

INDIANA GRAIN INDEMNITY BOARD

OFFICIAL MEETING MINUTES

Chairman Robert Benson called the annual meeting of the Indiana Grain Indemnity Corporation Board of Directors to order at 10:02 a.m. on February 14, 2005. The meeting was held in the Butler Room on the second floor of the Indiana Farm Bureau Corporate Headquarters located at 225 South East Street, Indianapolis, Indiana.

PRESENT: The following voting members were present:

John Colvin	Atlee Oyler	Jerry Rulon
Roger Hadley	Herman Rettinger	William Tudor
Lynn Lykins	Lee Rulon	Don Villwock

The nonvoting member or their representatives present were:

Robert Benson, Director of Indiana Grain Buyers & Warehouse Licensing Agency
Duane Jasheway, representative of the Treasurer of State
Larry Hopkins, representative of the Attorney General

ABSENT: The following voting member was absent:

Fred Reichart

RESOURCE STAFF: The following resource people were present:

Dennis Henry

QUORUM: Chairman Benson stated that there was a quorum present.

First order of business was introductions of Board members and guests. Others present were:

Andy Miller – Assistant Commissioner of Agriculture
Ryan West – Office of the Commissioner of Agriculture
Cress Hizer – Agibusiness Council of Indiana
Mark Thornburg – Farm Bureau
Lisa Shumard-Shelton – Agri News

NEW BUSINESS: Andy Miller addressed the board regarding the legislation to create a new Department of Agriculture and gave some background on goals & strategic plans the new department will be focused on. A. Miller reviewed with the board some concerns regarding the indemnity fund. After much discussion with board members and guests, it was concluded by the board that the indemnity fund and fund cap should remain in its current form.

Chairman Benson called for a short break at 11:12 a.m. and the board reconvened at 11:20 a.m.

After the break Chairman Benson shared with the board that the Indiana Grain Buyers & Warehouse Licensing Agency (IGBWLA) has put together an eight-teen (18) week training program for field audit staff. He also shared that the IGBWLA is currently looking to fill a vacancy.

MINUTES: Copies of the minutes of the previous meeting (November 16, 2004) were mailed to board members. W. Tudor moved to dispense with the reading of the minutes and approve them as written. (Second from R. Hadley) *The minutes of the November 16, 2004, meeting were approved as written.*

FINANCIAL: The next order of business was the financial report prepared by Duane Jasheway on January 31, 2005, disclosing a fund balance of \$13,274,560.68. Along with the balance sheet was a statement of operation and a listing of fund investment information. Copies were distributed (Exhibit A). D. Jasheway stated that the average rate of return is averaging approximately a 2.52% yield for the fund. It was discussed by the board to look into a longer term investment if possible. D. Jasheway will present findings to the board at the Annual meeting. Motion by H. Rettinger was made to accept the financials as they were presented and certify the amount of the fund is \$13,274,560.68 as of February 1, 2005. (Second from A. Oyler) *The motion was carried and the financial statements were approved and the amount of the fund on February 1, 2005 was certified to be \$13,274,560.68.*

OLD BUSINESS: Chairman Benson gave the Board an update on Citizen's Grain failure. He stated the IGBWLA is working with the Attorney General's Office regarding a Benefits of Creditor that is to be filed. Chairman Benson stated that there could

possibly be dollars come back to the fund via the subrogation forms that were signed by claimants.

The standing on the federal preemption rule was discussed with the board and gave them an update on the progress. Chairman Benson stated that IGBWLA is continuing to audit federally licensed firms and told the board that three (3) federally licensed firms have voluntarily dropped their licenses and became Indiana state licensed firms.

The Annual Board Meeting date is to be Thursday, May 26, 2005.

ADJOURNMENT: It was motioned that the meeting adjourn by R. Hadley. (Seconded by L. Rulon) The meeting adjourned at 11:59 a.m.

Claim forms and travel vouchers for mileage and per diem submitted by:

Roger Hadley	\$148.60	Herman Rettinger	\$126.84
Lynn Lykins	\$90.80	Jerry Rulon	\$73.80
Atlee Oyler	\$94.20	Lee Rulon	\$75.84
		William Tudor	\$70.40

John Colvin & Don Villwock declined submitting a claim for mileage & per diem.

Respectfully submitted by Dennis Henry on April 29, 2005.

Exhibit A

INDIANA GRAIN INDEMNITY CORPORATION
BALANCE SHEET
1/31/2005

ASSETS

Cash	\$32,024.35
Investments	13,242,536.33
Total Assets	<u>\$13,274,560.68</u>

LIABILITIES AND FUND BALANCE

Fund Balance	\$13,274,560.68
Total Liabilities and Fund Balance	<u>\$13,274,560.68</u>

INDIANA GRAIN INDEMNITY CORPORATION
STATEMENT OF OPERATIONS
FOR THE SEVEN MONTHS ENDING JANUARY 31, 2005

Revenues:

Investment Interest	\$136,420.36
Miscellaneous	12,049.27
Total Revenues	<u>148,469.63</u>

Expenses:

Bank Charges	839.17
Travel	683.88
Supplies	21.29
Total Expenses	<u>1,544.34</u>
Net Income	146,925.29
Fund Balance, 07/01/04	<u>13,127,635.39</u>
Fund Balance, 1/31/05	<u>\$ 13,274,560.68</u>

Exhibit A Continued

FUND LIST: TYPE = TF
FROM 11/01/2004 THRU 12/31/2015

Inv #	Investment #/Institution	CO	Purchase date	Maturity date	Par Original Cost	Coupon Yield	Interest Amt	Fund / Center	TOS#
61798	PRODUCER PREMIUM FD HEARTLAND COMMUNITY BANK 6172	41	12/02/2004	03/03/2005	975,000.00	2.6800	6,605.08	6990-100400	146
					975,000.00	2.6800			
					975,000.00	2.6800	<u>6,605.08</u>		
	CERTIFICATE OF DEPOSIT TOTAL				975,000.00	2.6800			
36449	PRODUCER PREMIUM FD BANK OF NEW YORK	00	12/28/2004	03/29/2005	5,425,000.00	2.4500	33,597.33	6990-100400	146
					5,391,402.67	2.5000			
36475	PRODUCER PREMIUM FD BANK OF NEW YORK	00	01/04/2005	04/05/2005	2,540,000.00	2.4350	15,634.05	6990-100400	146
					2,524,365.95	2.4840			
36502	PRODUCER PREMIUM FD BANK OF NEW YORK	00	01/18/2005	04/05/2005	2,045,000.00	2.5000	10,935.07	6990-100400	146
					2,034,064.93	2.5480			
36509	PRODUCER PREMIUM FD BANK OF NEW YORK	00	01/19/2005	04/05/2005	2,330,000.00	2.5000	12,297.22	6990-100400	146
					2,317,702.78	2.5480			
	GOVERNMENT AGY DISCOUNT NOTES TOTAL				12,340,000.00	2.4646	<u>72,463.67</u>		
					12,267,536.33	2.5137			
	TOTAL FOR FUND CODE				13,315,000.00	2.4804	<u>79,068.75</u>		
					13,242,536.33	2.5259			

Date: 02/01/2005