

INDIANA GRAIN INDEMNITY BOARD

OFFICIAL MEETING MINUTES

Chairman William Johnson called the meeting of the Indiana Grain Indemnity Corporation Board of Directors to order at 1:05 p.m. on February 23, 2007. The meeting was held in Room 7 Central on the seventh 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	Herman Rettinger	Don Villwock
Roger Hadley	Michael Shuter	Lee Rulon	
Lynn Lykins	Fred Reichart	William Tudor	

The nonvoting member or their representatives present were:

William K. Johnson, Director of Indiana Grain Buyers & Warehouse Licensing Agency
Duane Jasheway, representative of the Treasurer of State

ABSENT: Nonvoting member absent for the meeting was:

Greg Zoeller, representative of the Attorney General

RESOURCE The following resource people were present:

STAFF:

Andy Miller, Director, Indiana State Department of Agriculture
Beth Bechdol, Deputy Director, Indiana State Department of Agriculture
Dennis Henry, Indiana Grain Buyers & Warehouse Licensing Agency
Cress Hizer, Indiana Grain & Feed Association
Justin Schneider, Legal Counsel, Indiana Farm Bureau
Mark Thornburg, Legal Counsel, Indiana Farm Bureau

The following guests were present:

Joe Miller, Attorney
Whitney Cole, Reporter, Agri News
Deb Abbott, Asst. Director – Communications & Outreach, ISDA

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

MINUTES: Copies of the minutes of the previous meeting (May 23, 2006) were distributed to board members to review. W. Tudor moved to approve the minutes as written. (Second from J. Colvin) *The minutes of the May 23, 2006, meeting were approved as written.*

FINANCIAL: The next order of business was the financial report prepared by Duane Jasheway on January 31, 2007, disclosing a fund balance of \$14,596,484.06. Included with the balance sheet was a statement of operation and a listing of fund investment information. D. Jasheway reported that the average rate of return on investments is 5.2%. Copies of the reports were distributed (Exhibit A). A motion by D. Villwock was made to accept the financials as they were presented. (Second by R. Hadley) *The motion was carried and the financials were approved as presented as of January 31, 2007 and the amount of the fund to be \$14,596,484.06.*

OLD BUSINESS: Chairman Johnson reported to the board that we have received a settlement on the claim was filed

on behalf of the Corporation regarding Citizen's Grain. The claim submitted by the Corporation totaled \$680,380.35, which is the total amount of losses subrogated to the Corporation by claimants against the fund in the Citizen's Grain failure. The amount of the settlement was \$222,590.39 and was deposited back into the fund. (Copies of the court order can be obtained by contacting Indiana Grain Buyers & Warehouse Licensing Agency.)

Chairman Johnson also reported to the board that per I.C. 26-4-3-5: the board shall meet at least two (2) times each year. One (1) meeting of the board must be held in May. Chairman Johnson reminded the board that the year was May to May and not a calendar year.

Chairman Johnson reminded the board that the Indiana Grain Buyers & Warehouse Licensing Agency (IGBWLA) would be hosting the 2007 American Association of Warehouse Control Officials (AAWCO) Annual Conference, August 5 – 8, 2007. He noted that emphasis would be on Biofuels and this conference would have an additional Field Staff program. Chairman Johnson invited the board to attend this conference. L. Rulon asked that IGBWLA send a reminder via email to board members.

Lastly, Chairman Johnson asked the board to schedule the Annual Board Meeting that will be held this May. After reviewing calendars, it was decided that the meeting would be held on May 24, 2007, in Assembly Hall C of Indiana Farm Bureau, Inc., 225 S East Street, Indianapolis, Indiana at 10:00 a.m.

NEW BUSINESS: Chairman Johnson turned the floor over to Andy Miller, Director of the Indiana State Department of Agriculture for a presentation to the board regarding funding options for IGBWLA. (Exhibit B) There was much discussion during and after this presentation by board members and resource staff. Chairman Johnson called for a ten (10) minute break from 3:15 p.m. until 3:25 p.m. Chairman called the meeting back to order at 3:25 p.m. and the discussion continued with many giving their opinions on the presentation. After much deliberation it was motioned by D. Villwock that the board ask for a ruling from the Attorney General's Office to see if IGIC could assist with funding without violating the integrity of the IGIC statute and that IGBWLA provide the board with a cost analysis of expenditures of the agency for the annual meeting in May. (Second by M. Shuter) ***The motion was carried by an 8-0 vote with 2 abstentions by F. Reichart and L. Lykins.*** Chairman Johnson said that working together with the A. Miller and B. Bechdol, he would have these items taken care of by the May meeting and present the department's findings to the board.

ADJOURNMENT: It was motioned that the meeting adjourn by R. Hadley. (Seconded by H. Rettinger) The meeting adjourned at 4:21 p.m.

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

Roger Hadley	\$166.00	Herman Rettinger	\$140.40
Lynn Lykins	\$98.00	Lee Rulon	\$80.40
Atlee Oyler	\$102.00	Michael Shuter	\$94.00
Fred Reichart	\$102.00	William Tudor	\$74.00

John Colvin declined submitting a claim for mileage and per diem.

Don Villwock declined submitting a claim for mileage and per diem.

Respectfully submitted by Dennis Henry on March 08, 2007.

Exhibit A

INDIANA GRAIN INDEMNITY CORPORATION
BALANCE SHEET
01/31/2007

ASSETS

Cash	\$121,119.21
Investments	<u>14,475,364.85</u>
Total Assets	<u>\$14,596,484.06</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$14,596,484.06</u>
Total Liabilities and Fund Balance	<u>\$14,596,484.06</u>

INDIANA GRAIN INDEMNITY CORPORATION
STATEMENT OF OPERATIONS
FOR THE SEVEN MONTHS ENDING JANUARY 31, 2007

Revenues:

Investment Interest	<u>\$520,813.75</u>
Grain Failure Reimbursement	<u>222,590.39</u>
Total Revenues	<u>743,404.14</u>

Expenses:

Bank Charges	834.73
Total Expenses	<u>834.73</u>

Net Income	742,569.41
Fund Balance, 07/01/06	<u>13,853,914.65</u>
Current Fund Balance	<u>\$ 14,596,484.06</u>

Exhibit A Continued

FUND LIST: TYPE = TF
FROM 02/01/2007 THRU 12/31/2020

<u>Inv #</u>	<u>Investment #/Institution</u>	<u>CO</u>	<u>Purchase date</u>	<u>Maturity date</u>	<u>Par Original Cost</u>	<u>Coupon Yield</u>	<u>Interest Amt</u>	<u>Fund / Center</u>	<u>TOS #</u>
6220 1	PRODUCER PREMIUM FD LAFAYETTE BANK & TRUST CO. 60137609	79	09/28/2006	03/29/2007	1,000,000.00 1,000,000.00	5.3000 5.3000	26,794.44	6990-100400	146
6221 9	PRODUCER PREMIUM FD OWEN COUNTY STATE BANK	60	10/19/2006	04/19/2007	300,000.00 300,000.00	5.4600 5.4600	8,281.00	6990-100400	146
6224 0	PRODUCER PREMIUM FD FRIENDSHIP STATE BANK 59167	69	11/30/2006	03/01/2007	1,000,000.00 1,000,000.00	5.2750 5.2750	13,334.03	6990-100400	146
					2,300,000.00	5.3100	<u><u>48,409.47</u></u>		
					2,300,000.00	5.3100			
CERTIFICATE OF DEPOSIT TOTAL									
3757 0	PRODUCER PREMIUM FD BANK OF NEW YORK	00	08/28/2006	02/06/2007	1,000,000.00 976,960.00	5.1200 5.3140	23,040.00	6990-100400	146
3791 4	PRODUCER PREMIUM FD BANK OF NEW YORK	00	12/11/2006	05/15/2007	1,635,000.00 1,599,379.71	5.0600 5.2450	35,620.29	6990-100400	146
3796 6	PRODUCER PREMIUM FD BANK OF NEW YORK	00	01/09/2007	04/02/2007	1,125,000.00 1,111,720.00	5.1200 5.2530	13,250.00	6990-100400	146
3800 9	PRODUCER PREMIUM FD BANK OF NEW YORK	00	01/26/2007	04/25/2007	1,000,000.00 987,305.14	5.1350 5.2730	12,694.86	6990-100400	146
					4,760,000.00	5.1025	<u><u>84,635.15</u></u>		
					4,675,364.85	5.2673			
GOVERNMENT AGY DISCOUNT NOTES TOTAL									
36810	PRODUCER PREMIUM FD BANK OF NEW YORK	00	07/27/2005	07/27/2007	1,000,000.00 1,000,000.00	5.0000 4.5000	101,388.89	6990-100400	146
37066	PRODUCER PREMIUM FD BANK OF NEW YORK	00	01/18/2006	01/18/2008	1,000,000.00 1,000,000.00	5.1250 5.1250	103,923.61	6990-100400	146
37619	PRODUCER PREMIUM FD BANK OF NEW YORK	00	09/15/2006	10/09/2007	1,000,000.00 1,000,000.00	5.3200 5.3200	57,485.56	6990-100400	146
37671	PRODUCER PREMIUM FD BANK OF NEW	00	09/22/2006	02/22/2007	1,500,000.00 1,500,000.00	5.2500 5.2500	33,468.75	6990-100400	146

YORK

37861	PRODUCER PREMIUM FD BANK OF NEW YORK	00	11/02/2006	11/19/2007	1,000,000.00	5.3000	56,238.89	6990- 100400	146
					1,000,000.00	5.3000			
37922	PRODUCER PREMIUM FD BANK OF NEW YORK	00	12/14/2006	12/14/2007	1,000,000.00	5.2000	52,722.22	6990- 100400	146
					1,000,000.00	5.2000			
38016	PRODUCER PREMIUM FD BANK OF NEW YORK	00	01/30/2007	01/30/2008	1,000,000.00	5.2500	53,229.17	6990- 100400	146
					1,000,000.00	5.2500			
	GOVT AGENCY COUPONS TOTAL				7,500,000.00	5.2093	<u>485,457.09</u>		
					7,500,000.00	5.1427			
	TOTAL FOR FUND CODE				14,560,000.0	5.1903	<u>591,501.71</u>		
					0	5.2098			
					14,475,364.8				
					5				

Date: 02/01/2007