

**Tim Berry**  
Indiana's Treasurer

# *Annual Report*

1 9 9 9

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Dear Hoosiers,

As I complete my first 100 days in office as Indiana's State Treasurer, I am pleased to present to you the Fiscal Year 1999 Annual Report, and to report that the State continues to be in a strong financial condition.

The most important function of the office remains the investment of the State's greater than \$5 billion portfolio. This report, encompassing investment activity from July 1, 1998 to June 30, 1999, illustrates that our investment policy remains sound. Interest earnings on investments in FY 99 were \$ 270,451,836. This is outstanding performance and great news for Hoosiers because every dollar of interest earned on the state's investments is one dollar less that needs to be raised from Indiana taxpayers and therefore one dollar more in the pockets of Hoosier families.

Since taking the oath of office on February 10, 1999, the Treasurer's office has been hard at work making changes to existing programs and rolling out new programs to better serve the taxpayers of the State of Indiana. This letter is intended to highlight some of these changes, many of which I promised to address when I ran for this office and all of which I am very proud.

One of my first priorities as State Treasurer was to assist the efforts of Hoosier farmers facing cash-flow difficulties. I felt the best way was to develop the Treasurer's Agricultural Loan Program (TALP), which offers low interest loans for agricultural production needs. As State Treasurer, I pledged a total of \$50 million for the last three quarters of 1999. Since the announcement in March 1999, nearly \$13 million in farm operating loans has been issued.


As was mentioned earlier, the Treasurer's office is responsible for the investment of the State's portfolio. This year's General Assembly passed legislation, which became law on July 1, allowing AAA money market funds, a pooled investment comprised of U.S. Treasury securities, as an investment choice for state and local government officials. Investment in money markets will allow governments to earn a higher rate of return while maintaining both safety and liquidity in their investments. The Treasurer's office is the only office in state government that can generate additional income without raising taxes or fees, and I am both positive and excited about the additional interest that the investment in money markets will earn Hoosiers in the coming years.

One of my duties as State Treasurer is to serve as Chairman to the Indiana Education Savings Authority. Throughout the last few months we have made several improvements to the Indiana Family College Savings Plan, including a reduction in program fees, new investment opportunities which now give individuals the option of participating in the traditional aged-based plan or the new self-directed investment plan, and additional payroll deduction opportunities. The response to the changes has been very positive. In fact, Indiana leads the way, becoming the first college savings plan in the country to offer self-directed investment options -- a component of the plan of which I am particularly proud.

Also since becoming Treasurer, the Indiana Bond Bank, of which I serve as Chairman, closed its Common School Fund Advance Purchase Funding Bonds. This bond issue totaled \$72,335,000. The Common School Fund program allows the Bond Bank to help Hoosier public school districts borrow money at below market interest rates to make building and technology upgrades. It is one of my goals as State Treasurer to rejuvenate the Bond Bank and we have begun this process by communicating with local government finance officials through a series of regional seminars where Bond Bank programs have been promoted and the financing needs of local communities have been shared.

With my first year as Treasurer of State just under way, I look forward to working diligently with my staff, the members of the boards and commissions on which I serve, local finance professionals and business officials throughout the state to build stronger communities for our Hoosier families while keeping taxes low.

Sincerely,



Tim Berry  
Treasurer of State



## History of the Indiana State Treasurer's Office

The office of Treasurer of State was created by the first state constitution in 1816. David Crosby Lane became the first State Treasurer in November 1816 in Corydon, the state's first Capitol. The State Capitol was later moved to Indianapolis and, in 1888, Julius A. Lemke was the first Treasurer to occupy offices in the current State House. In 1970, the Treasurer's term was extended from two years to four years, with no person eligible to serve more than eight years (two successive terms) in any twelve year period.

The Treasurer of State was originally responsible for collecting all public revenue through the county treasurers. The Treasurer was to keep correct and separate account of all monies received and paid out by the state. Since its creation, the Department of Revenue performs the task of collecting all state taxes. The regular duties of the Treasurer's office include managing an investment portfolio of over \$5 billion comprised of receipts from the state general fund and 69 trust funds. As part of the investment program, the Treasurer maintains deposits in the form of certificates of deposit and repurchased agreements in nearly 270 banks, savings and loans, and credit unions in Indiana.

The Treasurer also serves on various state boards and commissions including the State Board of Finance; secretary/investment manager of the Indiana Board for Depositories; chairman of the Indiana Bond Bank; chairman of the Indiana Education Savings Authority; chairman of the Wireless Enhanced 911 Advisory Board; trustee of the Indiana State Police Pension Trust Fund; vice-chairman of the Indiana Housing Finance Authority; treasurer of the State Recreational Development Commission; the State Office Building Commission; the Indiana Development Finance Authority; and the Indiana Transportation Finance Authority.

Tim Berry took office on February 10, 1999, after serving as Allen County Treasurer from 1990-1999. Treasurer Berry is Indiana's 51st State Treasurer.

## Indiana's State Treasurers

Daniel Crosby Lane	D-R	1816-1822
Samuel Merrill	R-W	1822-1834
Nathan B. Palmer	D	1834-1841
George H. Dunn	W	1841-1844
Royal Mayhew	D	1844-1847
Samuel Hannah	W	1847-1850
James P. Drake	D	1850-1853
Elijah Newland	D	1853-1855
William R. Nofsinger	R	1855-1857
Aquilla Jones	D	1857-1859
Nathaniel F. Cunningham	D	1859-1861
Jonathan S. Harvey	R	1861-1863
Matthew L. Brett	D	1863-1865
John I. Morrison	R	1865-1867
Nathan Kimball	R	1867-1871
James B. Ryan	D	1871-1873
John B. Glover	R	1873-1875
Benjamin C. Shaw	D	1875-1879
William Fleming	D	1879-1881
Roswel S. Hill	R	1881-1883
John J. Cooper	D	1883-1887
Julius A. Lemcke	R	1887-1891
Albert Gall	D	1891-1895
Frederick J. Scholz	R	1895-1899
Leopold Levy	R	1899-1903
Nathaniel U. Hill	R	1903-1907
Oscar C. Hadley	R	1907-1911
William H. Vollmer	D	1911-1915
George A. Bittler	D	1915-1917
Uz McMurtrie	R	1917-1921
Ora J. Davies	R	1921-1925
Bernhardt H. Urbahns	R	1925-1926
Grace Urbahns	R	1926-1931
William Storen	D	1931-1935
Peter F. Hein	D	1935-1939
Joseph M. Robertson	D	1939-1941
James M. Givens	R	1941-1945
Frank T. Mills	R	1945-1949
F. Shirley Wilcox	D	1949-1951
William L. Fortune	R	1951-1953
John Peters	R	1953-1957
Adolph L. Fossler	R	1957-1959
Jack A. Haymaker	D	1959-1961
Robert E. Hughes	R	1961-1965
Jack L. New	D	1965-1967
John K. Snyder	R	1967-1971
Jack L. New	D	1971-1979
Julian L. Ridlen	R	1979-1987
Marjorie H. O'Laughlin	R	1987-1995
Joyce Brinkman	R	1995-1999
Tim Berry	R	1999-



## **Treasurer of State Staff**

### **Administrative Department**

Tim Berry  
Treasurer of State

Betsy Burdick  
Chief Deputy Treasurer

Chris Ternet  
Communications Director

Krys Jacobs  
Receptionist

### **State Police Pension Fund**

Sharon Young  
Administrator

### **Document Operations**

Phil Campbell  
Document Supervisor

Tina Laker  
Clerk

### **Fiscal Department**

Mike Frick  
Deputy Treasurer— Portfolio Manager

Kimberly Logan  
Deputy Treasurer

Duane Jasheway  
Chief Accountant

Anne Wolf  
Administrative Assistant

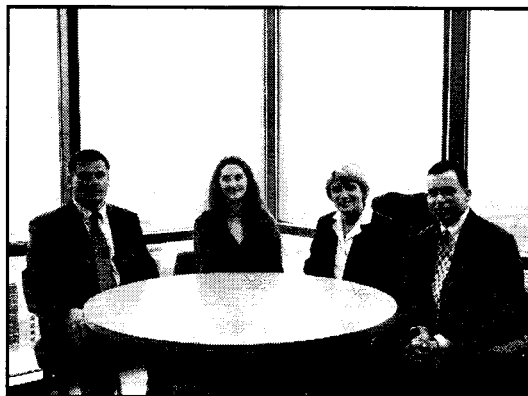
Donna Anderson  
Head Cashier

Linda Bischoff  
Cashier

Priscilla Key  
Cashier

# Indiana Bond Bank

Created by the General Assembly in 1984, the Indiana Bond Bank (IBB) serves local units of government in their short and long term financing needs. The primary purpose of the IBB is to assist local government in the process of issuing debt by operating as a financial conduit. The Bond Bank purchases the bonds of various communities and, in turn, issues its own obligations in the financial markets. This process allows local communities to take advantage of economies of scale by obtaining lower cost borrowing. By statute, the Treasurer of State serves as chairman of the IBB Board of Directors. The Director of the Department of Financial Institutions and five members appointed by the Governor also serve on the Board. The Bond Bank has developed several programs to meet its public purpose.



The *Advance Funding Program* was created to purchase the tax-anticipation warrants of special taxing districts. Participants take advantage of market or below market interest rates, standardized documentation, cash-flow projection assistance, and arbitrage rebate assistance.

The *Hoosier Equipment Lease Purchase (HELP) Program* allows local communities to acquire equipment at cash prices and utilize tax exempt interest rates. Equipment available through the HELP program includes fire trucks, police cars, computers, tractors, ambulances, buses and other essential equipment. The lease terms range from two to five years and payments are usually made semi-annually.

The Bond Bank purchases or arranges the purchase of *Bond Anticipation Notes (BANs)* for communities who need access to funds for construction projects prior to the issuance of long-term bonds.

Indiana Bond Bank  
2980 Market Tower  
10 West Market Street  
Indianapolis, Indiana 46204  
Phone: (317) 233-0888  
[www.state.in.us/bond](http://www.state.in.us/bond)

## Indiana Bond Bank Board of Directors

**Tim Berry**, Chairman  
Treasurer of State

**Ann E. Kolata**, Vice-Chairman  
South Bend Dept. of Economic Development

**Russell Breeden III**  
Community First Financial Group

**Clark H. Byrum**  
Key Corp

**Joseph T. Morrow**  
Mercantile National Bank of Indiana

**Charles W. Phillips**  
Department of Financial Institutions

**C. Kurt Zorn**  
Indiana University

## Indiana Bond Bank Staff

Donna Nichols, Executive Director  
Ron Mangus, Program Operations Director  
Kirke Willing, Staff Analyst  
Adreinne Clark, Administrative Assistant

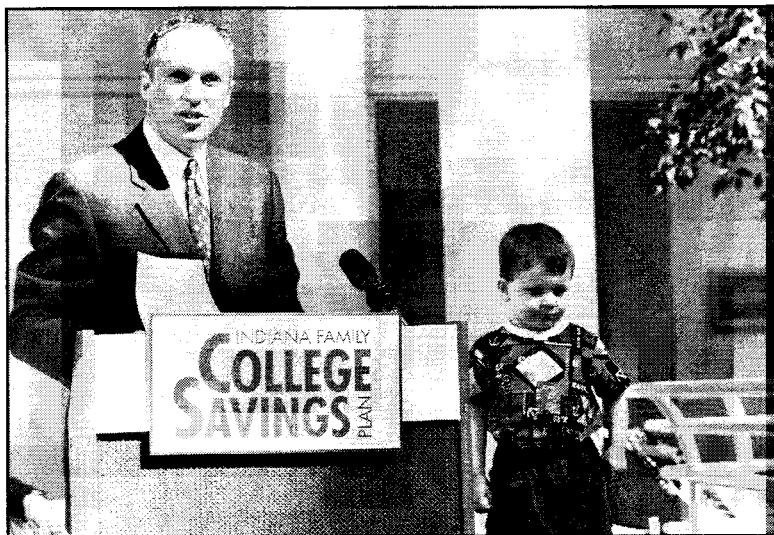


## Indiana Education Savings Authority

The Indiana Education Savings Authority (IESA) was created by the General Assembly to promote programs that encourage saving for educational expenses. The IESA consists of nine members: the Treasurer of State, the Superintendent of Public Instruction, the State Budget Director, the Commissioner for Higher Education, and five members who are appointed by the Governor. Treasurer Berry serves as chairman.

In 1997, the IESA created the Indiana Family College Savings Plan (IFCSP). The IFCSP is a special program for assisting those who want to save money for a child's post-high school education, and is a convenient, tax deferred method of investing to encourage parents or others interested in insuring that a child would have the resources for higher education. Federal and Indiana taxes are deferred on earnings until the child begins college and uses the funds. Then the tax consequences apply to the child, who generally has a lower tax rate. Participants in the plan can contribute by automatic debit from checking or savings accounts, coupons, or payroll deductions. The money accrued in the college savings plan can be used for tuition, fees, text books, and room and board.

Under Treasurer Berry's leadership, the IESA has reduced the plan's administrative fees, increased investment options, and increased the number of businesses participating in payroll deduction. The IFCSP is the first college savings plan in the nation to offer self directed choice.



**Treasurer Berry and his son, Ian, announce the new changes to the Indiana College Savings Plan.**

### Indiana Education Savings Authority

**Tim Berry**, Chairman  
Treasurer of State  
**Stanley Jones**, Vice-Chairman  
Commissioner for Higher Education  
**Dr. Suellen Reed**, Secretary  
Superintendent of Public Instruction  
**Peggy Boehm**  
State Budget Agency  
**Jean Blackwell**  
Cummins Engine  
**John Hammond**  
Johnson Smith  
**Brenda Horn**  
Ice Miller Donadio & Ryan  
**T.K. Olson**  
Independent Colleges of Indiana

For information about the Indiana Family College Savings Plan, call (888) 814-6800.



## **Indiana State Board of Finance**

Treasurer Berry serves on the State Board of Finance with Governor Frank O'Bannon and State Auditor Connie Nass. The State Board of Finance has the power to negotiate loans to cover casual deficits in state revenue. The Board may transfer money between state funds, and may transfer money between appropriations for any board department, commission, office, or benevolent or penal institution. Additionally, the Board has advisory supervision of all funds coming into the state treasury and all other funds belonging to the state.

## **Indiana Underground Storage Tank Financial Assurance Board**

The Underground Storage Tank Financial Assurance Board was created by the Indiana General Assembly in 1996. The Board consists of sixteen (16) members including the Treasurer of State, The Commissioner of the Indiana Department of Environmental Management (IDEM), the Commissioner of the Indiana Department of Revenue, the State Fire Marshall and twelve individuals appointed by the Governor who represent the petroleum industry, the environment, local government, and the public. The Board's duties include taking testimony and receiving a monthly report from the commissioner of IDEM regarding the financial condition and operation of the excess liability trust fund. Additionally, the Board consults with IDEM on the administration of the underground storage tank excess liability trust fund. The excess liability trust fund is established to provide a source of money to satisfy liabilities incurred by owners and operators of underground petroleum storage tanks, to provide a source for loan guaranty, and to provide a source of money for IDEM to pay for expenses related to the administration of claims against the trust fund. The Treasurer of State has the statutory responsibility for investing the trust fund.

## **State Police Pension Trust Fund**

Since 1937, the Treasurer of State has served as Trustee of the Indiana State Police Pension Fund. As trustee, Treasurer Berry appropriates funds to support many of the programs for State Police employees, including the Retirement and Supplemental Pension, Disability Benefit, and the Benefit for Widows and Children.



**Treasurer of State Tim Berry and Portfolio Manager Mike Frick**

## Indiana Development Finance Authority

The Indiana Development Finance Authority (IDFA) was created by the Indiana General Assembly to assist business development and job creation by using credit enhancement and access programs. Hoosier businesses that are unable to qualify for conventional financing can utilize IDFA's *Loan Guaranty Programs*. The borrower must be unable to obtain a loan on reasonable terms without the guaranty and the lender must be able to service the loan property. The IDFA can guarantee loans backed by the Industrial Development Guaranty Fund for either large industrial development projects, manufacturing projects, or projects that aid in the creation or retention of Indiana jobs. The IDFA can guaranty up to \$2,000,000 on industrial development projects. Rural development projects and agricultural enterprises can benefit from a maximum loan guaranty of \$300,000 for (1) projects located in smaller communities that encourage economic development, (2) projects that involve value-added agricultural products. IDFA's programs offer guaranties from 75% to 90% of the principal deficiency on a loan.

Another program, the *Capital Access Program (CAP)*, provides protection of a cash reserve that grows each time a lender makes a loan they might otherwise not have made without IDFA's backing. The cash reserve is available to cover any loss if a CAP loan in the lender's portfolio defaults.

*Tax-Exempt Bonds* are bonds issued by state or local governmental entities. The proceeds of these bonds are then loaned to private companies. These bonds are often called Economic Development Bonds, Industrial Revenue Bonds (IRBs), or Private Activity bonds. The interest on these bonds is generally tax-exempt, which is attractive to investors and typically results in lower financing costs and interest rates to the company. Bonds can be issued by the IDFA to finance industrial development projects, which include manufacturing facilities and equipment, and certain other projects permitted under Federal law. The IDFA uses tax-exempt bond financing to promote economic development by creating secure jobs, higher incomes, and competitive communities across Indiana. The IDFA considers the number of jobs created (or retained), average wages, and community support, among other factors, in evaluating applications for tax-exempt bond financing.

IDFA offers *Brownfields Grants and Loans* to help finance redevelopment programs in areas where industrial or commercial property has been abandoned or underutilized and where there is the existence of environmental contamination. IDFA makes grants (up to \$50,000) for site assessment purposes and low interest (2.5%-3.0%) loans to communities for brownfields redevelopment.

## Indiana Development Finance Authority

**William H. King**, Chairman  
Indiana Bankers Association  
**Alfred Hammonds**, Vice Chair  
Bank One  
**Joe Kernan**, Secretary-Manager  
Lt. Governor  
**Tim Berry**  
Treasurer of State  
**Sondra S. Harris**  
Harris & Sons Funeral Homes  
**Suzanne E. McCool**  
Civitas Bank  
**Dwayne C. Isaacs**  
Bingham Summers Welsh & Spilman  
**Leslie D. Reed**  
Sun American Securities  
**Buford Hartzell**  
Retired  
  
**Diana Hamilton**, Executive Director

[www.state.in.us/idfa](http://www.state.in.us/idfa)

## Indiana Housing Finance Authority

Created in 1978 by the Indiana General Assembly, the Indiana Housing Finance Authority (IHFA) is a financially self-sufficient and quasi-autonomous agency established to provide financial vehicles and incentives for the purpose of ownership, development, or rehabilitation of affordable single and multi-family housing as well as supportive shelters. IHFA provides affordable homes for Hoosiers, stimulates the construction industry, and construction employment.

Started in 1978, the *Single-Family Housing Program* assists low and moderate income families in the purchase of their first home.

In 1982, IHFA created the *Multi-Family Program* which provides below market rate mortgages to developers and sponsors for construction or rehabilitation of multi-family rental residences.

The IHFA introduced the *Mortgage Credit Certificate Program* (MCC Program) in 1987. The MCC Program allows the IHFA to provide financial assistance to a greater number of first time home buyers.

Also in 1987, IHFA rolled out the *Low Income Housing Credit Program* which provides a federal tax credit to qualified owners of rental housing.

The primary resources used by IHFA include: below-market interest rate single family loans, single family tax credits, below-market interest rate multi-family loans, multi-family tax credits, multi-family bonds, and development loans and grants from HOME, CDBG, and the Indiana Low-Income Housing Trust Fund. IHFA'S main homeownership bond fund carries the highest credit rating from Moody's Investor Services and Fitch IBCA, Inc., a "natural" Aaa and AAA, respectively. In addition, we maintain an Aa3 Issue Credit Rating from Moody's which is one of the sixth highest in the country.

In 1998, IHFA allocated resources to help stimulate more than \$345 million in investments in Indiana, creating the potential to help more than 5,900 families. IHFA had \$880 million in assets on December 31, 1998 and produced a combined net result of \$10.1 million in 1998. The total fund balances (equity) of \$115 million on December 31, 1998 was 13.1% of total assets, up from 5.0% on December 31, 1992.

The Indiana Housing Finance Authority is made up of the Lieutenant Governor, the State Treasurer, the Director of the Department of Financial Institutions, and four gubernatorial appointments.

### Indiana Housing Finance Authority Board of Directors

**Joe Kernan**, Chairman  
Lieutenant Governor

**Tim Berry**, Vice-Chairman  
Treasurer of State

**Charles Phillips**  
Dept. of Financial Institutions

**Mark Sidebottom**

**Timothy V. Clark**

**John D. Weissert**

**Fred Miller**

**Bob Welch**, Executive Director

[www.state.in.us/ihfa](http://www.state.in.us/ihfa)

## **Indiana Recreational Development Commission**

The Recreational Development Commission has the statutory stated purpose to provide for the general health and welfare of Indiana citizens by the acquisition, construction, improvement and operation of public recreational facilities. Additionally the commission is to facilitate, support and promote the development and use of the parks of the state.

The commission consists of the Director of the Department of Natural Resources, the Treasurer of State, and three members appointed by the Governor. Treasurer Berry serves as Treasurer of the Indiana Recreational Development Commission.

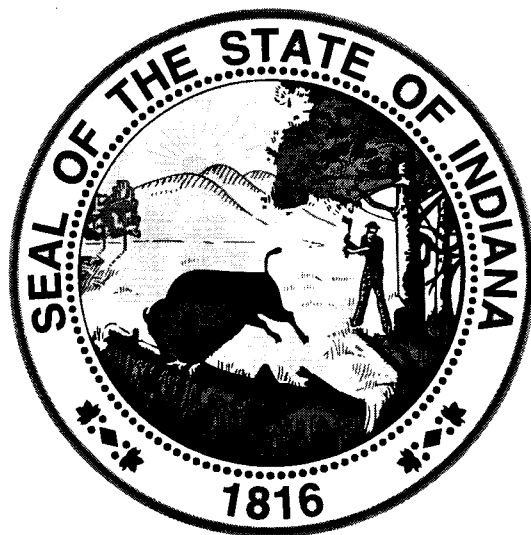
## **Indiana Heritage Trust Committee**

The Indiana Heritage Trust Committee recommends to the Governor purchases for the Heritage Trust Program. The Trust Committee works with the Heritage Trust Project Committee and the Department of Natural Resources to develop a Heritage Trust Strategic Plan to provide an overview of the programs.

The Trust Committee has seventeen members: twelve members of the Natural Resources Foundation, two members of the State Senate and the House of Representatives, and the Treasurer of State.

## **Indiana Arts Commission Quarter Design Committee**

Treasurer Berry serves on the committee to review designs for Indiana's commemorative quarter. The committee makes recommendations to the Governor regarding preliminary designs. The Governor will select no more than five preliminary designs to be submitted to the U.S. Mint. The U.S. mint reviews the designs for appropriate images and clarity of reproduction. Final design images created by the U.S. Mint may combine elements of more than one design concept.





## Public Deposit Insurance Fund

The Public Deposit Insurance Fund (PDIF) was created in 1937 to insure the deposits of public monies in Indiana's banks, much the same way the FDIC insures individual depositor's accounts. PDIF funds are managed and invested by Treasurer Berry, in his capacity as the Secretary-Investment Manager for the Indiana Board for Depositories. Treasurer Berry staffs, administers, manages, and directs the affairs and activities of the Board in accordance with the policies set out by the Board.

The purpose of the Board for Depositories is to insure the safekeeping and prompt payment of all public funds deposited in any approved depository through the prudent management of the PDIF. The Board is separate from the state in its corporate and sovereign capacity.

The PDIF is funded by assessments payable by every depository that has public funds. The Board may waive this assessment if, in its discretion, it determines that the assets of the fund are equal to the reserve for losses. At the present time, the Board has waived the assessment. The Board has the authority to invest, reinvest, and exchange investments of the PDIF in excess of the cash balance in certain securities set out in the Indiana Code 5-13-12.

At the end of Fiscal Year 1998-99, the assets of the PDIF totaled \$ 282,230,353.98.

### Indiana Board for Depositories

**Frank O'Bannon**, Chairman  
Governor

**Tim Berry**, Secretary-Investment Manager  
Treasurer of State

**Connie Nass**, Vice-Chairman  
State Auditor

**Charles Johnston III**  
State Board of Accounts

**Norman Lowery**  
Department of Financial Institutions

**Calvin Bellamy**  
Bank Calumet

**Dan Doan**  
Old National Bancorp

**John R. Cunningham**  
Fidelity Federal Bancorp

**Christopher J. Murphy III**  
First Source Bank

### Board for Depositories Staff

R. Merrick White, Network Director  
Holly M. Davis, Program Director



Indiana Board for Depositories  
One North Capitol Avenue, Suite 444  
Indianapolis, Indiana 46204-2026  
(317) 232-5257  
[www.state.in.us/deposit](http://www.state.in.us/deposit)

## **Indiana State Office Building Commission**

**Frank O'Bannon**  
Governor

**Joe Kernan,**  
Lieutenant Governor

**Tim Berry**  
Treasurer of State

**Connie Nass**  
State Auditor

**Peggy Boehm**  
State Budget Director

**Betty Cockrum**  
**Eleanor Bookwater**

**Robert Batteast**

**Myron Fraiser**

**Kenneth DeLap**

**Kipper Tew**

**Brad Chambers**

**Keith Hedinger**

**Susan Williams, Executive Director**

## **Indiana State Office Building Commission**

Created in 1953 to provide additional office space for the State of Indiana, the State Office Building Commission issues bonds to finance construction for state properties. After erecting the Indiana Government Center and two parking garages adjacent to the state house, the State Office Building Commission was given the authority to issue bonds for various correctional facilities throughout the state.

The Commission consists of the Governor, Lieutenant Governor, Treasurer of State, State Auditor, the State Budget Director, the Commissioner of the Department of Administration, and six members appointed by the Governor.

## **Indiana Transportation Finance Authority**

The Indiana Transportation Finance Authority (ITFA) is responsible for the construction, reconstruction, improvement, maintenance, operation, and repair of toll roads and toll bridges. The ITFA issues and sells bonds to provide funds for construction projects. However, the authority may not issue any bonds or notes for the construction of a project after July 1, 2007. The *Highway Revenue Bonds* are issued to provide funds for the construction of highways, roads, bridges, and streets. The ITFA also issues bonds to help finance airport improvements, including the construction of an aircraft maintenance facility and an aviation technology center in Indianapolis.

The Authority consists of the Governor, Treasurer of State, State Budget Director, the Commissioner of the Department of Transportation, and five appointed members.

## **Indiana Transportation Finance Authority**

**Diana Hamilton,** Chairman  
Governor's Office

**Tim Berry**  
Treasurer of State

**Cristine Klika**  
Department of Transportation

**Peggy Boehm**  
State Budget Agency

**Barry Sturges**  
**John L. Lewis**  
**James G. Newland**  
**James L. Wieser**  
**Edward Gonzalez**

**Shah Towfighi, Executive Director**

## **E911 Advisory Board**

**Tim Berry**, Chairman

Treasurer of State

**Howard Bower**

GTE Wireless

**Bill Clift**

Cellular One

**Fred Freihofer**

Alltel Communications

**Gerald Gagne**

Jasper Police Department

**Randy Kent**

Dearborn County Communications

**Kenneth Lowden**

Steuben County Communications

**Charles Mercer**

Sprint

**William Plantz**

Ameritech Cellular & Paging Service

**Purnell Spriggs**

MECA

**Sue Moser**

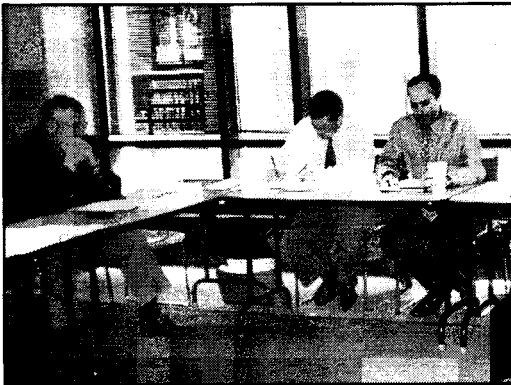
Crown Point Police Department

## **Wireless Enhanced 911 Advisory Board**

The Wireless Enhanced 911 Advisory Board was established by the Indiana General Assembly in 1998 in response to a Federal Communications Commission (FCC) order mandating the provision of wireless E911 service by wireless carriers. Treasurer Berry serves as Chairman of the Board, comprised of representatives of wireless telephone carriers and county and city public safety representatives.

The FCC order stipulates that wireless carriers must provide their subscribers, in two phases, with phones that automatically give the location of the caller when dialing 911. Additionally, the mandate provides that wireless carriers and public safety dispatch centers answering E911 calls are entitled to recover costs associated with the provision of the service.

In compliance with the FCC mandate and Indiana statute, the Board is responsible for oversight of the implementation of wireless E911 service in Indiana. The Board also ensures that wireless carriers and local government recover costs associated with the provision of the service via a subscriber surcharge. Currently, three wireless carriers provide wireless E911 to subscribers in over 30 Indiana counties, representing nearly half of the state's population.



Treasurer Berry conducts an E911 Advisory Board meeting.

## **Grain Indemnity Corporation**

The Grain Indemnity Corporation is a public body corporate and politic, and though it is separate from the state, the exercise by the corporation of its powers constitutes an essential governmental function. The Grain Indemnity Corporation oversees the Indiana grain indemnity fund. The Fund was established for the purpose of providing money to pay producers for losses incurred due to the failure of a grain buyer.



Treasurer of State  
242 State House  
Indianapolis, Indiana 46204

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October 29, 1999

The Honorable Frank O'Bannon  
Governor, State of Indiana  
206 State House  
Indianapolis, Indiana 46204

Dear Governor O'Bannon:

In accordance with Indiana Code Section 4-8.1-2-14, I hereby submit the Annual Financial Report of the Office of the Treasurer of State for the State of Indiana.

The following information is a summary of the business transactions for the state General Fund and all other funds managed by this office for the Fiscal Year, July 1, 1998 to June 30, 1999.

Sincerely,

Tim Berry  
Treasurer of State

TB/hmd



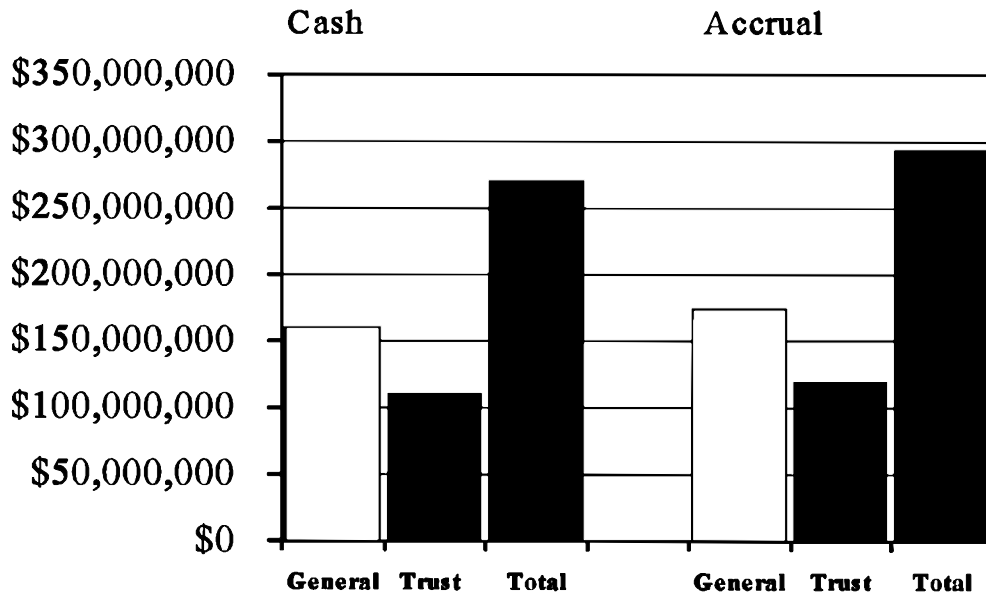
**TREASURER OF STATE**  
 Fiscal Year 99 Investment Summary  
 Schedule A - Cash Basis

<b><u>Fund Name</u></b>	<b><u>Average Daily Balance</u></b>	<b><u>Interest Collected</u></b>	<b><u>Yield</u></b>
<i>General Fund Designated:</i>			
Warrant Clearing Accounts	\$ 102,260,801	\$ 2,671,636	2.61%
Certificates of Deposit	\$ 286,679,347	\$ 15,474,873	5.40%
Repurchase Agreements	\$ 444,639,726	\$ 19,597,799	4.41%
Government Securities	\$ 2,418,566,152	\$ 122,669,364	5.07%
<b>TOTAL</b>	<b>\$ 3,252,146,027</b>	<b>\$ 160,413,673</b>	<b>4.93%</b>
<i>Other General Accounts:</i>			
County Option Income Tax	\$ 180,847,465	\$ 10,184,727	5.63%
County Economic			
Development Income Tax	\$ 74,627,389	\$ 4,217,307	5.65%
Economic Stabilization Fund	\$ 494,647,711	\$ 27,414,716	5.54%
<b>TOTAL</b>	<b>\$ 750,122,565</b>	<b>\$ 41,816,749</b>	<b>5.57%</b>
<i>Dedicated Funds:</i>			
Soldier & Sailor Children's Home	\$ 989,005	\$ 50,674	5.12%
Soldier's Home Building Fund	\$ 4,626,641	\$ 229,371	4.96%
Natural Resources -			
Lifetime License	\$ 4,532,928	\$ 182,973	4.04%
Post 1977 Abandoned Mine			
Reclamation	\$ 4,775,735	\$ 265,785	5.57%
Build Indiana	\$ 262,162,952	\$ 10,921,188	4.17%
<b>TOTAL</b>	<b>\$ 277,087,261</b>	<b>\$ 11,649,992</b>	<b>4.20%</b>
<i>Trust Fund:</i>			
I.U. Permanent Endowment	\$ 778,274	\$ 39,537	5.08%
Purdue Trust Fund	\$ 349,704	\$ 18,593	5.32%
Public Deposit Insurance Fund	\$ 270,064,466	\$ 12,998,947	4.81%
Common School Fund -Investment	\$ 67,089,698	\$ 2,914,774	4.34%
Common School Fund -Advances	\$ 291,922,853	\$ 11,393,953	3.90%
Agency for the Blind:			
- Women's Fund	\$ 101,900	\$ 5,708	5.60%
- Vending Operations	\$ 124,399	\$ 5,921	4.76%

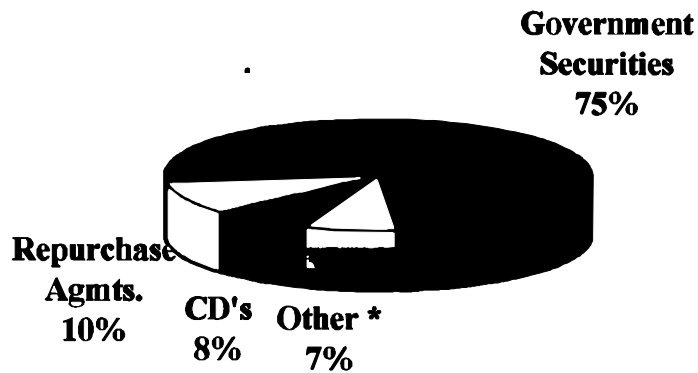
<u>Fund Balance</u>	<u>Avg. Daily Balance</u>	<u>Interest Collected</u>	<u>Yield</u>
- Restricted Donations	\$ 6,600	\$ 370	5.60%
Recreational Development Comm.	\$ 1,025,832	\$ 57,699	5.62%
State Police Pension	\$ 252,692,306	\$ 14,255,491	5.64%
Rural Rehabilitation Planning Fund	\$ 250,460	\$ 13,827	5.52%
Veteran Memorial School Const.	\$ 14,065,843	\$ 812,736	5.78%
Federal Revenue Sharing Fund	\$ 1,851,763	\$ 111,102	6.00%
State Office Building Commission	\$ 306,595	\$ 19,103	6.23%
Patients Compensation Fund	\$ 63,509,526	\$ 2,115,168	3.33%
Property Custody Fund	\$ 1,000,000	\$ 54,903	5.49%
Law Enforce Training Board	\$ 8,930	\$ 693	7.76%
Indiana Historic Bureau -			
Governor's Portrait	\$ 35,247	\$ 2,341	6.64%
Standardbred Board	\$ 194,318	\$ 10,778	5.55%
Tri-Centennial Fund	\$ 5,750	\$ 329	5.71%
Retirement Home Guaranty Fund	\$ 1,682,094	\$ 95,722	5.69%
Natural Resources - Reclamation			
Set Aside	\$ 4,172,771	\$ 222,738	5.34%
Hazardous Substance Emergency	\$ 19,848,140	\$ 1,068,146	5.38%
Natural Resources Donations	\$ 308,416	\$ 19,614	6.36%
Non-Game Bird Fund	\$ 1,334,343	\$ 72,914	5.46%
Residual Asbestos Injury Fund	\$ 496,793	\$ 26,843	5.40%
Bail Bond Enforcement	\$ 553,148	\$ 31,760	5.74%
Exxon Oil Overcharge Fund	\$ 10,630,905	\$ 824,361	7.75%
Indiana Political Subdivision Risk			
Management	\$ 5,565,403	\$ 225,289	4.05%
Stripper Well Fuel Overcharge	\$ 22,352,287	\$ 1,069,638	4.79%
Mine Subsidence Fund	\$ 909,631	\$ 83,490	9.18%
Industrial Development Grant	\$ 11,613,744	\$ 619,692	5.34%
Commerce Energy Exxon PVE	\$ 2,312,235	\$ 107,544	4.65%
Commerce - Energy Stripper Well	\$ 72,877	\$ 2,361	3.24%
Comm. Business / Agriculture	\$ 240,339	\$ 13,007	5.41%
Recovery Real Estate	\$ 737,000	\$ 40,107	5.44%
Recovery Plumbers	\$ 375,000	\$ 20,430	5.45%
Recovery Auctioneers	\$ 235,000	\$ 12,772	5.43%
Environmental Management			
Asbestos	\$ 1,821,487	\$ 102,343	5.62%
Environmental Management			
Petroleum	\$ 3,435,812	\$ 201,376	5.86%
Environmental Management			
Excess Liability	\$ 45,641,276	\$ 2,470,107	5.41%
Natural Resources Reclamation			
Bond Pool	\$ 548,485	\$ 36,217	6.60%

<u>Fund Name</u>	<u>Avg. Daily Balance</u>	<u>Interest Collected</u>	<u>Yield</u>
Robert Kraft Estate Gift Fund	\$ 854,511	\$ 55,675	6.52%
Economic Development	\$ 7,175,070	\$ 385,360	5.37%
Industrial Training Fund	\$ 39,923,618	\$ 2,001,589	5.01%
Library and Historical Fund	\$ 6,288	\$ 350	5.57%
State Library Publications Fund	\$ 69,265	\$ 3,878	5.60%
Commerce STP Loans	\$ 6,384,285	\$ 316,751	4.96%
Indiana Strategic Development	\$ 1,520,306	\$ 78,454	5.16%
License Plate Escrow	\$ 500,039	\$ 27,615	5.52%
Fish and Wildlife	\$ 2,343,016	\$ 125,040	5.34%
IPALCO Settlement	\$ 1,093,591	\$ 59,708	5.46%
Jeopardy Assessment Receipts	\$ 626,750	\$ 34,695	5.54%
Standard Library Card Program	\$ 69,536	\$ 3,794	5.46%
UST Guarantee Fund	\$ 99,827	\$ 23,529	23.57%
Historical Bureau Publication	\$ 57,135	\$ 4,756	8.32%
Heritage Trust Fund	\$ 7,265,888	\$ 352,288	4.85%
Secondary Market Sales	\$ 18,727,012	\$ 565,904	3.02%
Darrach Genealogy	\$ 200,698	\$ 7,998	3.98%
HCFA Civil Penalties	\$ 346,398	\$ 18,306	5.28%
Save Indiana Trust Fund	\$ 56,486	\$ 3,809	6.74%
Producer-Premium Fund	\$ 9,835,308	\$ 245,256	2.49%
Retailer Bonding Fund	\$ 681,888	\$ 33,902	4.97%
Electronic/Enhanced Access Fund	\$ 333,699	\$ 14,506	4.35%
W911-PSAP	\$ 385,173	\$ 7,482	1.94%
W911-CMRS	\$ 210,959	\$ -	0.00%
W911-Phase II	\$ 62,269	\$ 2,337	3.75%
State Infrastructure Bank	\$ 43,463	\$ -	0.00%
<b>TOTAL</b>	<b>\$ 1,199,144,128</b>	<b>\$ 56,571,422</b>	<b>4.72%</b>
<b>INVESTMENT TOTAL</b>	<b>\$ 5,478,499,981</b>	<b>\$ 270,451,836</b>	<b>4.94%</b>
CASH	\$ 21,175	\$ -	
<b>GRAND TOTAL</b>	<b>\$ 5,478,521,156</b>	<b>\$ 270,451,836</b>	<b>4.94%</b>
<b>RATE OF RETURN ON ACTIVELY MANAGED INVESTMENTS</b>			<b>4.99%</b>
(Excluding Common School Fund Advancements)			

## Investment Revenue Fiscal Year 1998-99



## Fiscal Year 1998-99 Treasurer of State



\* Includes Common School Fund Loans and Warrant Clearing Accounts



# TREASURER OF STATE

## Fiscal Year 99 Investment Summary

### Schedule B - Accrual Basis

<u>Fund Name</u>	<u>Average Daily Balance</u>	<u>Interest Earned</u>	<u>Yield</u>
<i>General Fund Designated:</i>			
Warrant Clearing Accounts	\$ 102,260,801	\$ 2,671,636	2.61%
Certificates of Deposit	\$ 286,679,347	\$ 14,745,715	5.14%
Repurchase Agreements	\$ 444,639,726	\$ 19,597,799	4.41%
Government Securities	\$ 2,418,566,152	\$ 136,985,806	5.66%
<b>TOTAL</b>	<b>\$ 3,252,146,027</b>	<b>\$ 174,000,956</b>	<b>5.35%</b>
<i>Other General Accounts:</i>			
County Option Income Tax	\$ 180,847,465	\$ 9,702,854	5.37%
County Economic Development Income Tax	\$ 74,627,389	\$ 3,957,150	5.30%
Economic Stabilization Fund	\$ 494,647,711	\$ 28,231,904	5.71%
<b>TOTAL</b>	<b>\$ 750,122,565</b>	<b>\$ 41,891,908</b>	<b>5.58%</b>
<i>Dedicated Funds:</i>			
Soldier & Sailor Children's Home	\$ 989,005	\$ 50,968	5.15%
Soldier's Home Building Fund	\$ 4,626,641	\$ 238,576	5.16%
Natural Resources - Lifetime License	\$ 4,532,928	\$ 239,329	5.28%
Post 1977 Abandoned Mine Reclamation	\$ 4,775,735	\$ 256,397	5.37%
Build Indiana	\$ 262,162,952	\$ 14,688,941	5.60%
<b>TOTAL</b>	<b>\$ 277,087,261</b>	<b>\$ 15,474,210</b>	<b>5.58%</b>
<i>Trust Fund:</i>			
I.U. Permanent Endowment	\$ 778,274	\$ 39,949	5.13%
Purdue Trust Fund	\$ 349,704	\$ 18,217	5.21%
Public Deposit Insurance Fund	\$ 270,064,466	\$ 14,328,781	5.31%
Common School Fund - Investment	\$ 67,089,698	\$ 3,641,417	5.43%
Common School Fund - Advances	\$ 291,922,853	\$ 11,393,953	3.90%
Agency for the Blind: - Women's Fund	\$ 101,900	\$ 5,521	5.42%

- Vending Operations \$ 124,399 \$ 6,686 5.37%

<u>Fund Name</u>	<u>Avg. Daily Balance</u>	<u>Interest Earned</u>	<u>Yield</u>
- Restricted Donations	\$ 6,600	\$ 358	5.42%
Recreational Development Comm.	\$ 1,025,832	\$ 49,063	4.78%
State Police Pension	\$ 252,692,306	\$ 16,143,926	8.52%
Rural Rehabilitation Planning Fund	\$ 250,460	\$ 11,700	4.67%
Veteran Memorial School Const.	\$ 14,065,843	\$ 738,591	5.25%
Federal Revenue Sharing Fund	\$ 1,851,763	\$ 98,126	5.30%
State Office Building Commission	\$ 306,595	\$ 16,561	5.40%
Patients Compensation Fund	\$ 63,509,526	\$ 3,302,274	5.20%
Property Custody Fund	\$ 1,000,000	\$ 50,948	5.09%
Law Enforce Training Board	\$ 8,930	\$ 493	5.52%
Indiana Historic Bureau -			
Governor's Portrait	\$ 35,247	\$ 1,821	5.17%
Standardbred Board	\$ 194,318	\$ 10,377	5.34%
Tri-Centennial Fund	\$ 5,750	\$ 304	5.28%
Retirement Home Guaranty Fund	\$ 1,682,094	\$ 89,686	5.33%
Natural Resources - Reclamation			
Set Aside	\$ 4,172,771	\$ 221,923	5.32%
Hazardous Substance Emergency	\$ 19,848,140	\$ 986,790	4.97%
Natural Resources Donations	\$ 308,416	\$ 17,128	5.55%
Non-Game Bird Fund	\$ 1,334,343	\$ 70,448	5.28%
Residual Asbestos Injury Fund	\$ 496,793	\$ 26,370	5.31%
Bail Bond Enforcement	\$ 553,148	\$ 30,121	5.45%
Exxon Oil Overcharge Fund	\$ 10,630,905	\$ 571,098	5.37%
Indiana Political Subdivision Risk			
Management	\$ 5,565,403	\$ 293,951	5.28%
Stripper Well Fuel Overcharge	\$ 22,352,287	\$ 1,144,795	5.12%
Mine Subsidence Fund	\$ 909,631	\$ 47,949	5.27%
Industrial Development Grant	\$ 11,613,744	\$ 615,308	5.30%
Commerce Energy Exxon PVE	\$ 2,312,235	\$ 119,653	5.17%
Commerce - Energy Stripper Well	\$ 72,877	\$ 3,481	4.78%
Comm. Business / Agriculture	\$ 240,339	\$ 12,493	5.20%
Recovery Real Estate	\$ 737,000	\$ 39,352	5.34%
Recovery Plumbers	\$ 375,000	\$ 20,043	5.34%
Recovery Auctioneers	\$ 235,000	\$ 12,533	5.33%
Environmental Management Asbestos	\$ 1,821,487	\$ 103,085	5.66%
Environmental Management Petroleum	\$ 3,435,812	\$ 175,170	5.10%
Environmental Management Excess			

Liability	\$ 45,641,276	\$ 2,404,188	5.27%
Natural Resources Reclamation Bond Pool	\$ 548,485	\$ 29,061	5.30%

<u>Fund Name</u>	<u>Avg. Daily Balance</u>	<u>Interest Earned</u>	<u>Yield</u>
Robert Kraft Estate Gift Fund	\$ 854,511	\$ 43,315	5.07%
Economic Development	\$ 7,175,070	\$ 372,943	5.20%
Industrial Training Fund	\$ 39,923,618	\$ 2,087,898	5.23%
Library and Historical Fund	\$ 6,288	\$ 336	5.34%
State Library Publications Fund	\$ 69,265	\$ 3,724	5.38%
Commerce STP Loans	\$ 6,384,285	\$ 331,258	5.19%
Indiana Strategic Development	\$ 1,520,306	\$ 80,339	5.28%
License Plate Escrow	\$ 500,039	\$ 26,693	5.34%
Fish and Wildlife	\$ 2,343,016	\$ 124,747	5.32%
IPALCO Settlement	\$ 1,093,591	\$ 57,711	5.28%
Jeopardy Assessment Receipts	\$ 626,750	\$ 33,246	5.30%
Standard Library Card Program	\$ 69,536	\$ 3,738	5.38%
UST Guarantee Fund	\$ 99,827	\$ 5,462	5.47%
Historical Bureau Publication	\$ 57,135	\$ 3,034	5.31%
Heritage Trust Fund	\$ 7,265,888	\$ 381,199	5.25%
Secondary Market Sales	\$ 18,727,012	\$ 962,665	5.14%
Darrach Genealogy	\$ 200,698	\$ 10,324	5.14%
HCFA Civil Penalties	\$ 346,398	\$ 18,091	5.22%
Save Indiana Trust Fund	\$ 56,486	\$ 2,956	5.23%
Producer-Premium Fund	\$ 9,835,308	\$ 508,025	5.17%
Retailer Bonding Fund	\$ 681,888	\$ 33,663	4.94%
Electronic/Enhanced Access Fund	\$ 333,699	\$ 16,798	5.03%
W911-PSAP	\$ 385,173	\$ 19,075	4.95%
W911-CMRS	\$ 210,959	\$ 10,374	4.92%
W911-Phase II	\$ 62,269	\$ 2,962	4.76%
State Infrastructure Bank	\$ 43,463	\$ 2,253	5.18%
<b>TOTAL</b>	<b>\$ 1,199,144,128</b>	<b>\$ 62,036,526</b>	<b>5.17%</b>
<b>INVESTMENT TOTAL</b>	<b>\$ 5,478,499,981</b>	<b>\$ 293,403,599</b>	<b>5.36%</b>
<b>CASH</b>	<b>\$ 21,175</b>	<b>\$ -</b>	
<b>GRAND TOTAL</b>	<b>\$ 5,478,521,156</b>	<b>\$ 293,403,599</b>	<b>5.36%</b>

**RATE OF RETURN ON ACTIVELY MANAGED INVESTMENTS**  
**(Excluding Common School Fund Advancements)**

5.44%





**Indiana Bond Bank**  
**Financial Summary**  
**July 1, 1998-June 30, 1999**

<u>Program Name</u>	<u>New Debt Issued</u>	<u>Debt Retired</u> <u>6/30/99</u>	<u>Qualified Entities</u> <u>Assisted in FY 99</u>
Advanced Funding	\$274,224,766.00	\$271,199,766.00	73
Common School Fund	\$72,335,000.00	\$14,025,000.00	N/A*
HELP Program	\$8,411,019.73	\$3,204,239.78	11
Not-For-Profit Water	\$4,500,000.00	\$1,576,687.39	2
School Building Program	—	\$500,000.00	0
Special Program Bonds	\$6,485,000.00	\$19,075,000.00	3
Special Loan Program Bonds	—	\$13,080,000.00	0
State Revolving Fund	\$90,000,000.00	\$5,990,000.00	N/A*
<b>Total</b>	<b>\$455,955,785.73</b>	<b>\$328,650,693.17</b>	

**INDIANA BOARD FOR DEPOSITORIES**  
**STATEMENT OF OPERATIONS AND FUND BALANCE**  
**for the twelve months ended June 30, 1999**

**REVENUES**

Investment Income	\$ 9,753,746.14
Securities Lending Income	7,488,165.17
Miscellaneous	<u>225.00</u>
Total Revenues	<u>17,242,136.31</u>

**EXPENSES**

Salaries and Benefits	69,190.98
Professional Services	40,461.37
Securities Lending Expense	7,224,806.92
Depreciation	30,123.11
Maintenance Contracts	29,925.89
Other Expenses	<u>55,990.80</u>
Total Expenses	<u>7,450,499.07</u>

Excess of Revenues over Expenses 9,791,637.24

**FUND BALANCE - BEGINNING** \$ 272,932,539.38

**FUND BALANCE - ENDING** 282,724,176.62

**Treasurer of State  
242 State House  
Indianapolis, Indiana 46204  
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Fax: (317) 233-1928**