## Fiscal Year 2007

July 1<sup>st</sup>, 2006—June 30<sup>th</sup>, 2007

Treasurer of State 242 Statehouse Indianapolis, IN 46204

Phone: 317.232.6386 Facsimile: 317.233.1780 Website: www.in.gov/tos October 31st, 2007

The Honorable Mitch Daniels State of Indiana 206 State House Indianapolis, Indiana 46204

#### Dear Governor Daniels:

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<sup>st</sup>, 2006 to June 30<sup>th</sup>, 2007.

Sincerely,

Richard E. Mourdock Treasurer of State

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#### Dear Fellow Hoosiers:

Fiscal Year 2007 marked a period of change for the Treasurer of State's Office. After eight years of exceptional financial stewardship, Tim Berry left office to become Indiana's Auditor of State. I was honored to take office as Indiana's 53<sup>rd</sup> Treasurer of State on February 10, 2007, having been elected in November 2006.

During Fiscal Year 2007, the Treasury experienced unprecedented investment performance. Through prudent but aggressive investing, the State achieved record total earnings of \$400.8 million on its portfolio. The Daniels Administration's continued emphasis on sound budgeting and control of State spending has kept State finances well in the black. The State's overall average daily balance of funds reached an all-time high of \$7.5 billion during Fiscal Year 2007.

The State also continues to benefit from the \$3.1 billion in lease proceeds from the Indiana Toll Road invested in July 2006. The Major Moves Construction Fund and Next Generation Trust Fund continue to earn record amounts of interest. As of June 30, 2007, Indiana earned a staggering \$160.6 million on these funds, an average of \$446,197.00 per day. This money has already begun to help fund much-needed transportation infrastructure across Indiana.

The Office of the Treasurer itself has also done its part to contribute to the financial health of the State. By running an efficient operation with a small but dedicated staff, the Treasurer's Office was able to return \$123,083.69 or 14.1% of our total annual budget to the State Treasury at the end of the fiscal year.

I am also happy to report that Fiscal Year 2007 was an excellent year for the Indiana Bond Bank (IBB), Indiana Educational Savings Authority (IESA), Indiana Wireless Enhanced 911 Board (Wireless Board), Indiana Board for Depositories (BFD), and the State Police Pension Fund. As Treasurer of State, my responsibilities include oversight of the day-to-day functions of these entities.

The IBB, working as a financial conduit, issued over \$795,000,000 in long-term and short-term debt on behalf of local government entities. The Advanced Funding Program, the Hoosier Equipment Lease Purchase (HELP), and other programs of the IBB provided millions of dollars worth of savings to local taxpayers throughout the State of Indiana.

The IESA saw enormous growth during this time in the State's CollegeChoice 529 Investment Plan. The plan has grown to over 80,000 participants and over \$670,000,000 in total assets. With the addition of a new state tax credit of up to \$1,000 in 2007, I am confident that more Hoosier families will begin to save for their child's future and the CollegeChoice 529 program will continue to grow.

The Wireless Board continues to make Indiana an international leader in providing emergency services to its wireless users. Our system is second to none in the nation with approximately 99% of Hoosier wireless subscribers having access to emergency 911 services through their cellular phones.

I am proud of the work my staff and I have done so far on behalf of Hoosier taxpayers. I am reminded daily of the fact that every dollar my office earns in interest income for the State is one less dollar that taxpayers will have to pay in taxes to fund government services. I will continue working hard to maximize the earnings on the money entrusted to my office by the citizens of Indiana.

Respectfully,

Richard E. Mourdock Treasurer of State

## History of the Indiana State Treasurer's Office

The Treasurer of State's Office 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 Statehouse. 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.

When created in 1816, the State Treasurer's Office was 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. In 1933, the Department of Revenue was created and designated as the agency responsible for the collecting of all state taxes.

Since 1933, the primary responsibility of the Treasurer's Office has been the investment and safekeeping of all state monies. Today, the State Treasurer's Office manages an investment portfolio of over \$7 billion, comprised of receipts from the state general fund and over 74 trust funds. As part of the investment program, the Treasurer maintains deposits in the form of certificates of deposit and repurchase agreements in 209 banks, savings and loans, and credit unions across Indiana.

The Treasurer has day-to-day authority over the operations of the following boards and quasi-governmental entities: Chairman of the Indiana Bond Bank, Chairman of the Indiana Education Savings Authority, Chairman of the Indiana Wireless Enhanced 911 Advisory Board, Trustee of the Indiana State Police Pension Fund, and Secretary/Investment Manager of the Indiana Board for Depositories. In addition, the Treasurer serves as Vice Chairman of the Indiana Housing and Community Development Authority as and a member of the following boards and commissions: Indiana Art Commission Cultural Trust Administrative Board, Indiana Deferred Compensation Committee, Indiana Board of Finance, Grain Indemnity Corporation, Indiana Business Community Credit Corporation, Indiana Finance Authority, Indiana Heritage Trust Committee, and the Underground Storage Tank Financial Assurance Board.

#### **Indiana's State Treasurers**

Daniel Crosby Lane	D-R	
Samuel Merrill	R-W	V 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
	R	
Frederick J. Scholz		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	1999-2007
Marjorie H. O'Laughlin	R	2007
Richard E. Mourdock	R	2007-
		200,

Richard E. Mourdock took office as the 53<sup>rd</sup> State Treasurer on February 10<sup>th</sup>, 2007.

## **Treasurer of State Staff**

#### Treasurer of State Richard E. Mourdock

#### **Statehouse Staff**

#### Jim Holden

Chief Deputy Treasurer & General Counsel

#### Mike Frick

Deputy Treasurer & Portfolio Manager

#### **Duane Jasheway**

Chief Accountant

#### **Anne Wolf**

Administrator, State Police Pension Fund

#### **Christopher Conner**

Director, Communications & Special Projects

#### Shauna Stock

Scheduler & Administrative Assistant

#### **Indiana Government Center South Staff**

#### **Kimberly Logan**

Deputy Treasurer

#### **Linda Bischoff**

Head Cashier

#### Laura Whyde

Cashier

#### **Shaelyn Darland**

Cashier

#### Tina Laker

**Document Supervisor** 

#### **Christina Bough**

Document Clerk

### **Indiana Board of Depositories**

#### **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, similar to the way the FDIC insures individual depositor's accounts. PDIF funds are managed and invested by Treasurer Richard Mourdock in his capacity as the Secretary-Investment Manager for the Indiana Board for Depositories. Treasurer Mourdock 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 ensure 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 the assets of the fund are equal to the reserve for losses. The Board has waived this assessment since 1985. 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.

As of June 30, 2007, there are 209 financial institutions which have been designated as approved depositories in Indiana and able to accept public fund deposits. At the end of Fiscal Year 2007, the assets of the PDIF totaled \$314,392,122, and an actuarial study found that the current balance is large enough to deem the PDIF actuarial sound.

#### Local Police and Fire Pension Assistance:

Legislation passed in 2001 requires that the interest earned on the PDIF be distributed to Indiana municipalities to assist with their pre-1977 police and fire pension liabilities. In Fiscal Year 2007, interest earned to be distributed totaled \$13,514,374. Since the legislation took effect, the Treasurer's Office has overseen the distribution of more than \$59 million to 129 Hoosier communities.

#### **Indiana Board for Depositories**

Governor Mitchell E. Daniels
Chairman

**Auditor of State Tim Berry** Vice Chairman

Treasurer of State Richard Mourdock Secretary & Investment Manager

**Bruce A. Hartman**State Board of Accounts

**Richard J. Rice**Department of Financial Institutions

Calvin Bellamy Krieg Devault, LLP

**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

**Shannon Thompson**Office Manager

Indiana Board for Depositories One North Capitol Avenue, Suite 444 Indianapolis, Indiana 46204-2026 (317) 232-5257 www.in.gov/deposit

#### **Indiana Bond Bank**

In keeping with Treasurer Mourdock's commitment to increasing utilization of the Indiana Bond Bank, 2007 was another busy and successful year of providing tax savings for Indiana's local governmental jurisdictions. In Fiscal Year 2007, the Indiana Bond Bank issued \$795,009,113 in long and short-term debt on behalf of local government entities.

Created by the General Assembly in 1984, the Indiana Bond Bank (IBB) serves local units of government with their short and long-term financing needs. The primary purpose of the IBB is to assist local government entities in the process of issuing debt by operating as a financing conduit. The IBB purchases the bonds and warrants of various communities; in turn, it issues its own obligation in the financial markets. This process allows local communities to take advantage of economies of scale by obtaining lower costs of borrowing and saving taxpayer dollars. The Treasurer of State serves as Chairman of the IBB Board of Directors. The Director of the Indiana Finance Authority and five members appointed by the Governor also serve on the Board as mandated by state statute.

The 2007 Advance Funding Program purchased the taxanticipation warrants of 114 taxing districts in the State totaling nearly \$459,355,000. The consistently active size of the Advance Funding Program is due in part to competitive interest rates, standardized documentation, cash-flow projection assistance, and arbitrage rebate assistance. In keeping with the successful history of the program, entities received a competitive all-inclusive rate of 3.68%.

The Hoosier Equipment Lease Purchase (HELP) Program allows local communities to acquire equipment at cash prices and utilize tax-exempt interest rates. In 2007, 17 communities were assisted through the HELP program totaling approximately \$9.1 million. Items financed include fire trucks, police cars, computers, 911 equipment, sewer vacuums, highway trucks, and other essential equipment. The lease terms are flexible and typically range from two to five years.

The IBB also had a pooled bond issue of \$13,985,000 that assisted 9 units of local government throughout the State. The qualified entities received significant cost savings through the pooling process, utilization of IBB staff and professional experience, and the IBB rating. The IBB refunded \$44,915,000 of IBB Bonds issued in 2002 on behalf of Hendricks County Community Hospital. This refunding/refinancing saved the Hendricks Community Hospital over \$4.2 Million in interest costs over the next 22 years.

#### Indiana Bond Bank Board of Directors

Treasurer of State Richard Mourdock Chairman

> Clark H. Byrum Vice Chairman

**Russell Breeden, III**Blue Rivers Bancshares, Inc.

**Russell Lloyd, Jr.**Former Mayor City of Evansville

Jennifer Alvey
Indiana Finance Authority

C. Kurt Zorn
Indiana University

Marni McKinney First Indiana Bank

#### **Indiana Bond Bank Staff**

**Dan Huge** Executive Director

Ron Mangus
Program Operations Director

**Cindy Burres Executive Assitant** 

Indiana Bond Bank 10 West Market Street, Suite 2980 Indianapolis, Indiana 46204 Phone: (317) 233-0888 Website: www.in.gov/bond

### Indiana Bond Bank

## Advance Funding Program, Series A

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Number						
Of	123	170	173	126	110	114
Participants						
Dollar						
Amount	\$ 470,110,000	\$ 866,435,000	\$ 842,275,000	\$ 537,050,000	\$ 296,440,000	\$459,335,000
Issued						

### **Indiana Education Savings Authority**

In his role as Chairman of the Indiana Education Savings Authority Board (IESA), Treasurer Mourdock has been a leader in enhancing the State's CollegeChoice 529 Investment Plan. Due to his leadership and the most advantageous tax benefit in the nation, the plan has grown to a total of 86,242 total accounts and a balance of \$670,339,330.

Treasurer Mourdock's efforts have continued to allow participants to choose from a variety of funds under one program manager. Participants also continue to have the ability to choose from two approaches to investing. The Age-Based program places funds into portfolios based upon the age of the beneficiary. The Custom Portfolio option allows investors to exert more control over their individual asset allocation.

Keeping the plan affordable for all Hoosiers, Treasurer Mourdock has maintained the ability of Indiana residents to invest in the age-based option directly, without the use of a financial advisor, thus resulting in a reduction of fees. Even more significant is the generous tax credit that Treasurer Mourdock continues to promote to Hoosiers around the State. As of January 1, 2007, any Indiana resident that contributes to a CollegeChoice 529 Investment Plan will be eligible to receive a 20% tax credit of up to \$1,000 per year. Treasurer Mourdock is proud to have the ability to endorse this credit, as it is considered one of the top 529 Plan tax advantages in the entire country.

Treasurer Mourdock also recognizes the importance of acknowledging students that exhibit leadership qualities in their schools and communities. To impress upon these future leaders and their classmates the importance of preparation, he has continued the Future Leaders Award program. This program recognizes Indiana students in grades four through eight for their leadership qualities in and outside of the classroom. Students are nominated by school faculty members, and winning students receive a \$1,000 CollegeChoice 529 Investment Plan account. In addition, each Future Leader Award winner's school also receives \$250 to use towards a leadership program within the school. The IESA is also proud to partner with the Indianapolis Indians, the Evansville Otters, the South Bend Silverhawks, and Fort Wayne Wizards in various programs targeted towards young children. Scholarships are also awarded at each of the participating ballparks based upon their specific programs.

The IESA was created by the Indiana General Assembly to promote programs that encourage saving for educational expenses. In 1997, the IESA created an IRS 529 Qualified Tuition Plan to give families a convenient, tax advantaged way to invest for their student's post-high school education expenses.

#### Indiana Education Savings Authority

Treasurer of State Richard Mourdock Chairman

**Stanley Jones** 

Vice Chairman Commissioner for Higher Education

Dr. Suellen Reed
Superident of Public Instruction
Secretary

**Ryan Kitchell**Office of Management & Budget

**Kevin Brinegar**Indiana Chamber of Commerce

John Hammond Ice Miller, LLP

**Brenda Horn** Ice Miller, LLP

**Tony Maidenberg** Independent Colleges of Indiana

**Sean Frick** Global Aero Logistics, Inc.

**IESA Staff** 

Jodi Golden
Executive Director

Indiana Education Savings Authority One North Capitol Avenue, Suite 444 Indianapolis, Indiana 46204-2026 Phone: 317-232-5259 Website: www.in.gov/iesa

# **Indiana Wireless Enhanced 911 Advisory Board**

The Indiana Wireless Enhanced 911 Advisory Board (Wireless Board) was established by the Indiana General Assembly in 1998 in response to a Federal Communications Commission (FCC) order mandating the availability of wireless enhanced emergency 911(E911) service.

Treasurer Mourdock serves as Chairman of the Wireless Board, which is comprised of representatives of the wireless telephone carrier industry and local government public safety entities. The Wireless Board is responsible for the oversight of wireless E911 and routing wireless E911 calls to the proper public safety agency location. All 92 counties in Indiana are receiving wireless E911 calls

In compliance with the FCC order and Indiana statute, the Wireless Board also ensures that local governments recover costs associated with the provision of wireless E911 via a monthly subscriber surcharge. The wireless carrier recovery cost was removed from the statute, and the monthly user fee was reduced to \$.50 in January 2006.

Indiana is a national leader in the deployment of this life-saving technology. Currently, 12 wireless carriers provide E911 service to subscribers in all 92 Indiana counties, and it represents approximately 99% of Hoosier wireless subscribers and covering 99% of Indiana's population. The Wireless Board is building for the future, because the wireless telecom environment is an explosion of change. The number and type of devices that can originate a 911 call today are staggering. In Indiana, the Wireless Board has taken steps to address these issues. The Wireless Board has approved the building of the next generation wireless 911 network in cooperation with an Indiana company named INdigital. The IN911 network will connect all Public Safety Answers Positions (PSAPs) that take wireless 911 calls to a scalable, reliable, redundant network that will serve the future needs of Hoosiers. The first phase of this project has been completed with 147 PSAPs being connected to the new network.

Working with local governments to help fund the necessary upgrades to emergency communications infrastructure continues to be a focus of the Wireless Board. Wireless phone users pay a monthly \$.50 surcharge in order to help fund the upgrades necessary to meet the FCC's regulations.

This fee becomes part of the Indiana Wireless E911 Advisory Board Telephone System Fund, which is administered by the Wireless Board and dispersed to county 911 authorities for E911 system enhancements. As of June 30, 2007, local governments have received more than \$114.3 million in monthly distributions and reimbursements. Wireless carriers have collected more than \$56.3 million in cost reimbursement.

Indiana Wireless Enhanced 911 Advisory Board

> Treasurer of State Richard Mourdock Chairman

> > Jim Alexander Madison, IN

Harold Williams
Jasper County Sheriff

**Lori Forrer** Cass County 911

Larry Jones
Verizon Wireless

Mike Schulte Centennial Wireless

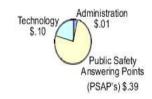
Jerry Branock AT&T Mobility

Indiana Wireless Enhanced 911 Advisory Board Staff

Ken Lowden
Executive Director

Indiana Enhanced Wireless 911 Board 10 West Market Street, Suite 2980 Indianapolis, Indiana 46204-2982 Phone: 317-234-2507

Allocation of \$.50 Monthly Surcharge



#### **State Police Pension Fund**

Since 1937, the Treasurer of State has served as Trustee of the Indiana State Police Pension Fund. As trustee, Treasurer Mourdock 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. Additionally, the Treasurer has the fiduciary duty to provide prudent investment options and greater oversight on the investments held in the fund. Upon taking office, Treasurer Mourdock was actively involved in reviewing the fund's investment portfolio and recommended a revised allocation strategy better suited for today's markets. In working with the State Police Pension Advisory Board and their investment advisor, Treasurer Mourdock and the members of the Indiana State Police Pension Board are pleased with the investment performance of the fund and the growth in its asset base.

## TREASURER OF STATE

## Fiscal Year 2007 Investment Summary Schedule A - Cash Basis

Fund Name	Average Daily		Interest	
	<b>Balance</b>		Collected	<u>Yield</u>
General Fund Designated:				
Warrant Clearing/Savings Accounts	\$ 205,353,917	\$	11,836,503	5.76%
Certificates of Deposit	\$ 223,565,890	\$	11,927,309	5.34%
Money Market Mutual Funds	\$ 343,762,740	\$	16,400,402	4.77%
Government Securities	\$ 1,632,714,432		86,147,724	<u>5.28%</u>
Total General Fund Designated	\$ 2,405,396,979	\$	126,311,938	<u>5.25%</u>
Other General Accounts:				
County Option Income Tax	\$ 127,935,625	\$	5,898,727	4.61%
County Economic				
Development Income Tax	\$ 39,499,381	\$	2,038,283	5.16%
Economic Stabilization Fund	\$ 325,277,076	_ \$	18,109,676	<u>5.57%</u>
Total Other General Accounts	\$ 492,712,082	\$	26,046,687	<u>5.29%</u>
Trust Funds/Dedicated Funds:				
I.U. Permanent Endowment	\$ 785,300	\$	42,758	5.44%
Purdue Trust Fund	\$ 340,000	\$	18,512	5.44%
Public Deposit Insurance Fund	\$ 252,192,303	\$	13,322,910	5.28%
Common School Fund	\$ 66,297,715	\$	4,047,385	6.10%
Agency for the Blind:				
- Vending Operations	\$ 938,462	\$	46,943	5.00%
- Restricted Donations	\$ 12,154	\$	501	4.12%
*Indiana State Police Pension Trust	\$ 363,491,564	\$	47,114,757	12.96%
Rural Rehabilitation Planning Fund	\$ 130,769	\$	7,771	5.94%
Interstate Bridge	\$ 3,609,262	\$	217,732	6.03%
Federal Revenue Sharing Fund	\$ 2,526,004	\$	142,130	5.63%
Patient Compensation Fund	\$ 100,901,130	\$	3,125,622	3.10%
Property Custody Fund	\$ 1,000,000	\$	51,543	5.15%
Law Enforcement Training Board	\$ 53,462	\$	3,377	6.32%
Indiana Historic Bureau -				
Governor's Portrait	\$ 51,923	\$	2,106	4.06%
Tri-Centennial Fund	\$ 8,235	\$	438	5.31%
Retirement Home Guaranty Fund	\$ 3,190,336	\$	161,823	5.07%
Natural Resources - Reclamation				
Set Aside	\$ 7,465,076	\$	422,508	5.66%
Hazardous Substance Emergency	\$ 13,882,334	\$	714,358	5.15%
Natural Resources - Lifetime License	\$ 18,393,632	\$	939,589	5.11%
Natural Resources Donations	\$ 410,000	\$	22,313	5.44%

Non-Game Bird Fund	\$	76,923	\$	6,648	8.64%
Residual Asbestos Injury Fund	\$	724,615	\$	38,732	5.35%
Bail Bond Enforcement	\$	1,003,846	\$	43,293	4.31%
Exxon Oil Overcharge Fund	\$	1,633,330	\$	94,112	5.76%
Political Subdivision Risk Mgmt	\$	8,326,915	\$	374,391	4.50%
Stripper Well Fuel Overcharge	\$	7,060,370	\$	386,344	5.47%
Mine Subsidence Fund	\$	9,465,811	\$	541,923	5.73%
Industrial Development Grant	\$	26,466,762	\$	1,258,291	4.75%
Commerce Energy Exxon PVE	\$	2,960,312	\$	154,740	5.23%
Post 1977 Abandoned Mine	·	, ,	·	,	
Reclamation	\$	5,225,345	\$	295,103	5.65%
Recovery Real Estate	\$	287,308	\$	11,303	3.93%
Recovery Plumbers	\$	398,462	\$	21,547	5.41%
Recovery Auctioneers	\$	400,000	\$	21,678	5.42%
E/M- Asbestos Trust	\$	609,231	\$	34,044	5.59%
E/M - Petroleum Trust	\$	4,231,228	\$	235,375	5.56%
E/M - Excess Liability	\$	4,973,403	\$	223,524	4.49%
Robert Kraft Estate Gift Fund	\$	1,602,692	\$	72,426	4.52%
Economic Development	\$	4,711,737	\$	231,124	4.91%
Industrial Training Fund	\$	58,207,879	\$	3,185,067	5.47%
State Library Publications Fund	\$	203,846	\$	9,107	4.47%
Commerce STP Loans	\$	379,734	\$	19,556	5.15%
Indiana Strategic Development	\$	87,769	\$	6,645	7.57%
License Plate Escrow	\$	696,154	\$	37,537	5.39%
Fish and Wildlife	\$	1,213,506	\$	71,234	5.87%
IPALCO Settlement	\$	987,739	\$	45,524	4.61%
Jeopardy Assessment Receipts	\$	296,923	\$	17,671	5.95%
Standard Library Card Program	\$	123,077	\$	6,888	5.60%
Historical Bureau Publication	\$	103,462	\$	5,726	5.53%
Heritage Trust Fund	\$	5,914,308	\$	271,027	4.58%
Darrach Genealogy	\$	641,538	\$	31,328	4.88%
HCFA Civil Penalties	\$	5,350,000	\$	258,597	4.83%
Producer-Premium Fund	\$	14,324,563	\$	738,378	5.15%
Retailer Bonding Fund	\$	370,769	\$	22,412	6.04%
Electronic/Enhanced Access Fund	\$	371,154	\$	23,190	6.25%
State Infrastructure Bank	\$	4,846,306	\$	203,045	4.19%
Veteran's Memorial Cemetery Trust	\$	2,500,000	\$	135,078	5.40%
Tobacco Master Settlement	\$	84,291,017	\$	4,603,624	5.46%
Arts Commission Trust Fund	\$	1,062,792	\$	56,840	5.35%
Tobacco Use Prevention	\$	6,000,746	\$	328,461	5.47%
Continental Steel Escrow	\$	980,769	\$	67,372	6.87%
Children's Trust	\$	2,790,207	\$	145,065	5.20%
Medicaid Indigent Care Trust	\$	106,810,714	\$	4,245,005	3.97%
Police/Fire Pension Distribution	\$	2,268,653	\$	116,311	5.13%
Title V	\$	5,558,830	\$	303,369	5.46%
Career College Student Assurance	\$	361,538	\$	16,954	4.69%
*Major Moves Construction Fund	\$	2,830,757,731	\$	127,412,258	4.50%

*Next Generation Trust Fund	\$ 507,188,716		\$ 31,578,353	6.23%
West Baden Springs Hotel Preservation	\$ 912,636		\$ 36,421	3.99%
Oil & Gas Environmental Fund	\$ 125,000		\$ -	0.00%
Correction Drug Abuse	\$ 38,462		\$ <u>-</u>	0.00%
Total Trust Funds/Dedicated Funds	\$ 4,561,604,485		\$ 248,447,718	<u>5.45%</u>
GRAND TOTAL	\$ 7,459,713,546	_ =	\$ 400,806,343	<u>5.37%</u>

<sup>\*</sup> Values calculated using Market Value

## TREASURER OF STATE

## Fiscal Year 2007 Investment Summary Schedule B - Accrual Basis

Fund Name		Average Daily		Interest	
		<b>Balance</b>		Earned	<b>Yield</b>
General Fund Designated:					
Warrant Clearing/Savings Accounts	\$	205,353,917	\$	11,836,503	5.76%
Certificates of Deposit	\$	223,565,890	\$	11,843,665	5.30%
Money Market Mutual Funds	\$	343,762,740	\$	17,694,263	5.15%
Government Securities	\$	1,632,714,432	_ \$	87,248,979	<u>5.34%</u>
Total General Fund Designated	\$ 2	2,405,396,979	\$	128,623,411	<u>5.35%</u>
Other General Accounts:					
County Option Income Tax	\$	127,935,625	\$	6,645,632	5.19%
County Economic					
Development Income Tax	\$	39,499,381	\$	1,992,029	5.04%
Economic Stabilization Fund	_\$_	325,277,076	\$	17,390,715	<u>5.35%</u>
			_		
Total Other General Accounts	\$	492,712,082		26,028,376	5.28%
Trust Funds/Dedicated Funds:					
I.U. Permanent Endowment	\$	785,300	\$	42,838	5.45%
Purdue Trust Fund	\$	340,000	\$	18,547	5.45%
Public Deposit Insurance Fund	\$	252,192,303	\$	14,038,082	5.57%
Common School Fund	\$	66,297,715	\$	3,573,648	5.39%
Agency for the Blind:		, ,		, ,	
- Vending Operations	\$	938,462	\$	51,430	5.48%
- Restricted Donations	\$	12,154	\$	669	5.51%
*Indiana State Police Pension Trust	\$	363,491,564	\$	48,097,409	13.23%
Rural Rehabilitation Planning Fund	\$	130,769	\$	5,888	4.50%
Interstate Bridge	\$	3,609,262	\$	188,379	5.22%
Federal Revenue Sharing Fund	\$	2,526,004	\$	133,049	5.27%
Patient Compensation Fund	\$	100,901,130	\$	5,325,029	5.28%
Property Custody Fund	\$	1,000,000	\$	52,521	5.25%
Law Enforce Training Board	\$	53,462	\$	2,959	5.54%
Indiana Historic Bureau -					
Governor's Portrait	\$	51,923	\$	2,848	5.48%
Tri-Centennial Fund	\$	8,235	\$	450	5.46%
Retirement Home Guaranty Fund	\$	3,190,336	\$	169,779	5.32%
Natural Resources - Reclamation					
Set Aside	\$	7,465,076	\$	386,196	5.17%

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Hazardous Substance Emergency	\$	13,882,334	\$	755,224	5.44% 5.33%
Natural Resources - Lifetime License	\$	18,393,632	\$	980,331	
Natural Resources Donations	\$	410,000	\$	22,369	5.46%
Non-Game Bird Fund	\$	76,923	\$	2,922	3.80%
Residual Asbestos Injury Fund	\$	724,615	\$	39,422	5.44%
Bail Bond Enforcement	\$	1,003,846	\$	55,555	5.53%
Exxon Oil Overcharge Fund	\$	1,633,330	\$	87,815	5.38%
Political Subdivision Risk Mgmt	\$	8,326,915	\$	440,676	5.29%
Stripper Well Fuel Overcharge	\$	7,060,370	\$	374,391	5.30%
Mine Subsidence Fund	\$	9,465,811	\$	505,126	5.34%
Industrial Development Grant	\$	26,466,762	\$	1,410,147	5.33%
Commerce Energy Exxon PVE	\$	2,960,312	\$	167,075	5.64%
Post 1977 Abandoned Mine					
Reclamation	\$	5,225,345	\$	273,756	5.24%
Recovery Real Estate	\$	287,308	\$	16,708	5.82%
Recovery Plumbers	\$	398,462	\$	21,718	5.45%
Recovery Auctioneers	\$	400,000	\$	21,786	5.45%
E/M- Asbestos Trust	\$	609,231	\$	33,285	5.46%
E/M - Petroleum Trust	\$	4,231,228	\$	221,702	5.24%
E/M - Excess Liability	\$	4,973,403	\$	264,891	5.33%
Robert Kraft Estate Gift Fund	\$	1,602,692	\$	86,411	5.39%
Economic Development	\$	4,711,737	\$	251,190	5.33%
Industrial Training Fund	\$	58,207,879	\$	3,349,438	5.75%
State Library Publications Fund	\$	203,846	\$	11,679	5.73%
Commerce STP Loans	\$	379,734	\$	21,694	5.71%
Indiana Strategic Development	\$	87,769	\$	4,839	5.51%
License Plate Escrow	\$	696,154	\$	38,215	5.49%
Fish and Wildlife	\$	1,213,506	\$	67,719	5.58%
IPALCO Settlement	\$	987,739	\$	52,748	5.34%
Jeopardy Assessment Receipts	\$	296,923	\$	16,354	5.51%
Standard Library Card Program	\$	123,077	\$	6,766	5.50%
Historical Bureau Publication	\$	103,462	\$	5,722	5.53%
Heritage Trust Fund	\$	5,914,308	\$	311,591	5.27%
Darrach Genealogy	\$	641,538	\$	35,267	5.50%
HCFA Civil Penalties	\$	5,350,000	\$	295,694	5.53%
Producer-Premium Fund	\$	14,324,563	\$	828,329	5.78%
Retailer Bonding Fund	\$	370,769	\$	20,702	5.58%
Electronic/Enhanced Access Fund	\$	371,154	\$	19,991	5.39%
State Infrastructure Bank	\$	4,846,306	\$	256,355	5.29%
Veteran's Memorial Cemetery Trust	\$	2,500,000	\$	136,304	5.45%
Tobacco Settlement	\$	84,291,017	\$	4,450,232	5.28%
Arts Commission Trust Fund	\$	1,062,792	\$	58,925	5.54%
Tobacco Use Prevention	\$	6,000,746	\$	326,741	5.45%
Continental Steel Escrow	\$	980,769	\$	53,468	5.45%
Children's Trust	\$	2,790,207	\$	149,018	5.34%
Medicaid Indigent Care Trust	\$	106,810,714	\$	6,011,220	5.63%
Police/Fire Pension Distribution	\$	2,268,653	\$	133,387	5.88%
I Moron Distribution	Ψ	_,_00,000	Ψ	100,001	3.0070

Title V	\$ 5,558,830	\$ 290,635	5.23%
Career College Student Assurance	\$ 361,538	\$ 20,071	5.55%
*Major Moves Construction Fund	\$ 2,830,757,731	\$ 129,130,427	4.56%
*Next Generation Trust Fund	\$ 507,188,716	\$ 31,671,284	6.24%
West Baden Springs Hotel Preservation	\$ 912,636	\$ 44,231	4.85%
Oil & Gas Environmental Fund	\$ 125,000	\$ 6,465	
Correction Drug Abuse	\$ 38,462	\$ 1,385	3.60%
Total Trust Funds/Dedicated Funds	\$ 4,561,604,485	 255,949,115	<u>5.61%</u>
GRAND TOTAL	\$ 7,459,713,546	 410,600,901	<u>5.50%</u>

<sup>\*</sup> Values calculated using Market Value

## INDIANA BOARD FOR DEPOSITORIES BALANCE SHEET

June 30<sup>th</sup>, 2007

#### **ASSETS**

Cash		\$ 557,246.59
Investments		255,640,534.12
Receivables:	Housing Finance Authority	4,999,392.20
	State of Indiana	50,000,000.00
	Accrued Interest	3,167,230.01
Office Furniture	e and Equipment-Net	0.00
Computer Equ	ipment-Net	26,748.98
Computer Soft	ware-Net	970.40
Total Asse	ets	\$ 314,393,122.30

#### LIABILITIES AND FUND BALANCE

**Total Liabilities and Fund Balance** 

Liabilities:

Accounts Payable	\$ 893,564.42
Total Liabilities	893,564.42
Fund Balance	313,498,557.88

\$ 314,392,122.30

## **Indiana Bond Bank**

Changes in Outstanding Debt Year end Summary for July 1, 2006 through June 30, 2007

Program Name	New Debt Issued FYE 6/30/07	Debt Retired FYE 6/30/07	QEs Assisted New Debt FYE 6/30/07
Advance Funding Program**	727,045,000.00	435,835,000.00	131
Common School Fund *	-	20,105,000.00	0
HELP Program	9,064,113.34	15,248,672.03	17
Not-For-Profit Water	-	1,396,669.76	0
School Severance Bonds	-	57,680,000.00	0
Special Program Bonds	58,900,000.00	81,340,000.00	2
Other Programs***	- · · ·	-	0
Total	\$ 795,009,113.34	\$ 611,605,341.79	150

<sup>\*</sup>Qualified Entities are not administered by the IBB for this program

Financing

<sup>\*\*</sup>Does not include Interim

<sup>\*\*\*</sup> Includeds YE Assistance Program and Sp Notes payment -- Entities assisted are listed under Advance Funding

# The 2007 Annual Report

## Indiana State Treasurer Richard E. Mourdock



Phone: 317.232.6386 Facsimile: 317.233.1780 Website: www.in.gov/tos

Treasurer of State 242 State House Indianapolis, IN 46204 Phone: (317)232-6386

Fax: (317)233-1780

www.in.gov/tos