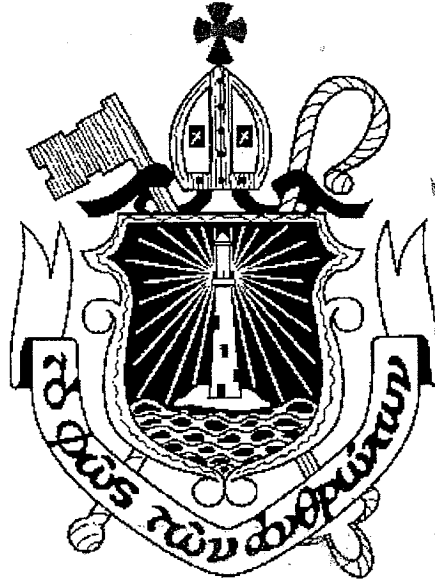


THE DIOCESE OF NORTHERN INDIANA



TREASURER'S REPORT

Convention October 24, 2009

Auditors Report.....	1
Auditors Financial Statements Audited.....	2-23
Report from Forward in Faith 2008.....	24-25
Report from Diocese September 2009 Unaudited.....	26-34
Merrill Lynch Summary September 2009.....	35-39

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position (modified cash basis) of Diocese of Northern Indiana of the Episcopal Church, Inc. as of December 31, 2008 and 2007 and the related (modified cash basis) statements of activities and change in net assets for the years then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in Note 1, these financial statements were prepared on the 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, 2008 and 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 16 - 23 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 23, 2009

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

STATEMENTS OF FINANCIAL POSITION - MODIFIED CASH BASIS

December 31, 2008

ASSETS	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total All Funds</u>
Cash	\$ 158,495	\$ 56,357		\$ 214,852
Investments (at market)	620,098	360,527	\$ 301,683	1,282,308
Prepaid expenses				
Property and Equipment				
Buildings	546,614			546,614
Equipment	22,735			22,735
Total cost	<u>569,349</u>			<u>569,349</u>
Accumulated depreciation	<u>(140,215)</u>			<u>(140,215)</u>
Net Property and Equipment	429,134			429,134
Life insurance - Cash Value	<u>71,136</u>			<u>71,136</u>
 Total Assets	 <u>\$ 1,278,863</u>	 <u>\$ 416,884</u>	 <u>\$ 301,683</u>	 <u>\$ 1,997,430</u>
LIABILITIES AND NET ASSETS				
Net Assets	<u>\$ 1,278,863</u>	<u>\$ 416,884</u>	<u>\$ 301,683</u>	<u>\$ 1,997,430</u>
Total Liabilities and Net Assets	<u>\$ 1,278,863</u>	<u>\$ 416,884</u>	<u>\$ 301,683</u>	<u>\$ 1,997,430</u>

(See accompanying notes and auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

STATEMENTS OF FINANCIAL POSITION - MODIFIED CASH BASIS

December 31, 2007

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

See accompanying notes and auditors' report.

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

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

For the year ended December 31, 2008

	- - - - Unrestricted - - - -				Total
	Currently Expendable	Endowment	Temporarily Restricted	Permanently Restricted	All Funds
SUPPORT AND REVENUE					
Parishes and missions	\$ 668,034				\$ 668,034
Conferences and rental - Wawasee	24,855				24,855
Contributions			\$ 60,900		60,900
Investment income	5,644	\$ 7,887	(167,074)		(153,543)
Miscellaneous	2,074				2,074
Late payments from parishes	13,957				13,957
Net assets released from restrictions:	<u>98,341</u>	<u></u>	<u>(98,341)</u>	<u></u>	<u></u>
Total Support and Revenue	<u>812,905</u>	<u>7,887</u>	<u>(204,515)</u>	<u></u>	<u>616,277</u>
EXPENSES					
Program services	264,275				264,275
General and administrative	<u>566,413</u>				<u>566,413</u>
Total Expenses	<u>830,688</u>	<u></u>	<u></u>	<u></u>	<u>830,688</u>
Increase (Decrease) in Net Assets Before Board Designations	(17,783)	7,887	(204,515)		(214,411)
Designations by the governing board:					
Investment returns utilized for current operations	33,266	(33,266)			
Held for long-term investment	<u>(12,850)</u>	<u>12,850</u>	<u></u>	<u></u>	<u></u>
Increase (Decrease) in Net Assets	2,633	(12,529)	(204,515)		(214,411)
Net Assets - Beginning	<u>651,280</u>	<u>637,479</u>	<u>621,399</u>	<u>301,683</u>	<u>2,211,841</u>
Net Assets - Ending	<u>\$ 653,913</u>	<u>\$ 624,950</u>	<u>\$ 416,884</u>	<u>\$ 301,683</u>	<u>\$ 1,997,430</u>

(See accompanying notes and auditors' report.)

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

For the year ended December 31, 2007

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

See accompanying notes and auditors' report.

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

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, 2008

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 \$15,095 for 2008 and \$15,325 for 2007. 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 \$36,098 - 2008 and \$35,454 - 2007.

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.

Accounting for Net Assets

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

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

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

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounting for Net Assets - Continued

Episcopate

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

WCRS Reserve

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

Sabbatical

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

General Convention

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

Lambeth

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

Historiographer

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

Bishop's Association

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

Wawasee

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

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounting for Net Assets - Continued

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.

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.

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounting for Net Assets - Continued

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 \$681,991 - 2008 and \$653,648 - 2007 of which \$13,957 and \$24,041 respectively was for assessments from the prior year. Assessments outstanding as of December 31, were \$13,981 - 2008 and \$30,909 - 2007.

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

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 - 2008 and \$21,282 - 2007. There are no future minimum lease payments for this operating lease.

NOTE 4 - INVESTMENTS

Investments consist of the following at December 31:

	2008		2007	
	Market	Cost	Market	Cost
Equity Mutual Funds	\$ 307,896	\$ 325,915	\$ 489,085	\$ 360,498
Certificate of deposits			29,855	30,120
Treasury Notes/Bonds	<u>974,412</u>	<u>989,709</u>	<u>1,016,110</u>	<u>955,956</u>
Total	<u>\$1,282,308</u>	<u>\$1,315,654</u>	<u>\$1,535,050</u>	<u>\$1,386,574</u>

Realized gains (losses) on the sale of investments are \$(34,184) for 2008 and \$19,419 for 2007. Management fees for 2008 of \$10,405 and \$10,863 for 2007 are netted against realized gains. The following table summarizes the relationship between market value and cost of the investments as of December 31, 2008:

	-Market-	--Cost--	Excess of Market Over Cost
Balance at end of year	<u>\$1,282,308</u>	<u>\$1,315,654</u>	\$(33,346)
Balance at beginning of year	<u>\$1,535,050</u>	<u>\$1,386,574</u>	<u>148,476</u>
Decrease in unrealized appreciation			(181,822)
Realized loss for 2008			<u>(34,184)</u>
Total loss for 2008			<u>\$(216,003)</u>
Total gain for 2007			<u>\$ 20,562</u>

(See auditor's report)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 5 – EXCESS BANK AND SECURITIES DEPOSITS

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

NOTE 6 - ENDOWMENTS

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

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

(See auditor's report)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 4 – ENDOWMENTS - CONTINUED

Endowment Net Asset Composition by Type of Fund

As of December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted				
Endowment funds	\$ -	\$ 416,884	\$ 301,683	\$ 718,567
Board-designated				
Endowment funds	<u>624,950</u>	<u>-</u>	<u>-</u>	<u>624,950</u>
Total funds	<u>\$ 624,950</u>	<u>\$ 416,884</u>	<u>\$ 301,683</u>	<u>\$1,343,517</u>

Changes in Endowment Net Assets

For the Fiscal Year Ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 637,479	\$ 621,399	\$ 301,683	\$1,560,561
Investment return:				
Investment income	27,847	28,677		56,524
Net depreciation (realized and unrealized)	<u>(19,960)</u>	<u>(195,751)</u>		<u>(215,711)</u>
Total investment return	7,887	(167,074)		(159,187)
Contributions		60,900		60,900
Appropriation of endowment assets for expenditure	(33,266)	(98,341)		(131,607)
Other changes:				
Transfers to create board- designated endowment funds	<u>12,850</u>	<u>-</u>	<u>-</u>	<u>12,850</u>
Endowment net assets, end of year	<u>\$ 624,950</u>	<u>\$ 416,884</u>	<u>\$ 301,683</u>	<u>\$1,343,517</u>

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 4 – ENDOWMENTS – CONTINUED

Endowment Net Asset Composition by Type of Fund
As of December 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted Endowment funds	\$ -	\$ 621,399	\$ 301,683	\$ 923,082
Board-designated Endowment funds	<u>637,479</u>	<u>-</u>	<u>-</u>	<u>637,479</u>
Total funds	<u>\$ 637,479</u>	<u>\$ 621,399</u>	<u>\$ 301,683</u>	<u>\$ 1,560,561</u>

Changes in Endowment Net Assets
For the Fiscal Year Ended December 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 608,416	\$ 567,947	\$ 301,683	\$ 1,478,046
Investment return:				
Investment income	30,446	35,901		66,347
Net depreciation (realized and unrealized)	<u>8,532</u>	<u>12,030</u>		<u>20,562</u>
Total investment return	38,978	47,931		86,909
Contributions		57,416		57,416
Appropriation of endowment assets for expenditure	(32,765)	(51,895)		(84,660)
Other changes:				
Transfers to create board- designated endowment funds	<u>22,850</u>	<u>-</u>	<u>-</u>	<u>22,850</u>
Endowment net assets, end of year	<u>\$ 637,479</u>	<u>\$ 621,399</u>	<u>\$ 301,683</u>	<u>\$ 1,560,561</u>

(See auditor's report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 4 – ENDOWMENTS - CONTINUED

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or IPMIFA requires the Organization to retain as a fund of perpetual donation. There were no such deficiencies as of December 31, 2008 and 2007.

Return Objectives and Risk Parameters

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

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

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

(See auditor's report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.
SCHEDULES OF ACTIVITY FOR TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

For the year ended December 31, 2008

	Delphi Fund	Krause Fund	Emma Wallach Theological Fund	Education Fund	Diocesan Endowment Fund	Wawasee Properties	Clergy Conference	Other (see page 20)	2008 Total
TEMPORARILY RESTRICTED NET ASSETS									
Revenue, Gains and Other Support:									
Contributions	\$ 9,699	\$ 900	\$ 2,500	\$ 4,651	\$ 8,203	\$ -	\$ 433	\$ 58,400	\$ 60,900
Interest	2,716	243	447	(4,421)	(39,822)	-	120		28,677
Realized gains (losses)	(8,473)	(759)	(1,298)	(19,965)	(124,164)	-	(375)		(40,717)
Unrealized gains (losses)									(155,034)
Net Assets released from restrictions		(500)	(4,856)	(1,150)		(20,854)		(60,756)	(88,116)
Released for program expenses	(10,225)								(10,225)
Time restrictions									
Contributions:									
Held for Long-term Investment									
Increase (decrease) in temporarily restricted net assets	(6,283)	(116)	1,584	(20,885)	(155,783)	(20,854)	178	(2,356)	(204,515)
Temporarily Restricted Net Assets - Beginning	174,852	10,840	36,224	47,266	283,904	20,854	10,662	36,797	621,399
Temporarily Restricted Net Assets - Ending	\$ 168,569	\$ 10,724	\$ 37,808	\$ 26,381	\$ 128,121	\$ -	\$ 10,840	\$ 34,441	\$ 416,884
PERMANENTLY RESTRICTED NET ASSETS									
Permanently Restricted Net Assets - Beginning	\$ 47,241	\$ 17,840	\$ -0-	\$ 100,000	\$ 136,602	\$ -0-	\$ -0-	\$ -0-	\$ 301,683
Permanently Restricted Net Assets - Ending	\$ 47,241	\$ 17,840	\$ -0-	\$ 100,000	\$ 136,602	\$ -0-	\$ -0-	\$ -0-	\$ 301,683

(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

	Delphi Fund	Krause Fund	Seminarian Fund	Emma Wallach Theological Fund	Education Fund	WCRS Diocesan Endowment Fund	Wawasee Properties	Clergy Conference	Other (see page 21)	2007 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
Interest	(437)	(39)		(70)	2,236	18,404	(33)	(19)		35,901
Realized gains (losses)	3,485	312		541	(406)	(12,340)	245	151		20,042
Unrealized gains (losses)										(8,012)
										0
Net Assets released from restrictions				(4,523)	(2,715)				(34,331)	(41,569)
Released for program expenses	(10,326)									(10,326)
Time restrictions										0
Contributions:										
Held for Long-term Investment			(3,020)	3,020						0
Increase (decrease) in temporarily restricted net assets	4,013	1,317	(3,020)	3,967	4,939	17,809	12,756	580	11,091	53,452
Temporarily Restricted Net Assets - Beginning	170,839	9,523	3,020	32,257	42,326	266,095	8,098	10,083	25,706	567,947
Temporarily Restricted Net Assets - Ending	<u>\$ 174,852</u>	<u>\$ 10,840</u>	<u>\$ -</u>	<u>\$ 36,224</u>	<u>\$ 47,265</u>	<u>\$ 283,904</u>	<u>\$ 20,854</u>	<u>\$ 10,663</u>	<u>\$ 36,797</u>	<u>\$ 621,399</u>
PERMANENTLY RESTRICTED NET ASSETS										
Permanently Restricted Net Assets - Beginning	\$ 47,241	\$ 17,840	\$ -0-	\$ -0-	\$ 100,000	\$ 136,602	\$ -0-	\$ -0-	\$ -0-	\$ 301,683
Permanently Restricted Net Assets - Ending	<u>\$ 47,241</u>	<u>\$ 17,840</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 100,000</u>	<u>\$ 136,602</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 301,683</u>

See accompanying auditors' report.

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

For the year ended December 31, 2008

	Episcopate Fund	WCRC Reserve Fund	General Convention	Lambeth Conference	Sabbaticals	Historiographer	Bishop's Assoc.	Wawasee Fund	Equipment Fund	Youth Fund	Social Ministry Fund	Election of Bishop	2008 Total
Revenue, Gains and Support:													
Interest	\$ 5,885	13,609	\$ 635	\$ 360	\$ 595	\$ 140	\$ 1,133	\$ 196	\$ 28	\$ 1,058	\$ 3,583	\$ 625	\$ 27,847
Realized gains (losses)	1,647	3,812	125	115	164	38	(832)	54	14	292	822	156	6,407
Unrealized gains (losses)	(5,141)	(11,888)	(251)	(164)	(514)	(121)	(4,161)	(169)	(19)	(915)	(2,582)	(442)	(26,367)
Total	2,391	5,533	509	311	245	57	(3,860)	81	23	435	1,823	339	7,887
Designations by the governing board:													
Investment returns utilized for current operations (withdrawals)	(6,204)	(14,347)	9,000	(11,389)					(1,326)			3,000	(33,266)
Held for long-term investment (deposits)	(6,204)	(14,347)	9,000	(10,539)					(1,326)			3,000	12,850
Total	(3,813)	(8,814)	9,509	(10,228)	245	57	(3,860)	81	(1,303)	435	1,823	3,339	(12,529)
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
Net Assets - Ending	\$ 130,947	\$ 302,810	\$ 21,316	\$ 3,866	\$ 13,467	\$ 3,166	\$ 27,799	\$ 4,423	\$ -	\$ 23,997	\$ 76,672	\$ 16,487	\$ 624,950

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

For the year ended December 31, 2007

	Episcopate Fund	WCERS Reserve Fund	General Convention	Lambeth Conference	Sabbaticals	Historiographer	Bishop's Assoc.	Wawasee Fund	Equipment Fund	Youth Fund	Social Ministry Fund	Election of Bishop	2007 Total
Revenue, Gains and Support:													
Interest	\$ 6,787	15,403	\$ 343	\$ 659	\$ 815	\$ 153	\$ 1,357	\$ 208	\$ 68	\$ 886	\$ 3,226	\$ 541	\$ 30,446
Realized gains (losses)	(265)	(614)	(24)	(105)	(26)	(6)	461	(8)	(3)	122	(129)	(26)	(623)
Unrealized gains (losses)	2,113	4,890	226	206	220	48	(20)	68	20	138	1,027	219	9,153
Total	8,635	19,679	545	760	1,009	195	1,798	268	85	1,146	4,124	734	38,978
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)
Field for long-term investment (deposits)	(6,273)	(14,492)	9,000	850	(12,000)					10,000		3,000	22,850
Total	2,362	5,187	9,545	1,610	(10,991)	195	1,798	268	85	11,146	4,124	3,734	29,063
Net Assets - Beginning	132,398	306,437	2,262	12,484	24,213	2,914	29,861	4,074	1,218	12,416	70,725	9,414	608,416
Net Assets - Ending	\$ 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

See accompanying auditors' report.

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

SCHEDULES OF OTHER ACTIVITY REVENUE AND EXPENSE

For the year ended December 31, 2008

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	8,285	14,405	16,327	(1,922)	(16,327)	6,363
Bishop gift	18,650		6,647	(6,647)	(6,647)	12,003
Darkness Day		110	110		(110)	-
Retired Bishop	760		682	(682)	(682)	78
Camp for Prisoners Children	2,999	29,205	23,795	5,410	(23,795)	8,409
Camp scholarships	99	1,485		1,485		1,584
Wells mission trip		13,195	13,195		(13,195)	-
Syracuse Seawall	2,883					2,883
TOTAL	<u>\$ 36,797</u>	<u>\$ 58,400</u>	<u>\$ 60,756</u>	<u>\$ (2,356)</u>	<u>\$ (60,756)</u>	<u>\$ 34,441</u>

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

SCHEDULES OF OTHER ACTIVITY REVENUE AND EXPENSE

For the year ended December 31, 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 accompanying auditors' report.

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended December 31, 2008

UNRESTRICTED FUNDS	<u>Program Services</u>	<u>Adminis- trative</u>	<u>Retreat Center</u>	<u>Total All Funds</u>
Assessments - national	\$ 68,901			\$ 68,901
Dues	801			801
Commissions and ministries:				
Revitalization and development	35,548			35,548
Service/Outreach	7,887			7,887
Ministries	6,031			6,031
Youth	33,355			33,355
Clergy retreat	10,743			10,743
Millennium development	5,000			5,000
Salaries and payroll taxes		\$ 238,866		238,866
Housing		56,000		56,000
Pension, annuity and health		63,871		63,871
Other benefits		35,976		35,976
Rent		21,282		21,282
Maintenance		4,788	\$ 19,896	24,684
Telephone		7,098	487	7,585
Depreciation expense		15,095		15,095
Professional fees		4,810		4,810
Insurance - retired clergy		32,844		32,844
Convention and conferences		16,780		16,780
Travel		4,524		4,524
Minimum salary		4,350		4,350
Supplies		12,434	1,778	14,212
Postage		2,273		2,273
Other expenses	7,893	10,165		18,058
General expenses released from restrictions	27,360			27,360
Insurance		5,658	7,003	12,661
Communications		435		435
Other activity expenses (see page 20)	60,756			60,756
TOTAL	<u>\$ 264,275</u>	<u>\$ 537,249</u>	<u>\$ 29,164</u>	<u>\$ 830,688</u>

(See auditors' report.)

DIOCESE OF NORTHERN INDIANA OF THE EPISCOPAL CHURCH, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended December 31, 2007

UNRESTRICTED FUNDS	Program Services	Adminis- trative	Retreat Center	2007 Total All Funds
	\$	\$	\$	\$
Assessments - national	71,876			71,876
Dues	755			755
Commissions and ministries:				
Revitalization and development	26,629			26,629
Service/Outreach	2,117			2,117
Ministries	3,722			3,722
Christian education	3,500			3,500
Stewardship	1,020			1,020
Youth	29,256			29,256
Clergy retreat	9,344			9,344
Millennium development	6,000			6,000
Salaries and payroll taxes		212,830	0	212,830
Housing		56,000		56,000
Pension, annuity and health		67,919		67,919
Other benefits		42,717		42,717
Rent		21,282		21,282
Maintenance		3,505	16,369	19,874
Telephone		6,776	546	7,322
Depreciation expense		15,325		15,325
Professional fees		4,200		4,200
Insurance - retired clergy		31,480		31,480
Convention and conferences		4,767		4,767
Travel		4,357		4,357
Minimum salary		4,910		4,910
Supplies		12,996	1,544	14,540
Postage		3,531		3,531
Congregations	0			-
Other expenses	2,505	8,899		11,404
General expenses released from restrictions	7,238	0		7,238
Insurance		6,423	7,721	14,144
Communications		1,570		1,570
Other activity expenses (see page 21)	34,331			34,331
TOTAL	\$ 198,293	\$ 509,487	\$ 26,180	\$ 733,960

See accompanying auditors' report.

FORWARD IN FAITH 12-31-08

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 1-08	\$ 378,367.83
Additions	\$
Withdrawals	\$
Earnings	\$ 17,814.87
Fee	\$ -1,873.95
Accrued Interest	\$ -834.36
Realized	\$ 6,555.44
Unrealized	\$ -14,698.35
Balance12-08	\$ 385,331.48

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 1-08	\$ 541,188.51
Additions	\$
Withdrawals	\$ -5,435.00
Earnings	\$ 25,439.07
Fee	\$ -2,672.74
Accrued Interest	\$ -1,214.86
Realized	\$ 9,381.36
Unrealized	\$ -21,148.71
Balance12-08	\$ 545,537.63

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 1-08	\$ 142,777.87
Additions	\$
Earnings	\$ 6,628.16
Fee	\$ -694.12
Accrued Interest	\$ -337.13
Withdrawals	\$ -6,000.00
Realized	\$ 2,459.36
Unrealized	\$ -5,550.66
Balance 12-08	\$ 139,283.48

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 1-08	\$81,000.83	\$57,149.96
Additions	\$	
Withdrawals	\$ -3,729.18	
Earnings	\$ 3,723.64	\$ 1,115.04
Fee	\$ -390.48	\$ -654.69
Accrued Interest	\$ -186.36	\$
Realized	\$ 1,381.22	\$ -4,757.49
Unrealized	\$ -3,090.13	\$ -16,874.87
Balance 12-08	\$ 78,709.54	\$ 35,977.95

DIOCESAN ENDOWMENT Growth account Merrill Lynch.

Balance 1-08	\$ 420,505.36
Additions	\$
Withdrawals	\$
Earnings	\$ 8,204.40
Fee	\$ -4,817.09
Realized	\$ -35,005.22
Unrealized	\$ -124,164.09
Balance 12-08	\$ 264,723.36

THE DIOCESE OF NORTHERN INDIANA, INC.
PAYMENTS MADE ON 2008 ASSESSMENTS
1-1-09 to 9-30-09

PARISH

Gary, St. Augustine's	\$1,282.00
Gary, St. Barnabas'	\$ 378.11
Griffith, St. Timothy's	\$ 783.96
Huntington, Christ the King	\$ 500.00 owes \$6,500.00
Munster, St. Paul's	\$ 619.14
Rensselaer, St. Peter's	\$ 99.01
South Bend, Holy Trinity	\$ 497.39
South Bend, Cathedral of St.James	\$4,570.28

TOTAL	\$ 8,729.89
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Diocese of Northern Indiana
Balance Sheet (UNAUDITED)
 OPERATING FUND 01, September 2009

10/12/2009 09:26 AM

Page: 1

	Current Year
ASSETS	
CHECKING ACCOUNTS	
Oper. Checking-Key Bank	\$15395.37
SHORT TERM INVESTMENTS	
Certificates of Deposit	65178.19
FIXED ASSETS	
LAND AND BUILDINGS	
Wawasee Center&All Saints	3500000.00
Grace House	50000.00
Subtotal Land And Buildings	3550000.00
Subtotal Fixed Assets	3550000.00
TOTAL ASSETS	\$3630573.56
LIABILITIES	
CURRENT LIABILITIES	
TAXES PAYABLE	
Annuity Withheld	\$4800.00
TOTAL LIABILITIES	4800.00
FUND BALANCE	
Fund Balance	\$3625773.56
TOTAL FUND BALANCE	3625773.56
TOTAL LIABILITIES AND FUND BALANCE	\$3630573.56

Diocese of Northern Indiana
Income and Expense Statement (UNAUDITED)
 OPERATING FUND 01, September 2009

10/12/2009 09:33 AM

Page: 1

	Current Period	Current Budget	Year to Date	Year to Date Budget	Annual Budget	YTD Budget Difference
INCOME						
Assessments-Congregations	\$42848.74	\$56990.73	\$459582.17	\$512916.57	\$683888.80	-\$53334.40
Assessments Prior Year	0.00	0.00	8729.89	14453.97	14453.97	-5724.08
Outreach Income	1000.00	500.00	4000.00	4500.00	6000.00	-500.00
Miscellaneous Income	10.00	0.00	11.73	0.00	0.00	11.73
Youth Income	10765.00	833.33	10765.00	7499.97	10000.00	3265.03
Summer Camp Income	0.00	1666.67	19172.50	15000.03	20000.00	4172.47
General Convention Income	0.00	1784.18	22774.50	16057.62	21410.21	6716.88
INTEREST INCOME						
Checking Account Interest	15.56	33.33	328.07	299.97	400.00	28.10
INVESTMENT INCOME						
Earnings on Investment	0.00	0.00	19247.88	18600.00	24800.00	647.88
CD gains/losses	40.55	0.00	-2772.81	0.00	0.00	-2772.81
Subtotal Investment Income	40.55	0.00	16475.07	18600.00	24800.00	-2124.93
<i>Budgeted</i>	0.00	0.00	19247.88	18600.00	24800.00	647.88
<i>Non-Budgeted</i>	40.55		-2772.81			
TOTAL INCOME						
	54679.85	61808.24	541838.93	589328.13	780952.98	-47489.20
<i>Budgeted</i>	54629.30	61808.24	544600.01	589328.13	780952.98	-44728.12
<i>Non-Budgeted</i>	50.55		-2761.08			
EXPENSES						
NATIONAL CHURCH EXPENSE						
Nat'l Church Assessment	\$5922.91	\$5922.91	\$53306.19	\$53306.19	\$71074.95	\$0.00
Provincial Synod	0.00	0.00	782.00	1300.00	1300.00	-518.00
Millennium Dev. Goals	0.00	416.89	3790.00	3752.01	5002.71	37.99
Subtotal National Church Expense	5922.91	6339.80	57878.19	58358.20	77377.66	-480.01
<i>Budgeted</i>	5922.91	6339.80	57878.19	58358.20	77377.66	-480.01
<i>Non-Budgeted</i>	0.00					
REVITAL. & DEVELOP.						
Congregational Rev. & Dev	852.20	2977.80	20479.95	26800.20	35733.61	-6320.25
YOUTH EXPENSE						
Summer Camp Support	0.00	0.00	42143.83	24000.00	24000.00	18143.83
OTHER PROGRAM EXPENSES						
Congregational Development	0.00	83.33	1000.00	749.97	1000.00	250.03
Commission on Ministry	0.00	375.00	1997.35	3375.00	4500.00	-1377.65
Communications	0.00	75.00	360.00	1025.00	1250.00	-665.00
Cursillo Support	800.00	125.00	800.00	1125.00	1500.00	-325.00
Ecumenical Relations	0.00	250.00	2067.39	2250.00	3000.00	-182.61
Outreach	1000.00	500.00	4000.00	4500.00	6000.00	-500.00
Subtotal Other Program Expenses	1800.00	1408.33	10224.74	13024.97	17250.00	-2800.23
<i>Budgeted</i>	1800.00	1408.33	10224.74	13024.97	17250.00	-2800.23
<i>Non-Budgeted</i>	0.00					

Diocese of Northern Indiana
Income and Expense Statement (UNAUDITED)
 OPERATING FUND 01, September 2009

10/12/2009 09:33 AM

Page: 2

	Current Period	Current Budget	Year to Date	Year to Date Budget	Annual Budget	YTD Budget Difference
OFFICE OF THE BISHOP						
Bishop-Stipend	6772.00	6772.00	60948.00	60948.00	81263.99	0.00
Bishop-Housing Allowance	2916.67	2916.67	26250.03	26250.03	35000.00	0.00
Bishop-Pension Provision	0.00	0.00	15695.64	15695.64	20927.52	0.00
Bishop-H & L Insurance	1147.50	1173.99	10327.50	10565.91	14087.90	-238.41
Bishop-Cont Ed & Wellness	0.00	83.00	63.95	747.00	1000.00	-683.05
Bishop-Auto and Expense	-806.00	2083.33	19186.85	18749.97	25000.00	436.88
Subtotal Office Of The Bishop	10030.17	13028.99	132471.97	132956.55	177279.41	-484.58
<i>Budgeted</i>	<i>10030.17</i>	<i>13028.99</i>	<i>132471.97</i>	<i>132956.55</i>	<i>177279.41</i>	<i>-484.58</i>
<i>Non-Budgeted</i>	<i>0.00</i>					
CANON TO THE ORDINARY						
Canon-Stipend	5512.51	5512.51	49612.59	49612.59	66150.14	0.00
Canon-Housing Allowance	1666.67	1666.67	15000.03	15000.03	20000.00	0.00
Canon-Pension Provision	0.00	0.00	11630.25	11630.25	15507.03	0.00
Canon-H & L Insurance	772.50	791.80	6952.50	7126.20	9501.60	-173.70
Canon-Cont Ed & Wellness	0.00	83.00	1000.00	747.00	1000.00	253.00
Canon-Auto and Expense	1054.00	666.67	6121.66	6000.03	8000.00	121.63
Subtotal Canon To The Ordinary	9005.68	8720.65	90317.03	90116.10	120158.77	200.93
<i>Budgeted</i>	<i>9005.68</i>	<i>8720.65</i>	<i>90317.03</i>	<i>90116.10</i>	<i>120158.77</i>	<i>200.93</i>
<i>Non-Budgeted</i>	<i>0.00</i>					
VOCATIONS DIRECTOR						
Vocat. Director.-Stipend	1544.16	1544.17	13897.44	13897.53	18530.00	-0.09
Vocat. Dir-Housing Allow	250.00	250.00	2250.00	2250.00	3000.00	0.00
Vocat. Dir-Auto and Expen	0.00	83.33	439.95	749.97	1000.00	-310.02
Subtotal Vocations Director	1794.16	1877.50	16587.39	16897.50	22530.00	-310.11
<i>Budgeted</i>	<i>1794.16</i>	<i>1877.50</i>	<i>16587.39</i>	<i>16897.50</i>	<i>22530.00</i>	<i>-310.11</i>
<i>Non-Budgeted</i>	<i>0.00</i>					
OTHER STAFF EXPENSES						
Salary-Cathd'l. Reception	0.00	384.83	3444.79	3463.47	4617.91	-18.68
Salary-Camp Director	0.00	0.00	6000.00	6000.00	6000.00	0.00
Salary-Diocesan Secretary	3336.66	3336.67	30029.94	30030.03	40040.00	-0.09
Salary-Dioc. Treasurer	2134.82	2134.83	19213.38	19213.47	25617.95	-0.09
Salary-Wawasee Director	500.40	217.20	2075.35	1954.80	2606.36	120.55
Salary-Sr. Hi Camp Direct	833.33	833.33	7499.97	7499.97	10000.00	0.00
Staff-Payroll Taxes	506.13	541.12	4851.74	4870.08	6493.49	-18.34
Staff-Pension Provision	492.44	971.05	7542.21	8739.45	11652.62	-1197.24
Staff-Travel	358.24	416.67	3648.76	3750.03	5000.00	-101.27
Staff-Life Ins	9.80	14.70	88.20	132.30	176.40	-44.10
Subtotal Other Staff Expenses	8171.82	8850.40	84394.34	85653.60	112204.73	-1259.26
<i>Budgeted</i>	<i>8171.82</i>	<i>8850.40</i>	<i>84394.34</i>	<i>85653.60</i>	<i>112204.73</i>	<i>-1259.26</i>
<i>Non-Budgeted</i>	<i>0.00</i>					

Diocese of Northern Indiana
Income and Expense Statement (UNAUDITED)
 OPERATING FUND 01, September 2009

10/12/2009 09:33 AM

Page: 3

	Current Period	Current Budget	Year to Date	Year to Date Budget	Annual Budget	YTD Budget Difference
ADMINISTRATIVE EXPENSES						
Audit Fees	4800.00	375.00	4800.00	3375.00	4500.00	1425.00
Clergy Assistance	215.42	417.00	2805.53	3753.00	5000.00	-947.47
Clergy Retreat & Conferen	0.00	1000.00	4643.15	9000.00	12000.00	-4356.85
Conferences-Other	0.00	158.00	2578.86	1422.00	1900.00	1156.86
Diaconal Ministry Expense	0.00	75.00	0.00	675.00	900.00	-675.00
Equipment Expense	0.00	478.00	3885.11	4302.00	5740.00	-416.89
Hospitality	-352.00	250.00	1651.36	2250.00	3000.00	-598.64
Insur-Retr'd Clgy & Widow	2750.00	3000.00	24672.00	27000.00	36000.00	-2328.00
Insurance-Other	0.00	500.00	2524.55	4500.00	6000.00	-1975.45
Office Utilization	1773.50	1774.00	15361.50	15966.00	21282.00	-604.50
Postage	581.00	416.67	2307.01	3750.03	5000.00	-1443.02
Maintenance	128.20	333.33	3220.24	2999.97	4000.00	220.27
Standing Committee Expens	0.00	33.33	296.27	299.97	400.00	-3.70
Supplies	478.70	626.00	4717.33	5634.00	7500.00	-916.67
Telephone	506.40	566.67	6789.50	5100.03	6800.00	1689.47
Reserve Fund	0.00	385.05	0.00	3465.45	4620.54	-3465.45
Subtotal Administrative Expenses	10881.22	10388.05	80252.41	93492.45	124642.54	-13240.04
<i>Budgeted</i>	<i>10881.22</i>	<i>10388.05</i>	<i>80252.41</i>	<i>93492.45</i>	<i>124642.54</i>	<i>-13240.04</i>
<i>Non-Budgeted</i>	<i>0.00</i>					
DIOCESAN CONVENTION						
Diocesan Convention Costs	-494.00	416.67	-556.00	3750.03	5000.00	-4306.03
Secretarial Costs-Convent	0.00	83.33	500.00	749.97	1000.00	-249.97
Subtotal Diocesan Convention	-494.00	500.00	-56.00	4500.00	6000.00	-4556.00
<i>Budgeted</i>	<i>-494.00</i>	<i>500.00</i>	<i>-56.00</i>	<i>4500.00</i>	<i>6000.00</i>	<i>-4556.00</i>
<i>Non-Budgeted</i>	<i>0.00</i>					
OTHER MISCELLANEOUS						
Bank Service Charges	33.00	12.50	86.50	112.50	150.00	-26.00
Contingent & Emergencies	0.00	300.27	2884.39	2702.43	3603.27	181.96
General Convention Ex	0.00	2534.18	31335.26	22807.62	30410.21	8527.64
Subtotal Other Miscellaneous	33.00	2846.95	34306.15	25622.55	34163.48	8683.60
<i>Budgeted</i>	<i>33.00</i>	<i>2846.95</i>	<i>34306.15</i>	<i>25622.55</i>	<i>34163.48</i>	<i>8683.60</i>
<i>Non-Budgeted</i>	<i>0.00</i>					
TOTAL EXPENSES	47997.16	56938.47	569000.00	571422.12	751340.20	-2422.12
<i>Budgeted</i>	<i>47997.16</i>	<i>56938.47</i>	<i>569000.00</i>	<i>571422.12</i>	<i>751340.20</i>	<i>-2422.12</i>
<i>Non-Budgeted</i>	<i>0.00</i>					
TRANSFER ACCOUNTS						
Transfer from budget	\$0.00	-\$958.33	-\$11500.00	-\$8624.97	-\$11500.00	-\$2875.03
TOTAL TRANSFERS	0.00	-958.33	-11500.00	-8624.97	-11500.00	-2875.03
<i>Budgeted</i>	<i>0.00</i>	<i>-958.33</i>	<i>-11500.00</i>	<i>-8624.97</i>	<i>-11500.00</i>	<i>-2875.03</i>
<i>Non-Budgeted</i>	<i>0.00</i>					
EXCESS INCOME/EXPENSES	\$6682.69	\$3911.44	-\$38661.07	\$9281.04	\$18112.78	-\$47942.11
<i>Budgeted</i>	<i>6632.14</i>	<i>3911.44</i>	<i>-35899.99</i>	<i>9281.04</i>	<i>18112.78</i>	<i>-45181.03</i>
<i>Non-Budgeted</i>	<i>50.55</i>		<i>-2761.08</i>			

Diocese of Northern Indiana
September 30, 2009

PARISH	ASSESSMENT	ADJUSTED	DUE MONTHLY	DUE 9-30-2009	PAID 9-30-2009	PAST DUE	OVERPAYMENT
ANGOLA HOLY FAMILY	\$ 7,793.90		\$ 649.49	\$ 5,845.41	\$ 4,546.43	\$ 1,298.98	
BERNE, ST. GEORGE	\$ 3,261.88		\$ 271.82	\$ 2,446.38	\$ 2,446.38		
BRISTOL, ST. JOHN OF THE CROSS	\$ 9,847.95	\$ 6,240.00	\$ 820.66	\$ 7,385.94	\$ 7,385.94		
CHESTERTON, ST. FRANCIS'	\$ 8,421.82		\$ 701.82	\$ 6,316.38	\$ 6,316.38		
CROWN POINT, ST. CHRISTOPHER'S	\$ 7,709.52		\$ 642.46	\$ 5,782.14	\$ 5,782.14		
CULVER, ST. ELIZABETH	\$ 3,114.49		\$ 259.54	\$ 2,335.86	\$ 2,340.00		\$ 4.14
EAST CHICAGO, GOOD SHEPHERD	\$ 3,268.81		\$ 272.40	\$ 2,451.60	\$ 2,451.61		\$ 0.01
ELKHART, ST. DAVID'S	\$ 18,785.73		\$ 1,565.48	\$ 14,089.32	\$ 10,958.36	\$ 3,130.96	
ELKHART, ST. JOHN THE EVANGELIST	\$ 35,763.47	\$ 9,838.00	\$ 2,980.29	\$ 26,822.61	\$ 26,822.61		
FORT WAYNE, GRACE CHURCH	\$ 28,650.00		\$ 2,387.50	\$ 21,487.50	\$ 21,487.50		
FORT WAYNE, ST. ALBAN'S	\$ 20,218.26	\$ 5,000.00	\$ 1,684.86	\$ 15,163.74	\$ 15,163.74		
FORT WAYNE, TRINITY	\$ 79,685.32		\$ 6,640.44	\$ 59,763.96	\$ 59,764.00		\$ 0.04
GARY, ST. AUGUSTINE'S	\$ 14,179.38		\$ 1,181.62	\$ 10,634.58	\$ 9,449.84	\$ 1,184.74	
GARY, ST. BARNABAS IN THE DUNES	\$ 4,878.42		\$ 406.53	\$ 3,658.77	\$ 1,134.33	\$ 2,524.44	
GAS CITY, ST. PAUL'S	\$ 3,501.17		\$ 291.76	\$ 2,625.84	\$ 3,501.17		\$ 875.33
GOSHEN, ST. JAMES'	\$ 7,666.83		\$ 638.90	\$ 5,750.10	\$ 5,777.50		\$ 27.40
GRIFFITH, ST. TIMOTHY'S	\$ 9,347.61		\$ 778.97	\$ 7,010.73	\$ 6,231.76	\$ 778.97	
HOBART, ST. STEPHEN'S	\$ 8,314.92		\$ 692.91	\$ 6,236.19	\$ 5,837.46	\$ 398.73	
HOWE, ST. MARK'S	\$ 5,947.31		\$ 495.61	\$ 4,460.49	\$ 4,460.49		
HUNTINGTON, CHRIST THE KING	\$ 8,710.63	\$ 5,148.00	\$ 725.89	\$ 6,533.01	\$ 1,351.78	\$ 5,181.23	
KOKOMO, ST. ANDREW	\$ 57,466.44		\$ 4,788.87	\$ 43,099.83	\$ 43,099.83		
LAPORTE, ST. PAUL'S	\$ 25,279.07		\$ 2,106.59	\$ 18,959.31	\$ 16,852.72	\$ 2,106.59	
LOGANSPOUT, TRINITY	\$ 9,948.66		\$ 829.05	\$ 7,461.45	\$ 7,461.66		\$ 0.21
MARION, GETHESEMANE	\$ 26,353.23		\$ 2,196.10	\$ 19,764.90	\$ 19,764.90		
MICHIGAN CITY, ST. ANDREW'S BY THE LAKE	\$ 8,636.73		\$ 719.73	\$ 6,477.57	\$ 6,477.57		
MICHIGAN CITY, TRINITY	\$ 11,530.87	\$ 12,480.00	\$ 960.91	\$ 8,648.19	\$ 8,648.19		
MISHAWAKA, ST. PAUL'S	\$ 23,509.63		\$ 1,989.14	\$ 17,632.26	\$ 17,632.26		
MUNSTER, ST. PAUL'S	\$ 11,554.65	\$ 16,287.18	\$ 962.89	\$ 8,666.01	\$ 1,925.78	\$ 6,740.23	
PLYMOUTH, ST. THOMAS'	\$ 23,670.57		\$ 1,972.55	\$ 17,752.95	\$ 17,082.04	\$ 670.91	
RENSSELAER, ST. PETER'S	\$ 1,122.28		\$ 93.52	\$ 841.68	\$ 841.68		
SOUTH BEND, CATHEDRAL OF ST JAMES	\$ 53,947.83		\$ 4,495.65	\$ 40,460.85	\$ 13,486.95	\$ 26,973.90	
SOUTH BEND, HOLY TRINITY	\$ 6,835.21		\$ 569.60	\$ 5,126.40	\$ 5,126.44		\$ 0.04
SOUTH BEND, ST. MICHAEL'S	\$ 41,533.16		\$ 3,461.10	\$ 31,149.90	\$ 28,573.55	\$ 2,576.35	
SYRACUSE, ALL SAINTS'	\$ 4,059.16		\$ 338.26	\$ 3,044.34	\$ 3,044.34		
VALPARAISO, ST. ANDREW'S	\$ 42,461.45		\$ 3,538.45	\$ 31,846.05	\$ 31,846.05		
WARSAW, ST. ANNES	\$ 46,011.75		\$ 3,834.31	\$ 34,508.79	\$ 34,508.79		
TOTAL	\$ 682,988.11	\$ 54,993.18	\$ 56,915.67	\$ 512,241.03	\$ 459,582.17	\$ 53,566.03	\$ 907.17

Diocese of Northern Indiana
Balance Sheet (UNAUDITED)
 Consolidated - September 2009

10/12/2009 09:27 AM

Page: 1

	Current Year
ASSETS	
CHECKING ACCOUNTS	
Oper. Checking-Key Bank	\$67235.84
Discretionary Fund	7643.38
Subtotal Checking Accounts	74879.22
SHORT TERM INVESTMENTS	
Certificates of Deposit	65178.19
LONG TERM INVESTMENTS	
ML-Episcopate Fund	128658.71
ML-Bshp. Assoc. Growth	7202.22
ML-Bshp. Assoc. Income	24009.81
ML-Historiographer Fund	3205.53
ML-Lambeth Fund	3915.04
ML-Sabbatical Fund	13638.27
ML-WCRS Endowment IncFu	297457.05
ML-Youth Ministries	32173.42
ML-Wawasee Inc. Fund	7379.52
ML-WCRS Growth Fund	264966.27
ML-Delphi Fund	212067.47
ML-Education Growth Fun	36010.98
ML-Emma Wallach Fund	53004.15
BA-Krause Fund	9324.58
ML-Krause Fund	18990.88
ML-Education Inc fund	77995.43
ML-Election of 8th Bish	16678.69
ML-Clergy Conferences	10960.48
ML Rally fund	4174.63
Subtotal Long Term Investments	1221813.13
FIXED ASSETS	
LAND AND BUILDINGS	
Wawasee Center&All Saints	3500000.00
Grace House	50000.00
Subtotal Land And Buildings	3550000.00
Subtotal Fixed Assets	3550000.00
TOTAL ASSETS	\$4911870.54
LIABILITIES	
CURRENT LIABILITIES	
TAXES PAYABLE	
Annuity Withheld	\$4800.00
TOTAL LIABILITIES	4800.00
FUND BALANCE	
Fund Balance	\$4907070.54
TOTAL FUND BALANCE	4907070.54
TOTAL LIABILITIES AND FUND BALANCE	\$4911870.54

September 2009

Fund	Beginning Balance	Direct Transactions	Income	Expense	Transfer	Ending Balance
01 - OPERATING FUND	69090.87	3550000.00	54679.85	47997.16	0.00	3625773.56
January 2009 - September 2009	114434.63	3550000.00	541838.93	569000.00	-11500.00	3625773.56
02 - UR-WAWASEE FUND	16169.28	0.00	1266.42	4563.51	0.00	12872.19
January 2009 - September 2009	14915.03	0.00	24302.98	29345.82	3000.00	12872.19
03 - UR-COMPANEROS EN	19719.71	0.00	0.00	0.00	0.00	19719.71
January 2009 - September 2009	19227.78	0.00	2164.57	10172.64	8500.00	19719.71
04 - UR-YOUTH FUND	543.64	0.00	0.00	0.00	0.00	543.64
January 2009 - September 2009	2070.42	0.00	5606.62	7133.40	0.00	543.64
06 - UR-ML EPISCOPATE	128658.71	0.00	0.00	0.00	0.00	128658.71
January 2009 - September 2009	130947.05	0.00	6527.42	8815.76	0.00	128658.71
07 - UR-ML BSHP.ASSOC.	7202.22	0.00	0.00	0.00	0.00	7202.22
January 2009 - September 2009	7195.62	0.00	1429.63	1423.03	0.00	7202.22
08 - UR-ML BSHP.ASSOC. INCOME	24009.81	0.00	0.00	0.00	0.00	24009.81
January 2009 - September 2009	20603.32	0.00	4293.04	886.55	0.00	24009.81
09 - UR-ML EQUIPMENT FUND	0.00	0.00	0.00	0.00	0.00	0.00
January 2009 - September 2009	0.00	0.00	0.00	0.00	0.00	0.00
10 - UR-ML GEN'L CONVENTION	0.00	0.00	0.00	0.00	0.00	0.00
January 2009 - September 2009	21316.21	0.00	258.76	21574.97	0.00	0.00
11 - UR-ML HISTORIOGRAPHER F	3205.53	0.00	0.00	0.00	0.00	3205.53
January 2009 - September 2009	3166.62	0.00	160.51	121.60	0.00	3205.53
12 - UR-ML LAMBETH FUND	3915.04	0.00	0.00	0.00	0.00	3915.04
January 2009 - September 2009	3865.32	0.00	198.16	148.44	0.00	3915.04
13 - UR-LAMBETH FUND WACHVIA	0.00	0.00	0.00	0.00	0.00	0.00
January 2009 - September 2009	0.00	0.00	0.00	0.00	0.00	0.00
14 - UR-ML SABBATICAL	13638.27	0.00	0.00	0.00	0.00	13638.27
January 2009 - September 2009	13467.14	0.00	688.30	517.17	0.00	13638.27
15 - UR-ML CENTENNIAL FUND	0.00	0.00	0.00	0.00	0.00	0.00
January 2009 - September 2009	0.00	0.00	0.00	0.00	0.00	0.00
16 - UR-ML WCRS ENDOWMENT F	297457.05	0.00	0.00	0.00	0.00	297457.05
January 2009 - September 2009	302809.84	0.00	15033.30	20386.09	0.00	297457.05
17 - UR-ML YOUTH MINISTRIES	32173.42	0.00	0.00	0.00	0.00	32173.42
January 2009 - September 2009	23996.34	0.00	9098.62	921.54	0.00	32173.42
18 - TR-ML WAWASEE FUND	7379.52	0.00	0.00	0.00	0.00	7379.52
January 2009 - September 2009	4422.84	0.00	3214.57	257.89	0.00	7379.52
19 - TR-ML WCRS GROWTH FUND	264966.27	0.00	0.00	0.00	0.00	264966.27
January 2009 - September 2009	264723.36	0.00	52595.34	52352.43	0.00	264966.27

September 2009

Fund	Beginning Balance	Direct Transactions	Income	Expense	Transfer	Ending Balance
20 - TR-ML DELPHI FUND	212067.47	0.00	0.00	0.00	0.00	212067.47
January 2009 - September 2009	215809.51	0.00	10786.92	14528.96	0.00	212067.47
21 - TR- ML EDUCATION GROWTH	36010.98	0.00	0.00	0.00	0.00	36010.98
January 2009 - September 2009	35977.95	0.00	7148.12	7115.09	0.00	36010.98
22 - TR-ML EMMA WALLACH FUN	53004.15	0.00	0.00	0.00	0.00	53004.15
January 2009 - September 2009	37807.55	0.00	9776.68	1674.80	7094.72	53004.15
23 - TR-BA KRAUSE FUND	9824.58	0.00	0.00	500.00	0.00	9324.58
January 2009 - September 2009	9220.62	0.00	335.12	500.00	268.84	9324.58
24 - TR-ML SEMINARIAN FUND	0.00	0.00	0.00	0.00	0.00	0.00
January 2009 - September 2009	0.00	0.00	0.00	0.00	0.00	0.00
25 - PR-ML KRAUSE FUND	18990.88	0.00	0.00	0.00	0.00	18990.88
January 2009 - September 2009	19342.91	0.00	950.20	1302.23	0.00	18990.88
26 - PR-ML EDUCATION INCOME	77995.43	0.00	0.00	0.00	0.00	77995.43
January 2009 - September 2009	78709.54	0.00	3935.35	4649.46	0.00	77995.43
27 - TR-ML SOCIAL MINISTRY	0.00	0.00	0.00	0.00	0.00	0.00
January 2009 - September 2009	67694.59	0.00	821.76	68516.35	0.00	0.00
28 - UR-SPECIAL OFFERINGS	17906.81	0.00	1000.00	450.00	0.00	18456.81
January 2009 - September 2009	41339.94	0.00	5068.31	27951.44	0.00	18456.81
29 - DISCRETIONARY FUND	7296.33	0.00	497.05	150.00	0.00	7643.38
January 2009 - September 2009	6363.31	0.00	9525.70	8245.63	0.00	7643.38
30 - Election of 8th Bishop	16678.69	0.00	0.00	0.00	0.00	16678.69
January 2009 - September 2009	16487.11	0.00	824.72	633.14	0.00	16678.69
31 - CLERGY INSURANCE	-4765.03	0.00	11949.19	8926.19	0.00	-1742.03
January 2009 - September 2009	-1127.03	0.00	114734.71	115349.71	0.00	-1742.03
32 - CLERGY CONFERENCES	10960.48	0.00	0.00	0.00	0.00	10960.48
January 2009 - September 2009	9838.97	0.00	1529.90	408.39	0.00	10960.48
33 - WAWASEE PROPERTY	0.00	0.00	0.00	0.00	0.00	0.00
January 2009 - September 2009	0.00	0.00	0.00	0.00	0.00	0.00
34 - RALLY FUND	4174.63	0.00	0.00	0.00	0.00	4174.63
January 2009 - September 2009	4126.67	0.00	219.11	171.15	0.00	4174.63
36 - CAMP CHILDRENOF	3390.15	0.00	0.00	1400.00	0.00	1990.15
January 2009 - September 2009	8408.38	0.00	13286.39	19704.62	0.00	1990.15
Totals	1351664.89	3550000.00	69392.51	63986.86	0.00	4907070.54
January 2009 - September 2009	1497161.54	3550000.00	846353.74	993808.30	7363.56	4907070.54



TOTAL MERRILL

Primary Account: 620-02044

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

YOUR MERRILL LYNCH REPORT

September 01, 2009 - September 30, 2009

PORTFOLIO SUMMARY

	September 30	August 31	Month Change
Net Portfolio Value	\$3,395,368.99	\$3,380,960.07	\$14,408.92 ▲
Your assets	\$3,395,368.99	\$3,380,960.07	\$14,408.92
Your liabilities ¹	-	-	-
Your Net Cash Flow (Inflows/Outflows)	(\$10,386.79)	(\$11,966.45)	(\$11,966.45)
Securities You Transferred In/Out	-	-	-
Subtotal Net Contributions	(\$10,386.79)	(\$11,966.45)	(\$11,966.45)
Your Dividends/Interest Income	\$5,262.84	\$12,127.42	\$12,127.42
Your Market Change	\$19,532.87	\$22,321.06	\$22,321.06
Subtotal Investment Earnings	\$24,795.71	\$34,448.48	\$34,448.48

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

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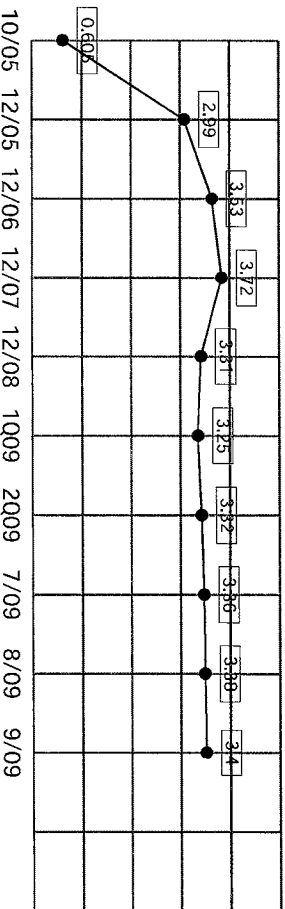
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Net Portfolio Value (in millions), 2005-2009



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

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Primary Account: 620-02044

24-Hour Assistance: (800) MERRILL

September 01, 2009 - September 30, 2009

YOUR ACCOUNTS

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

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INVESTMENTS

EPISCOPAL DIOCESE OF N INDIANA	620-02044	EMA/BlackRock Sht-Term Tax F1 (R)	2,732,864.78	2,740,809.03	6
EPISCOPAL DIOCESE OF N INDIANA	620-02045	EMA/BlackRock WDP All Equity	662,504.21	640,151.04	14
<i>Subtotal</i>			3,395,368.99	3,380,960.07	

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All brokerage accounts are held at Merrill Lynch, Pierce, Fenner & Smith Incorporated, Member SIPC. Bank deposits are held at Merrill Lynch affiliated banks or other depository institutions and are covered by FDIC insurance up to applicable limits. They are not protected by SIPC, see footnote 14 on the last page of this statement for more information.

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

+



TOTAL MERRILL

Primary Account: 620-02044

YOUR BALANCE SHEET (for your ML accounts)

September 01, 2009 - September 30, 2009

ASSETS

	September 30	August 31
Cash/Money Accounts	165,294.31	146,542.35
Fixed Income	2,559,549.35	2,579,418.88
Equities	584,112.75	570,032.66
Mutual Funds	69,248.09	65,084.83
Options	-	-
Other	-	-
<i>Subtotal (Long Portfolio)</i>	3,378,204.50	3,361,078.72
Estimated Accrued Interest	17,164.49	19,881.35
TOTAL ASSETS	\$3,395,368.99	\$3,380,960.07

LIABILITIES

Margin Loan/Debit Balance	-	-
Short Market Value	-	-
<i>Subtotal</i>	-	-
NET PORTFOLIO VALUE	\$3,395,368.99	\$3,380,960.07

OTHER LIABILITIES (not included in Net Portfolio Value)

Loan Management Account ⁽¹⁾	-	-
Mortgages	-	-
Home Equity Loans	-	-
Business Loans	-	-
<i>Subtotal</i>	-	-
TOTAL LIABILITIES	-	-

⁽¹⁾ Secured by assets in a Merrill Lynch account

CASH FLOW

	This Report	Year to Date
Opening Cash/Money Accounts	\$146,542.35	-
CREDITS		
Funds Received	2,389.44	55,671.41
Electronic Transfers	-	-
Other Credits	-	77.59
<i>Subtotal</i>	2,389.44	55,749.00
DEBITS		
Electronic Transfers	-	(14,534.72)
Margin Interest Charged	-	-
Other Debits	(12,776.23)	(109,887.27)
Visa Purchases (debits)	-	-
ATM/Cash Advances	-	-
Checks Written/Bill Payment	-	-
<i>Subtotal</i>	(12,776.23)	(124,421.99)
Net Cash Flow	(\$10,386.79)	(\$68,672.99)
Dividends/Interest Income	5,262.84	92,609.83
Security Purchases/Debits	(87,335.02)	(1,796,048.17)
Security Sales/Credits	111,210.93	1,870,096.82
Closing Cash/Money Accounts	\$165,294.31	-
Securities You Transferred In/Out	-	-

Primary Account: 620-02044

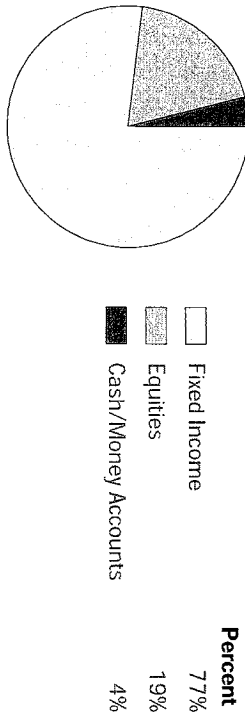
24-Hour Assistance: (800) MERRILL

YOUR PORTFOLIO REVIEW

September 01, 2009 - September 30, 2009

ASSET ALLOCATION *

Estimated Accrued Interest not included
May not reflect all holdings



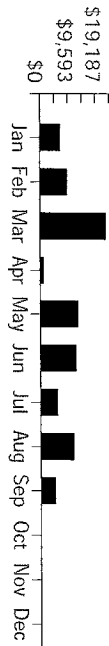
* Includes the categorical values for the underlying portfolio of individual mutual funds, closed end funds, and UITs

BOND MATURITY SCHEDULE

Does not include Fixed Income Mutual Funds

Maturity Years	% of Total Bond Assets	Par Value	Estimated Market Value
<1	11%	286,000	291,643.38
1-2	35%	841,000	885,553.37
2-5	54%	1,358,000	1,382,352.60
Total	100%	2,485,000	\$2,559,549.35

CURRENT INCOME



	This Report	Year To Date
Tax-Exempt Interest	3,545.91	80,719.07
Taxable Interest	-	-
Tax-Exempt Dividends	1,716.93	11,890.76
Taxable Dividends	-	-
Total	\$5,262.84	\$92,609.83

Your Estimated Annual Income \$90,450.08

TOP FIVE PORTFOLIO HOLDINGS

Based on Estimated Market Value

Security	Current Value	% of Portfolio
U.S. TREASURY NOTE	297,418.44	8.80%
U.S. TREASURY NOTE	288,985.06	8.55%
FEDERAL NATL MTG ASSOC	166,819.16	4.94%
CMA MONEY FUND	165,199.00	4.89%
FEDERAL HOME LN MTG CORP	162,860.22	4.82%



TOTAL MERRILL

Primary Account: 620-02044

YOUR MONTHLY INCOME & GAIN/(LOSS) REVIEW

September 01, 2009 - September 30, 2009

INCOME SUMMARY

Account No.	This Report				Year to Date					
	Tax-Exempt Interest	Taxable Interest	Tax-Exempt Dividends	Taxable Dividends	Total This Report Income	Tax-Exempt Interest	Taxable Interest	Tax-Exempt Dividends	Taxable Dividends	Total YTD Income
620-02044	-	3,546	-	56	3,602	-	80,719	-	331	81,051
620-02045	-	-	-	1,661	1,661	-	-	-	11,559	11,559
TOTAL	-	\$3,546	-	\$1,717	\$5,263	-	\$80,719	-	\$11,891	\$92,610

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	YTD Long Term	Year To Date	Short Term	Long Term	
620-02044	-	5,895.05	(2,789.06)	(76,439.67)	-	19,675.00	45,890.00	
620-02045	2,179.32	(31,292.03)	(1,893.63)	(53,097.72)	-	37,953.00	(65,200.00)	
TOTAL	\$2,179.32	(\$25,396.98)	(\$4,682.69)	(\$129,537.39)	-	\$57,628.00	(\$19,310.00)	