Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

Note: The foundation may be able to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0052

2009

For calendar year 2009, or tax year beginning 03/01 **, 2009, and ending** 02/28 **, 20** 10

G Check all that apply: [ ] Initial return [ ] Initial return of a former public charity [ ] Final return [ ] Amended return [ ] Address change [ ] Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of foundation
EDWARD D. & IONE AUER FOUNDATION
MONARCH CAPITAL, DAVID MEYER, TRUSTEE

Number and street (or P O box number if mail is not delivered to street address): 127 WEST BERRY STREET — Room/suite: 402

City or town, state, and ZIP code: FORT WAYNE, IN 46802

A Employer identification number: 31-1097946

B Telephone number (see page 10 of the instructions): (260) 415-5743

C If exemption application is pending, check here ▶ [ ]

D 1. Foreign organizations, check here ▶ [ ]
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ [ ]

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ [ ]

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ [ ]

H Check type of organization: [X] Section 501(c)(3) exempt private foundation [ ] Section 4947(a)(1) nonexempt charitable trust [ ] Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶ $ 38,050,766.

J Accounting method: [X] Cash [ ] Accrual [ ] Other (specify) ____
(Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions).)*

Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue					
1	Contributions, gifts, grants, etc, received (attach schedule)				
2	Check ▶ [ ] if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	452,106.	452,106.		ATCH 2
4	Dividends and interest from securities	790,750.	790,750.		ATCH 3
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	-5,205.			
b	Gross sales price for all assets on line 6a 2,978,793.				
7	Capital gain net income (from Part IV, line 2)				
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	**Total.** Add lines 1 through 11	1,237,651.	1,242,856.		
Operating and Administrative Expenses					
13	Compensation of officers, directors, trustees, etc	81,791.	20,448.		61,343.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule) ATCH 4	6,000.	0.	0.	6,000.
b	Accounting fees (attach schedule) ATCH 5	6,100.	0.	0.	6,100.
c	Other professional fees (attach schedule) *	211,117.	190,005.		21,112.
17	Interest				
18	Taxes (attach schedule) (see page 14 of the instructions) **	35,178.			
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule) ATCH 8	3,200.	0.	0.	3,200.
24	**Total operating and administrative expenses.** Add lines 13 through 23	343,386.	210,453.	0.	97,755.
25	Contributions, gifts, grants paid	3,343,065.			3,333,065.
26	**Total expenses and disbursements.** Add lines 24 and 25	3,686,451.	210,453.	0.	3,430,820.
27	Subtract line 26 from line 12.				
a	**Excess of revenue over expenses and disbursements**	-2,448,800.			
b	**Net investment income** (if negative, enter -0-)		1,032,403.		
c	**Adjusted net income** (if negative, enter -0-)			-0-	

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	836,756.	68,855.	68,855.
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments - U S and state government obligations (attach schedule) **	3,604,045.	2,905,741.	2,943,739.
	b Investments - corporate stock (attach schedule) ATCH 10	36,806,557.	35,979,251.	29,822,174.
	c Investments - corporate bonds (attach schedule) ATCH 11	5,351,843.	5,182,172.	5,215,998.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	12 Investments - mortgage loans			
	13 Investments - other (attach schedule)			
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	46,599,201.	44,136,019.	38,050,766.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)			
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ X			
	27 Capital stock, trust principal, or current funds	46,599,201.	44,136,019.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	0.	0.	
	30 Total net assets or fund balances (see page 17 of the instructions)	46,599,201.	44,136,019.	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	46,599,201.	44,136,019.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	46,599,201.
2	Enter amount from Part I, line 27a	2	-2,448,800.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	44,150,401.
5	Decreases not included in line 2 (itemize) ▶ ATTACHMENT 12	5	14,382.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	44,136,019.

**ATCH 9

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	SEE PART IV SCHEDULE			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F.M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col. (k), but not less than -0-) or Losses (from col (h))
a				
b				
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 } **2** -5,205.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):
If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions)
If (loss), enter -0- in Part I, line 8 **3**

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No
If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008	4,338,370.	23,625,761.	0.183629
2007	17,047.	2,170.	7.855760
2006	16.	3,130.	0.005112
2005	15.	3,041.	0.004933
2004	924.	3,452.	0.267671

2	**Total** of line 1, column (d)	2	8.317105
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	1.663421
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	35,741,567.
5	Multiply line 4 by line 3	5	59,453,273.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	10,324.
7	Add lines 5 and 6	7	59,463,597.
8	Enter qualifying distributions from Part XII, line 4	8	3,430,820.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter ____________ (attach copy of ruling letter if necessary - see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	20,648.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	
3	Add lines 1 and 2	3	20,648.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	20,648.
6	Credits/Payments		
a	2009 estimated tax payments and 2008 overpayment credited to 2009 — 6a: 18,000.		
b	Exempt foreign organizations-tax withheld at source — 6b: 0.		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 0.		
d	Backup withholding erroneously withheld — 6d:		
7	Total credits and payments Add lines 6a through 6d	7	18,000.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	44.
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	2,692.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be **Credited to 2010 estimated tax** ▶ 0. **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ ______ (2) On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ INDIANA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

Part VII-A Statements Regarding Activities *(continued)*

		Line	Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ KATHERINE MOENTER, MONARCH CAP Telephone no. ▶ 260-422-2765

Located at ▶ 127 WEST BERRY STREET STE 402 FORT WAYNE, IN ZIP + 4 ▶ 46802

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

				Line	Yes	No
1a	During the year did the foundation (either directly or indirectly):					
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes	☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes	☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes	☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes	☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes	☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes	☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?			1b		X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐					
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?			1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))					
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	☐ Yes	☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____					
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see page 20 of the instructions.)			2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____					
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes	☒ No			
b	If "Yes," did it have excess business holdings in 2009 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.)*			3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?			4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?			4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **5b**

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No: X

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ATTACHMENT 13		81,791.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ▶

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over $50,000 for professional services . . . . . . ▶ NONE

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See page 24 of the instructions	
3 NONE	
Total. Add lines 1 through 3 . . . . . . ▶	

Part X **Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	35,784,190.
b	Average of monthly cash balances	1b	501,665.
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0.
d	**Total** (add lines 1a, b, and c)	1d	36,285,855.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	36,285,855.
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	544,288.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	35,741,567.
6	**Minimum investment return.** Enter 5% of line 5	6	1,787,078.

Part XI **Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6			1	1,787,078.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	20,648.		
b	Income tax for 2009. (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	20,648.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	1,766,430.
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	1,766,430.
6	Deduction from distributable amount (see page 25 of the instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	1,766,430.

Part XII **Qualifying Distributions**(see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1a	3,430,820.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	0.
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	0.
b	Cash distribution test (attach the required schedule)	3b	0.
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	3,430,820.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	N/A
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	3,430,820.

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see page 26 of the instructions)

		(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1	Distributable amount for 2009 from Part XI, line 7				1,766,430.
2	Undistributed income, if any, as of the end of 2009				
a	Enter amount for 2008 only				
b	Total for prior years 20 07 ,20 06 ,20 05				
3	Excess distributions carryover, if any, to 2009:				
a	From 2004 ... 751.				
b	From 2005				
c	From 2006				
d	From 2007 ... 16,939.				
e	From 2008 ... 3,180,145.				
f	Total of lines 3a through e	3,197,835.			
4	Qualifying distributions for 2009 from Part XII, line 4. ▶ $ 3,430,820.				
a	Applied to 2008, but not more than line 2a				
b	Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c	Treated as distributions out of corpus (Election required - see page 26 of the instructions)				
d	Applied to 2009 distributable amount				1,766,430.
e	Remaining amount distributed out of corpus	1,664,390.			
5	Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6	**Enter the net total of each column as indicated below:**				
a	Corpus Add lines 3f, 4c, and 4e. Subtract line 5	4,862,225.			
b	Prior years' undistributed income. Subtract line 4b from line 2b				
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d	Subtract line 6c from line 6b. Taxable amount - see page 27 of the instructions				
e	Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see page 27 of the instructions				
f	Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8	Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)	751.			
9	**Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a	4,861,474.			
10	Analysis of line 9				
a	Excess from 2005				
b	Excess from 2006				
c	Excess from 2007 ... 16,939.				
d	Excess from 2008 ... 3,180,145.				
e	Excess from 2009 ... 1,664,390.				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling . . . . ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test- enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942 (j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year - see page 28 of the instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2).)

N/A

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

N/A

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed

ATTACHMENT 14

b The form in which applications should be submitted and information and materials they should include:

SEE APPLICATION REQUIREMENTS AT HTTP://AUERFOUNDATION.ORG.

c Any submission deadlines

N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

N/A

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
ATTACHMENT 15				
Total ▶ **3a**				3,343,065.
b *Approved for future payment*				
Total ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	(b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	(d) Amount	(e) Related or exempt function income (See page 28 of the instructions)
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	452,106.	
4 Dividends and interest from securities			14	790,750.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	-5,205.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				1,237,651.	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 1,237,651.

(See worksheet in line 13 instructions on page 28 to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 29 of the instructions)
	NOT APPLICABLE

Part XVII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
	N/A		N/A

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge

▶ Signature of officer or trustee — Date: 7-13-10 — ▶ Title: Trustee

Paid Preparer's Use Only

Preparer's signature ▶	Date 7/8/10	Check if self-employed ▶ ☐
Preparer's identifying number (See Signature on page 30 of the instructions)	P00151125	
Firm's name (or yours if self-employed), address, and ZIP code ▶	BKD, LLP 200 E. MAIN ST. SUITE 700 FORT WAYNE, IN 46802	EIN ▶ 44-0160260 Phone no 260-460-4000

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		VARIOUS STOCKS & BONDS PROPERTY TYPE: SECURITIES					VAR	VAR
1,042,389.		1,036,918.					5,471.	
		VARIOUS STOCKS & BONDS PROPERTY TYPE: SECURITIES					VAR	VAR
1,936,404.		1,947,080.					-10,676.	
TOTAL GAIN (LOSS)							-5,205.	

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INTEREST		452,106.	452,106.
	TOTAL	452,106.	452,106.

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
DIVIDENDS		790,750.	790,750.
	TOTAL	790,750.	790,750.

FORM 990PF, PART I - LEGAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
ROTHBERG LOGAN & WARSCO LEGAL ADVISOR	6,000.			6,000.
TOTALS	6,000.	0.	0.	6,000.

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
BKD LLP- TAX COMPLIANCE AND CONSULTING	6,100.	0.	0.	6,100.
TOTALS	6,100.	0.	0.	6,100.

ATTACHMENT 6

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
MONARCH CAPITAL INVESTMENT ADVISORY SERVICES	211,117.	190,005.	21,112.
TOTALS	211,117.	190,005.	21,112.

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS
EXCISE TAX ON NET INVESTMENT INCOME	35,178.
TOTALS	35,178.

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
MEALS & ENTERTAINMENT	407.	0.	0.	407.
DIRECTORS INSURANCE	1,617.	0.	0.	1,617.
WEBSITE HOSTING	311.	0.	0.	311.
POSTAGE	44.	0.	0.	44.
PHONE	821.	0.	0.	821.
TOTALS	3,200.	0.	0.	3,200.

EDWARD D. & IONE AUER FOUNDATION 31-1097946

FORM 990PF, PART II - U.S. AND STATE OBLIGATIONS

ATTACHMENT 9

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
U.S. & STATE GOVERNMENT BONDS	2,905,741.	2,943,739.
US OBLIGATIONS TOTAL	2,905,741.	2,943,739.

EDWARD D. & IONE AUER FOUNDATION 31-1097946

FORM 990PF, PART II - CORPORATE STOCK ATTACHMENT 10

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
EQUITY INVESTMENTS	35,979,251.	29,822,174.
TOTALS	35,979,251.	29,822,174.

FORM 990PF, PART II - CORPORATE BONDS

ATTACHMENT 11

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
FIXED INCOME INVESTMENTS	5,182,172.	5,215,998.
TOTALS	5,182,172.	5,215,998.

ATTACHMENT 12

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

DESCRIPTION		AMOUNT
CASH ADJUSTMENT		14,382.
	TOTAL	14,382.

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 13

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
DAVID MEYER - SEE FOOTNOTE 1 127 WEST BERRY STREET 402 FORT WAYNE, IN 46802	CO-TRUSTEE 1.00	0.	0.	0.
LAKE CITY BANK 127 WEST BERRY STREET 402 FORT WAYNE, IN 46802	CO-TRUSTEE 1.00	81,791.	0.	0.
	GRAND TOTALS	81,791.	0.	0.

FORM 990PF, PART XV - NAME, ADDRESS AND PHONE FOR APPLICATIONS

C/O MONARCH CAPITAL MANAGEMENT
127 WEST BERRY STREET STE 402
FORT WAYNE, IN 468020
260-422-2765

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 15

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
IPFW FORT WAYNE, IN 46802	NONE PUBLIC	ENDOWMENT GRANT	750,000
FORT WAYNE PHILHARMONIC FORT WAYNE, IN 46802	NONE PUBLIC	ENDOWMENT GRANT	808,565.
ALLEN COUNTY PUBLIC LIBRARY FOUNDATION FORT WAYNE, IN 46802	NONE PUBLIC	ENDOWMENT GRANT	750,000.
FORT WAYNE ZOOLOGICAL SOCIETY INC FORT WAYNE, IN 46802	NONE PUBLIC	ENDOWMENT GRANT	750,000
FIRST WAYNE STREET UNITED METHODIST CHURCH FORT WAYNE, IN 46802	NONE PUBLIC	PROJECT SUPPORT	15,000.
CHILDREN'S AUTISM CENTER FORT WAYNE, IN 46802	NONE PUBLIC	AUTISM THERAPY PROGRAM	5,000.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 15 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
LEAGUE FOR THE BLIND & DISABLED FORT WAYNE, IN 46802	NONE PUBLIC	YOUTH SERVICES PROGRAM	10,000.
THE ASSOCIATED CHURCHES FORT WAYNE, IN 46802	NONE PUBLIC	NO CHILD HUNGRY PROGRAM	10,000.
FORT WAYNE BALLET FORT WAYNE, IN 46802	NONE PUBLIC	SCHOOL ADOPTION PROGRAM	10,000
LINCOLN COLLECTION ENDOWMENT FORT WAYNE, IN 46802	NONE PUBLIC	LOCAL ENDOWMENT GRANT	25,000
MATTHEW 25 FORT WAYNE, IN 46802	NONE PUBLIC	MEDICAL CARE PROGRAMS	10,000
ACRES LAND TRUST FORT WAYNE, IN 46802	NONE PUBLIC	50TH ANNIVERSARY ARTS PROGRAMS	10,000

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 15 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
ALLEN COUNTY COUNCIL ON AGING FORT WAYNE, IN 46802	NONE PUBLIC	TRANSPORTATION PROGRAM	10,000
JA OF NORTHERN INDIANA FORT WAYNE, IN 46802	NONE PUBLIC	JA FINANCE PARK PROGRAM	10,000.
EMBASSY THEATRE FORT WAYNE, IN 46802	NONE PUBLIC	BUILDING PROJECT	20,000
SCIENCE CENTRAL FORT WAYNE, IN 46802	NONE PUBLIC	PROGRAM SUPPORT	15,000.
FORT WAYNE CIVIC THEATRE FORT WAYNE, IN 46802	NONE PUBLIC	SETTING THE STAGE PROGRAM	25,000.
ARC OF NE INDIANA/EASTER SEALS FORT WAYNE, IN 46802	NONE PUBLIC	TRAINING CENTER RENOVATIONS	10,000.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 15 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
ARTLINK FORT WAYNE, IN 46802	NONE PUBLIC	EDUCATIONAL PROGRAMMING	2,000
BIG BROTHERS BIG SISTERS OF NE INDIANA FORT WAYNE, IN 46802	NONE PUBLIC	LUNCH BUDDIES PROGRAM	15,000
FAME FORT WAYNE, IN 46802	NONE PUBLIC	MULTICULTURAL VISITING ARTIST PROGRAM	10,000
FRIENDS OF THE PARKS OF ALLEN COUNTY FORT WAYNE, IN 46802	NONE PUBLIC	PARK RENOVATIONS	15,000.
MUSTARD SEED FURNITURE BANK FORT WAYNE, IN 46802	NONE PUBLIC	BEDS4KIDS PROGRAM	7,500
TURNSTONE CENTER FOR CHILDREN FORT WAYNE, IN 46802	NONE PUBLIC	THERAPEUTIC SERVICES	25,000

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 15 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
VINCENT VILLAGE FORT WAYNE, IN 46802	NONE PUBLIC	TRANSITIONAL SHELTER PROGRAM	15,000
JEROME & MARGANELLE HENRY FDN FOR NGHBRHOOD HEALTH FORT WAYNE, IN 46845	NONE PRIVATE	ENDOWMENT GRANT	10,000.
		TOTAL CONTRIBUTIONS PAID	3,343,065.

SCHEDULE D-1
(Form 1041)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule D (Form 1041)

▶ See instructions for Schedule D (Form 1041).
▶ Attach to Schedule D to list additional transactions for lines 1a and 6a.

OMB No 1545-0092

2009

Name of estate or trust: EDWARD D. & IONE AUER FOUNDATION

Employer identification number: 31-1097946

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price (see page 4 of the instructions)	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1a VARIOUS STOCKS & BONDS	VAR	VAR	1,042,389.	1,036,918.	5,471.

1b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 1b . . . . 5,471.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D-1 (Form 1041) 2009

JSA
9F1221 3 000

Name of estate or trust as shown on Form 1041 Do not enter name and employer identification number if shown on the other side | **Employer identification number**

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo , day yr)	(c) Date sold (mo., day, yr)	(d) Sales price (see page 4 of the instructions)	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a VARIOUS STOCKS & BONDS	VAR	VAR	1,936,404.	1,947,080.	-10,676.

6b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 6b . . . . -10,676.

FEDERAL FOOTNOTES

DAVID MEYER IS A CO-TRUSTEE OF THE FOUNDATION AND ALSO AN OWNER IN MONARCH CAPITAL MANAGEMENT. MONARCH CAPITAL MANAGEMENT IS USED BY THE FOUNDATION FOR INVESTMENT MANAGEMENT AND RECEIVES FEES FOR SERVICES.

Lake City Bank

Wealth Advisory Group

EDWARD D. AND IONE AUER FOUNDATION

INDIVIDUAL INVESTMENTS

	QUANTITY	CURRENT YIELD	COST	MARKET VALUE
CASH AND EQUIVALENT				
GOLDMAN SACHS FS GOV'T #465				
GOLDMAN SACHS FS GOV'T #465 (INVESTED INCOME)	68,854.520	0.0%	68,854.52	68,854.52
TOTAL CASH AND EQUIVALENT			**68,854.52**	**68,854.52**
EQUITIES				
AT&T INC COM	8,081.000	6.8%	291,762.22	200,489.61
ABBOTT LABS COM	10,500.000	3.2%	544,370.70	569,940.00
AMERICAN INTL GROUP INC COM NEW	1,150.000		1,414,673.60	28,485.50
AUTOMATIC DATA PROCESSING INC	16,000.000	3.3%	672,902.47	665,760.00
AVERY DENNISON CORP COM	7,700.000	2.5%	402,796.00	243,320.00
BANK OF AMERICA CORP	8,000.000	0.2%	396,940.00	133,280.00
CIT GROUP INC NEW COM	1,570.000		60,568.07	57,195.10
CHEVRON CORPORATION COM	5,000.000	3.8%	362,220.00	361,500.00
CINCINNATI FINANCIAL CORP. COM	17,000.000	5.9%	673,515.20	457,130.00
CISCO SYSTEMS INC COM	39,200.000		988,526.00	953,736.00
CINTAS CORP	12,000.000	1.9%	436,517.40	297,480.00
COCA COLA CO COM	16,400.000	3.3%	757,053.35	864,608.00
CONSTELLATION BRANDS INC	21,000.000		416,189.05	315,840.00
DUKE ENERGY CORP NEW COM	16,000.000	5.9%	308,788.70	261,600.00
DUKE REALTY CORPORATION	16,000.000	6.1%	502,323.10	177,600.00
E M C CORP MASS COM	44,000.000		621,704.10	769,560.00
EMERSON ELEC CO COM	4,000.000	2.8%	127,274.00	189,360.00
EQUITY RESIDENTIAL	9,000.000	3.7%	398,827.00	324,720.00
EXXON MOBIL CORP COM	6,000.000	2.6%	489,546.05	390,000.00
FPL GROUP INC	5,500.000	4.3%	295,938.05	255,035.00
FIFTH THIRD BANCORP COM	18,000.000	0.3%	677,788.35	219,780.00
FRANKLIN ELECTRIC INC	19,000.000	1.8%	785,197.30	541,880.00
GENERAL ELECTRIC COMPANY COM	51,000.000	2.5%	1,400,015.80	819,060.00
GENERAL GROWTH PROPERTIES INC. COM REIT	3,042.000	5.8%	77,905.62	39,880.62
GENUINE PARTS CO	8,000.000	4.1%	331,639.00	322,880.00
THE HERSHEY COMPANY	10,000.000	3.2%	464,014.20	397,600.00

Lake City Bank

Wealth Advisory Group

EDWARD D. AND IONE AUER FOUNDATION

INDIVIDUAL INVESTMENTS

	QUANTITY	CURRENT YIELD	COST	MARKET VALUE
HOME DEPOT INC	34,000.000	3.0%	1,252,348.60	1,060,800.00
INTEL CORP COM	49,000.000	3.1%	990,810.00	1,005,970.00
JOHNSON & JOHNSON	15,500.000	3.1%	994,916.10	976,500.00
LAKELAND FINANCIAL CORP. COM	30,000.000	3.5%	678,424.48	528,300.00
LILLY ELI & CO COM	5,000.000	5.7%	262,311.85	171,700.00
LINCOLN NATL CORP COM	3,000.000	0.2%	84,095.10	75,540.00
MARSHALL & ILSLEY CORP NEW COM	17,000.000	0.6%	527,336.03	120,360.00
MCDONALDS CORPORATION	13,000.000	3.5%	568,049.68	830,050.00
MEDTRONIC INCORPORATED	24,000.000	1.9%	1,195,692.50	1,041,600.00
MERCK & CO INC NEW COM	25,000.000	4.1%	1,055,849.70	922,000.00
MICROSOFT CORP COM	30,000.000	1.8%	893,654.00	860,100.00
NORTHERN TRUST CORP COM	10,000.000	2.1%	604,444.20	532,900.00
PNC FINANCIAL CORP	749.000	0.7%	687,753.17	40,266.24
PFIZER INC COM	45,000.000	4.1%	1,121,198.00	789,750.00
PINNACLE WEST CAPITAL CORPORATION	10,000.000	5.8%	426,150.80	364,100.00
PROCTER & GAMBLE COMPANY	15,100.000	2.8%	963,303.20	955,528.00
PROTECTIVE LIFE CORP COM	4,000.000	2.6%	96,563.20	73,440.00
QUESTAR CORPORATION COM	6,000.000	1.2%	176,612.10	251,940.00
SCHLUMBERGER LTD	3,000.000	1.4%	119,933.00	183,300.00
STRYKER CORP COM	8,000.000	1.1%	464,115.00	424,800.00
SYSCO CORP COM	35,300.000	3.5%	1,111,764.90	1,020,170.00
3M COMPANY COM	13,000.000	2.6%	749,370.60	1,041,950.00
US BANCORP DEL COM NEW	35,000.000	0.8%	772,256.90	861,350.00
UNITED PARCEL SVC INC CL B	6,500.000	3.2%	444,651.20	381,810.00
UNITED TECHNOLOGIES CORP COM	9,000.000	2.5%	405,570.90	617,850.00
VALSPAR CORP COM	11,000.000	2.3%	215,040.05	300,960.00
VERIZON COMMUNICATIONS COM	9,500.000	6.6%	361,659.97	274,835.00
VODAFONE GROUP PLC NEW SPONS ADR NEW	14,000.000	5.8%	387,195.50	304,780.00
WAL-MART STORES,INCORPORATED	19,500.000	2.0%	896,400.65	1,054,365.00
WALGREEN CO COM	29,500.000	1.6%	1,257,806.56	1,039,580.00
WELLS FARGO & CO NEW COM	36,500.000	0.7%	1,152,881.70	997,910.00
ZIMMER HOLDINGS INC. COM	15,000.000		1,162,096.50	859,950.00
TOTAL EQUITIES			35,979,251.47	29,822,174.07

Lake City Bank

Wealth Advisory Group

EDWARD D. AND IONE AUER FOUNDATION

INDIVIDUAL INVESTMENTS

	QUANTITY	CURRENT YIELD	COST	MARKET VALUE
FIXED INCOME				
AMERICAN GENERAL FINANCE CORPORATION 6.0% DUE 11/15/2014	250,000.000	8.4%	250,000.00	178,050.00
AMERICAN INTERNATIONAL GROUP INC. 5.60% DUE 10/18/2016	250,000.000	6.8%	247,725.00	206,935.00
ANHEUSER BUSCH COMPANIES INC 4.95% DUE 01/15/2014	250,000.000	4.6%	238,555.00	267,527.50
BANK OF AMERICA CORPORATION 5.75% DUE 08/15/2016	250,000.000	5.7%	247,947.50	252,302.50
BENSENVILLE ILLINOIS 6.08% DUE 06/01/2018 TAXABLE	250,000.000	5.9%	262,010.00	259,125.00
CIT GROUP INC NEW 7.00% DUE 05/01/2013 ADJUSTMENT FOR REORG FIRST AND FINAL DISTRIBUTION FROM 125581AK4	4,288.000	7.4%	4,885.65	4,052.16
CIT GROUP INC NEW 7.00% DUE 5/01/2014 ADJUSTMENT REORG FIRST AND FINAL DISTRIBUTION FROM 125581AK4	6,433.000	7.7%	7,132.82	5,886.20
CIT GROUP INC NEW 7.00% DUE 5/01/2015 ADJUSTMENT REORG FIRST AND FINAL DISTRIBUTION FROM 125581AK4	6,433.000	7.7%	7,049.81	5,837.95
CIT GROUP INC NEW 7.00% DUE 05/01/2016 ADJUST REORG FIRST AND FINAL DISTRIBUTION FROM 125581AK4	10,722.000	7.9%	11,461.12	9,488.97
CIT GROUP INC NEW 7.00% DUE 05/01/2017 ADJUSTMENT REORG FIRST AND FINAL DISTRIBUTION FROM 125581AK4	15,010.000	7.9%	15,955.45	13,265.09
CAPITAL ONE FINANCIAL CORPORATION 5.70% DUE 09/15/2011	25,000.000	5.4%	24,513.25	26,279.25
CARMEL INDIANA REDEVELOPMENT DISTRICT 5.27% DUE 12/15/2018 TAXABLE	300,000.000	5.4%	307,938.00	295,254.00
COOS COUNTY OREGON TAXABLE 5.37% DUE 06/01/2020	150,000.000	5.5%	146,826.00	147,060.00

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INDIVIDUAL INVESTMENTS

	QUANTITY	CURRENT YIELD	COST	MARKET VALUE
DES MOINES IOWA AREA COMMUNITY 4.50% DUE 06/01/2012 TAXABLE	200,000.000	4.2%	202,558.00	214,108.00
FEDERAL HOME LOAN MORTGAGE CORPORATION 2.0% DUE 04/29/2019	200,000.000	2.0%	200,000.00	200,320.00
FEDERAL NATIONAL MORTGAGE ASSOCIATION 4.125% DUE 04/15/2013	250,000.000	3.9%	250,000.00	268,165.00
FORT WAYNE INDIANA REDEVELOPMENT AUTHORITY LEASE TAXABLE 5.125% DUE 08/01/2014	160,000.000	4.9%	163,422.40	168,131.20
FORT WAYNE INDIANA REDEVELOPMENT AUTHORITY LEASE TAXABLE 5.625% DUE 02/01/2019	295,000.000	5.7%	294,138.60	293,454.20
GENERAL ELECTRIC CAPITAL CORPORATION 5.45% DUE 01/15/2013	250,000.000	5.1%	252,567.50	268,837.50
GRIFFITH INDIANA PUBLIC SCHOOLS DISTRICT TAXABLE 5.0% DUE 07/05/2015	300,000.000	5.0%	307,893.00	301,260.00
HSBC FINANCE CORPORATION 5.25% DUE 01/14/2011	200,000.000	5.1%	200,244.00	206,452.00
HOME DEPOT INC 5.40% DUE 03/01/2016	275,000.000	5.0%	256,390.00	294,981.50
INDIANA BOND BANK TAXABLE 5.170% DUE 07/15/2013	145,000.000	4.9%	148,690.25	151,826.60
INDIANA BOND BANK 5.220% DUE 07/15/2014	200,000.000	5.0%	205,390.00	209,130.00
INDIANA BOND BANK 5.05% DUE 01/15/2019	70,000.000	5.1%	64,225.00	69,748.70
INDIANA BOND BANK 5.73% DUE 07/15/2015	200,000.000	5.2%	204,408.00	219,486.00
INTERNATIONAL LEASE FINANCE CORPORATION 6.10% DUE 04/15/2014	250,000.000	8.3%	250,000.00	183,365.00
INTERNATIONAL LEASE FINANCE 5.40% DUE 02/15/2012	250,000.000	5.9%	247,555.00	230,167.50
LEWIS COUNTY WASHINGTON PUBLIC UTILITY TAXABLE 5.070% DUE 12/01/2015	150,000.000	4.7%	151,582.50	160,458.00
MADISON WISCONSIN COMMUNITY DEVELOPMENT AUTHORITY TAXABLE 5.25% DUE 07/01/2018	300,000.000	5.2%	302,331.00	302,748.00
MCDONALDS CORP MED TERM NOTE 5.30% DUE 03/15/2017	250,000.000	4.8%	239,250.00	273,677.50

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INDIVIDUAL INVESTMENTS

	QUANTITY	CURRENT YIELD	COST	MARKET VALUE
OREGON SCHOOL BOARDS ASSOCIATION TAXABLE 5.345% DUE 06/30/2016	200,000.000	5.1%	208,590.00	211,482.00
PEPSICO INC 5.0% DUE 06/01/2018	150,000.000	4.7%	150,000.00	159,145.50
PRINCIPAL LIFE INCOME FUND 0.00% DUE 07/15/2011	160,000.000	1.4%	160,000.00	159,121.60
PROTECTIVE LIFE SECD TRS 5.60% DUE 01/15/2018	300,000.000	6.0%	300,000.00	278,718.00
ROSEMONT ILLINOIS TAXABLE 4.450% DUE 12/01/2013	130,000.000	4.3%	125,131.50	134,569.50
SIMON PROPERTY GROUP LP 4.875% DUE 03/18/2010	50,000.000	4.9%	46,917.50	50,069.00
SIMON PROPERTY GROUP LP 5.625% DUE 08/15/2014	250,000.000	5.2%	245,000.00	268,512.50
UNITED STATES TREASURY NOTE 4.75% DUE 03/31/2011	400,000.000	4.5%	402,156.24	419,078.00
UNITED TECHNOLOGIES CORPORATION 4.875% DUE 05/01/2015	250,000.000	4.4%	246,875.00	274,285.00
VERIZON PA INC 5.65% DUE 11/15/2011	250,000.000	5.3%	249,580.00	264,882.50
WAL MART STORES INC 4.125% DUE 07/01/2010	250,000.000	4.1%	241,017.50	252,492.50
TOTAL FIXED INCOME			**8,087,912.59**	**8,159,736.42**