30	\$3,571,866.48	Margin Interest Charged	-	-
LIABILITIES					
Margin Loan/Debit Balance	-	-	Other Debits	(16.97)	(106,407.35)
Short Market Value	-	-	Visa Purchases (debits)	-	-
Subtotal	-	-	ATM/Cash Advances	-	-
NET PORTFOLIO VALUE	\$3,402,351.30	\$3,571,866.48	Checks Written/Bill Payment	-	-
			Subtotal	(16.97)	(106,407.35)
OTHER LIABILITIES (not included in Net Portfolio Value)					
Loan Management Account ⁽¹⁾	-	-	Net Cash Flow	\$1,182.72	(\$89,710.47)
Mortgages	-	-	Dividends/Interest Income	24,435.73	122,249.78
Home Equity Loans	-	-	Security Purchases/Debits	(19,004.15)	(2,153,017.13)
Business Loans	-	-	Security Sales/Credits	19,867.90	2,187,744.29
Subtotal	-	-	Closing Cash/Money Accounts	\$181,875.93	
TOTAL LIABILITIES	-	-	Securities You Transferred In/Out	-	-

⁽¹⁾ Secured by assets in a Merrill Lynch account

Primary Account: 620-02044

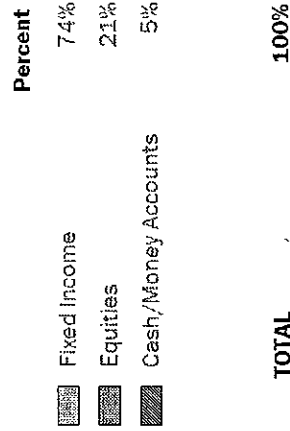
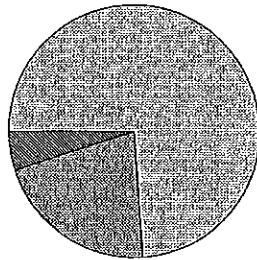
24-Hour Assistance: (800) MERRILL

YOUR PORTFOLIO REVIEW

August 30, 2008 - September 30, 2008

ASSET ALLOCATION

Estimated Accrued Interest not included
May not reflect all holdings



CURRENT INCOME

	This Report	Year To Date
Tax-Exempt Interest	22,233.13	106,200.66
Taxable Interest	-	-
Tax-Exempt Dividends	2,202.60	16,049.12
Taxable Dividends	\$24,435.73	\$122,249.78
Total		

Your Estimated Annual Income \$135,447.36

BOND MATURITY SCHEDULE

Does not include Fixed Income Mutual Funds

Maturity Years	% of Total Bond Assets	Par Value	Estimated Market Value
<1	20%	503,000	499,879.59
1-2	32%	885,000	790,529.98
2-5	48%	1,141,000	1,197,720.42
Total	100%	2,529,000	\$2,488,129.99

TOP FIVE PORTFOLIO HOLDINGS

Based on Estimated Market Value

	Current Value	% of Portfolio
U.S. TREASURY NOTE	431,619.12	12.76%
U.S. TREASURY NOTE	336,924.80	9.96%
U.S. TREASURY NOTE	249,680.82	7.38%
FEDERAL NATL MTG ASSN	203,095.18	6.01%
FED HOME LOAN MTG CORP	183,406.44	5.42%





Primary Account: 620-02044

TOTAL MERRILL*

YOUR MONTHLY INCOME & GAIN/(LOSS) REVIEW

August 30, 2008 - September 30, 2008

INCOME SUMMARY

Account No.	This Report				Year to Date				Total YTD Income
	Tax-Exempt Interest	Taxable Interest	Tax-Exempt Dividends	Taxable Dividends	Tax-Exempt Interest	Taxable Interest	Tax-Exempt Dividends	Taxable Dividends	
Non-Retirement 620-02044	-	22,233	-	326	-	106,201	-	1,862	108,063
620-02045	-	-	-	1,877	-	-	-	14,187	14,187
TOTAL	-	\$22,233	-	\$2,203	-	\$106,201	-	\$16,049	\$122,250

GAIN/(LOSS) SUMMARY

Account No.	Realized Gains/(Losses)			Long Term Capital Gain Distributions			Unrealized Gains/(Losses)		
	This Report Short Term	YTD Short Term	This Report Long Term	Year To Date	Short Term	Long Term	Short Term	Long Term	
Non-Retirement 620-02044	-	106.76	-	-	(89,344.00)	(7,903.00)	-	(7,903.00)	
620-02045	(2,477.79)	(31,344.01)	(563.51)	839.93	(67,166.00)	(21,657.00)	-	(21,657.00)	
TOTAL	(\$2,477.79)	(\$31,237.25)	(\$563.51)	\$839.93	(\$156,510.00)	(\$29,560.00)	\$46,195.39	\$122,250	

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