ANNUAL FINANCIAL REPORT

OF THE

AUDITOR OF STATE

OF THE

STATE OF INDIANA

FOR THE FISCAL YEAR ENDED

JUNE 30, 2004

VOLUME II

CONNIE KAY NASS
AUDITOR OF STATE

CONNIE KAY NASS
AUDITOR OF STATE

FORMER AUDITORS OF STATE

Term	Name	Political Party
1816-1828	William H. Lilley	Party Unknown
1828-1829	Benjamin I. Blythe	Party Unknown
1829-1844	Morris Morris	Party Unknown
1844-1847	Horatio J. Harris	Party Unknown
1847-1850	Douglas Maguire	Whig
1850-1853	Erastus W.H. Ellis	Democrat
1853-1855	John P. Dunn	Democrat
1855-1857	Hiram E. Talbot	Fusion-"Peoples"
1857-1861	John W. Dodd	Democrat
1861-1863	Albert Lange	Republican
1863-1865	Joseph Ristine	Democratic Union
1865-1869	Thomas P. McCarthy	Republican
1869-1871	John D. Evans	Republican
1871-1873	John C. Shoemaker	Democrat
1873-1875	James A. Wilder	Republican
1875-1879	Ebenezer Henderson	Democrat
1879-1881	Mahlon D. Manson	Democrat
1881-1883	Edward H. Wolfe	Republican
1885-1887	James H. Rice	Democrat
1887-1891	Bruce Carr	Republican
1891-1895	John O. Henderson	Democrat
1895-1899	Americus C. Daily	Republican
1899-1903	William H. Hart	Republican
1903-1905	David E. Sherrick	Republican
1905-1906	Warren Bigler	Republican
1906-1910	John C. Billheimer	Republican
1910-1914	William H. O'Brien	Democrat
1914-1916	Dale J. Crittenberger	Democrat
1916-1920	Otto Clauss	Republican
1920-1922	William J. Oliver	Republican
1922-1924	Robert Bracken	Democrat
1924-1928	Lewis S. Bowman	Republican
1928-1930	Arch N. Bobbit	Republican
1930-1934	Floyd E. Williamson	Democrat
1934-1938	Laurence F. Sullivan	Democrat
1938-1940	Frank G. Thompson	Democrat
1940-1944	Richard T. James	Republican
1944-1948	Alvin V. Burch	Republican
1948-1950	James M. Propst	Democrat
1950-1954	Frank T. Mills	Republican
1954-1956	Curtis E. Rardin	Republican
1956-1958	Roy T. Combs	Republican
1958-1960	Albert A. Steinwedel	Democrat
1960-1964	Dorothy Gardner	Republican
1964-1966	Mark L. France	Democrat
1966-1968	John P. Gallagher	Republican
1968-1970	Trudy Slaby Etherton	Republican
1970-1978	Mary Aikins Currie	Democrat
1978-1982	Charles D. Loos	Republican
1982-1986	Otis E. Cox	Democrat
1986-1994	Ann G. DeVore	Republican
1994-1998	Morris Wooden	Republican
1999-	Connie K. Nass	Republican

STATE OF INDIANA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2004
VOLUME II

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Auditor of State

Connie Kay Nass

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August 24, 2004

To the Citizens of the State of Indiana:

It is with pride that the staff of the Auditor of State's office presents the Annual Financial Report of the State of Indiana for the fiscal year ended June 30, 2004. This document contains unaudited financial schedules containing the revenues, appropriations, allotments, and expenditures for all state agencies operating in the State of Indiana.

This report has been prepared to comply with Indiana Code 4-10-13-2, which requires the State Auditor to prepare a report each year showing receipts by source of revenue and by type of fund disbursement as they relate to each agency, department, and fund of State government. In addition to this financial report, in December we will issue the Comprehensive Annual Financial Report (CAFR), which contains audited financial statements compiled in accordance with Generally Accepted Accounting Principles (GAAP) and is prepared under the guidelines issued by the Government Finance Officers Association. Again this year, these reports are being prepared in accordance with GASB 34, which brings governmental financial statements into a format comparable to the private sector.

For the fourth year, we have produced two more editions of "A Report to Indiana Citizens on the State's Finances". This report is illustrated with charts and graphs giving citizens a straightforward and accurate way to measure objectively the status of the State's finances. This report is easily accessible to citizens by visiting www.in.gov/auditor or by calling the Auditor of State's office at (317) 232-3300.

We hope this document serves your needs. Please contact me with any questions you may have as you review this document.

Sincerely,

Connie Nass

Connie Kay Nass,
Auditor of State of Indiana

AUDITOR OF STATE STAFF

Connie Kay Nass
Auditor of State

William Lantz, C.P.A.
Deputy Auditor

Paul Lottes, Esq.
Deputy Auditor

Jeff Heinzmann, Esq.
Deputy Auditor

Wendy Armstrong
Accounts Payable Director

Dan Bastin, C.P.A.
Settlement Director

Tom Dearing
Management Information System Director

Pam Fritz
Human Resources Director

Beth Memmer
Budgeting/Purchasing Director

Brent Plunkett
Payroll Director

Carl Zapfe, C.P.A.
Finance Director

Steve Daniels, C.P.A.
Accounting Director

DUTIES OF THE AUDITOR OF THE STATE OF INDIANA
(IC 4-7-1-2)

The Auditor of the State of Indiana shall:

(1) Keep and state all accounts between the state of Indiana and the United States, any state or territory, or any individual or public officer of this state indebted to the state or entrusted with the collection, disbursement, or management of any money, funds, or interest arising therefrom, belonging to the state, of every character and description whatsoever, when the money, funds or interest is derivable from or payable into the state treasury.

(2) Examine and liquidate the accounts of all county treasurers and other collectors and receivers of all state revenues, taxes, tolls and incomes, levied or collected by any act of the general assembly and payable into the state treasury, and certify the amount or balance to the treasurer of state.

(3) Keep fair, clear, distinct, and separate accounts of all the revenues and incomes of the state and all expenditures, disbursements, and investments of the state, showing the particulars of every expenditure, disbursement and investment.

(4) Examine, adjust, and settle the accounts of all public debtors for debts due the state treasury and require all public debtors or their legal representatives who may be indebted to the state for money received or otherwise and who have not accounted for a debt to settle their accounts.

(5) Examine and liquidate the claims of all persons against the state in cases where provisions for the payment have not been made by law. When no such provisions or an insufficient one (1) has been made, examine the claim and report the facts, with an opinion, to the general assembly. No allowance shall be made to refund money from the treasury without the statement of the auditor of state either for or against the justice of the claim.

(6) Institute and prosecute, in the name of the state, all proper suits for the recovery of any debts, money, or property of the state or for the ascertainment of any right or liability concerning the debts, money, or property.

(7) Direct and superintend the collection of all money due to the state and employ counsel to prosecute suits, instituted at the auditor's insistence, on behalf of the state.

(8) Draw warrants on the treasurer of state or authorize disbursement through electronic funds transfer in conformity with IC 4-8.1-2-7 for all money directed by law to be paid out of the treasury to public officers or for any other object whatsoever as the warrants become payable. Every warrant or authorization for electronic funds transfer shall be properly numbered.

(9) Furnish to the governor, on requisition, information in writing upon any subject relating to the duties of the office of the auditor of state.

(10) Superintend the fiscal concerns of the state and their management in the manner required by law and furnish the proper forms to assessors, treasurers, collectors and auditors of counties.

(11) Keep and preserve all public books, records, papers, documents, vouchers, and all conveyances, leases, mortgages, bonds, and all securities for debts, money, or property, and accounts of property, of any description, belonging or appertaining to the office of the auditor of state and also to the state, where no other provision is made by law for the safekeeping of the accounts and property.

(12) Suggest plans for the improvement and management of the public revenues, funds and incomes.

(13) Report and exhibit to the general assembly, at its meeting in each odd-numbered year, a complete statement of the revenues, taxables, funds, resources, incomes and property of the state, known to the office of the auditor of state and of the public revenues and expenditures of the two (2) preceding fiscal years, with a detailed estimate of the expenditures to be defrayed from the treasury for the ensuing two (2) years, specifying each object of expenditure and between such as are provided for by permanent or temporary appropriations and showing also the sources and means from which all such expenditures are to be defrayed.

State of Indiana
Financial Schedules Explanation
Fiscal Year Ended June 30, 2004

Financial schedules provided in this report are:

1. Schedule of Revenue Received and Transferred
2. Schedule of Appropriations, Allotments and Expenditures
3. Current Expenditures and Encumbrances

These schedules are not necessary for generally accepted financial reporting, but do satisfy a portion of the financial reporting requirements prescribed by Indiana Code (IC) 4-10-13-2. The balance of the reporting requirements prescribed by IC 4-10-13-2 are satisfied by the State of Indiana's separately issued Comprehensive Annual Financial Report.

The schedules contained in this report are detailed by fund, center, object and agency.

A fund is a fiscal and accounting entity with a self-balancing set of accounts recording financial activity, which is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Funds used by government are classified by fund type. Those fund types are governmental, proprietary and fiduciary.

Governmental funds are the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. These funds are used to account for governmental type financial activity.

The general fund is the chief operating fund of a government and is used to account for the financial activity of the government, except for the activity that is required to be accounted for in some other fund. The State of Indiana's general fund is fund number 1000.

Special revenue funds are used to account for revenue that is restricted for a specific purpose. The State of Indiana's special revenue funds are fund numbers 2000-2740, 2760-2780, 2800-2870, 2900, 3010-3210, 3230-3250, 3270-3280, 3300-3790, 3880-3900, 3920, 3940, 3960-5100, 5120, 5250-5350, 5750-6020, 6040, 6060-6070, 6090, 6110-6250, 6270-6340, 6360-6390, 6430, 6480-6500, 6610, 6640, 6690-6710, 6750, 6810-6830, 6850-6870, and 7100.

Debt service funds are used to account for revenue that is being accumulated to meet current and future debt service requirements. The State of Indiana does not have a fund that meets these standards.

Capital projects funds are used to account for the financial activity of significant capital acquisition and construction projects. The State of Indiana's capital projects funds are fund numbers 2750, 2880, 3260, 3290, 3800, 3910, 3950, 6050, and 6350.

Permanent funds are used to account for endowment-like trust arrangements. The State of Indiana's permanent funds are fund numbers 6030, 6100, 6620, 6630, 6660, 6670, 6680 and 6800.

Proprietary type funds are used to account for business type financial activity and the fund types in this group are enterprise fund and internal service fund.

Enterprise funds are used to account for revenue generated by charges for a service provided to the public, where the intent of the government is to recover all or most of the cost through a charge for the service (user fees). The State of Indiana's enterprise funds are fund numbers 3000, 5360, 5370, 6720-6740, and 6760-6790.

Internal service funds are used to account for revenue generated by charges for services provided between departments or agencies within governmental units or between governmental units, on a cost reimbursement basis. The State of Indiana's internal service funds are fund numbers 3930, 5110, 5150, 5200 and 5220.

Fiduciary type funds are used to account for agent or fiduciary financial activity. The fund types in this group are private-purpose trust funds, agency funds, and pension trust funds.

Private-purpose trust funds and agency funds are used to account for the financial activity of either a trust arrangement where the governmental unit is permitted to expend the trust assets or in an agency capacity where revenue is received in a custodial capacity. Private-purpose trust and agency funds function much like a governmental fund. The State of Indiana's private-purpose trust funds and agency funds are fund numbers 2790, 3220, 5140, 6080, 6260, 6400, 6420, 6450, 6990, 7010, 7020, and 9000.

Pension trust funds are used to account for the financial activity in pension plans where the governmental unit manages the plan or the plan is considered a unit of the governmental unit. The State of Indiana's pension trust funds are fund numbers 6510-6530, 6550, 6560, 6580, 6590, 6600, and 6840.

In the State of Indiana’s accounting system a center is a self-balancing set of accounts within each fund. Centers are used to segregate the financial activities within each fund by either agency or purpose. The schedules include the name of each center.

Objects used in these schedules are revenue objects and expenditure objects. The revenue object is listed next to the revenue description in the source of revenue column of the Schedule of Revenue Received and Transferred. In the State of Indiana's chart of accounts the first digit of the revenue object is always the number 4. The second digit of the revenue object indicates the revenue type as follows:

0	**=**	**Taxes**
1	**=**	**Licenses/Permits/Franchise**
2	**=**	**Current Service Charges**
3	**=**	**Sales**
4&7	**=**	**Grants**
5	**=**	**Transfers**
8	**=**	**County Welfare Tax**
9	**=**	**Miscellaneous**

The expenditure object is listed in the "OBJ" column of the Schedule of Appropriations, Allotments, and Expenditures. In the State of Indiana's chart of accounts the expenditure object indicates the expenditure type as follows:

0	**=**	**Total Operating**
1	**=**	**Personal Services**
2	**=**	**Services other than Personal**
3	**=**	**Services by Contract**
4	**=**	**Materials, Supplies and Parts**
5	**=**	**Equipment**
6	**=**	**Land and Structures**
7	**=**	**Grants, Subsidies, Refunds and Awards**
8	**=**	**In-state Travel**
9	**=**	**Out-of-state Travel**

The expenditure of resources is controlled through the adoption of budgets referred to as appropriations. These appropriations are established by either legislative action, statutory authority, or functionality of the center. The State of Indiana further controls expenditures with an allotment system. An appropriation is not available for expenditure until it has been allotted. Appropriations are allotted by either action of the state budget director, statutory authorization, or the functionality of the center.

The allotment system is administered by the State of Indiana's accounting system through the designation of the budgetary control of each center. The budgetary controls are divided into three categories; a control 3 center; a control 5 center, or a control 6 center.

The control of each center is indicated in the column next to the center name on the Schedule of Appropriations, Allotments and Expenditures.

The appropriation of funds in centers with a budgetary control of 3 must be approved by the legislature, or authorized by legislation; the allotment must be approved by the state budget director, or authorized by legislation. The unexpended appropriation of a control 3 center reverts to the surplus balance of the fund at the end of the fiscal year.

The appropriation of funds in centers with a budgetary control of 5 increase when revenue is received, this is authorized by legislation, or controlled by the functionality of the center; the allotment must be approved by the state budget director, or authorized by legislation. The unexpended appropriation of a control 5 center does not revert to the surplus balance of the fund at the end of the fiscal year. The appropriation balance in the center continues into the next fiscal year.

Centers with a budgetary control of 6 have allotments only, this is authorized by legislation, or controlled by the functionality of the center; the allotment increases when revenue is received. The unexpended allotment of a control 6 center does not revert to the surplus balance of the fund at the end of the fiscal year. The allotment balance in the center continues into the next fiscal year.

An agency is a division of state government and is indicated by number in this report. On the following page is a list of agencies in agency number order. The agency associated with a fund/center is indicated by the agency number in the agency column of the Schedule of Revenue Received and Transferred, and in the agency number column of the Schedule of Appropriations, Allotments, and Expenditures.

AGENCIES in Numeric Sequence

003	House of Representatives
004	Senate
013	Judicial Nominating Commission
015	Lobby Registration Commission
017	Legislative Services Agency
019	Uniform State Laws Commission
022	Supreme Court
023	Court of Appeals
024	Clerk of Supreme Court
026	Judicial Center
028	Tax Court
030	Governor
032	Criminal Justice Institute
034	Washington Liaison Office
035	Governor's Planning Council for People with Disabilities
038	Lieutenant Governor
039	Prosecuting Attorney's Council
040	Secretary of State
044	Protection and Advocacy Commission
046	Attorney General
048	Treasurer
050	Auditor
057	Budget Agency
058	Tobacco Use Prevention and Cessation Board
061	Department of Administration
062	Public Records Commission
063	Election Board
064	Public Access Counselor
065	Information Services Division
066	State Office Building Commission
070	Department of Personnel
071	Department of Personnel - Disability
072	Public Employees Retirement Fund
074	Employee Appeals Commission
075	Ethics Commission
080	State Board of Accounts
085	Information Technology Oversight Commission
090	Department of Revenue
100	State Police
102	Law Enforcement Academy
103	Law Enforcement Training Board
110	Adjutant General
140	Disabled American Veterans
147	American Veterans WWII/Korea/Vietnam
160	Veterans Affairs
170	Veterans of Foreign Wars
190	Gaming Commission
195	Gaming Research
200	Utility Regulatory Commission
205	Utility Consumer Counselor
208	Financial Institutions
210	Department of Insurance
215	Department of Local Government Finance

217	Indiana Board of Tax Review
218	Women's Commission
220	Workers Compensation Board
225	Department of Labor
230	Alcoholic Beverage Commission
235	Bureau of Motor Vehicles
240	Coroners Training Board
245	Professional Standards Board
250	Professional Licensing Agency
255	Airport Authority
258	Civil Rights Commission
260	Department of Commerce
262	Port Commission
265	Horse Racing Commission
270	Attorney Trust Accounting Board
275	Health Professions Bureau
280	Health Policy Commission
285	Public Safety Training Institute
286	Integrated Public Safety Commission
290	Pollution Prevention Institute
300	Department of Natural Resources
305	Fire and Building Services
310	White River State Park Commission
315	War Memorials Commission
320	Lake Michigan Marina Dev. Commission
322	Kankakee River Basin Commission
325	Maumee River Basin Commission
330	St. Joseph River Basin Commission
340	Bureau of Motor Vehicles Commission
351	Board of Animal Health
385	State Emergency Management
400	State Department of Health
405	Family and Social Services Administration
410	Division of Mental Health
415	Evansville Psychiatric Children's Center
425	Evansville State Hospital
430	Madison State Hospital
435	Logansport State Hospital
440	Richmond State Hospital
450	Larue Carter Memorial Hospital
465	Fort Wayne State Development Center
470	Muscatatuck State Development Center
480	Silvercrest Children's Development Center
495	Environmental Management
496	Environmental Adjudication
497	Division of Disability, Aging, and Rehabilitation Services
500	Division of Family and Children
501	Division of Family and Children - ICES
505	Public Employment Relations Board
510	Workforce Development
515	PEN Products
550	School for the Blind
560	School for the Deaf

570	Veterans Home
580	Soldiers and Sailors Children's Home
605	Public Defender
607	Henryville Correctional Facility
610	Public Defender Council
615	Department of Correction
616	North Central Juvenile Correctional Facility
617	Youth Rehabilitation Facility
618	Miami Correctional Facility
619	Logansport Juvenile Intake/Diagnostic Facility
620	State Prison
630	Pendleton Correctional Facility
635	Correctional Industrial Facility
640	Women's Prison
645	New Castle Correctional Facility
650	Putnamville Correctional Facility
655	Pendleton Juvenile Correctional Facility
660	Plainfield Juvenile Correctional Facility
665	Wabash Valley Correctional Facility
667	Madison Correctional Facility
670	Indianapolis Juvenile Correctional Facility
675	Branchville Correctional Facility
680	Westville Correctional Facility
682	Maximum Control Facility
685	Rockville Correctional Facility
690	Plainfield Correctional Facility
695	Reception/Diagnostic Center
700	Department of Education
703	Proprietary Education
705	Arts Commission
707	Workforce Literacy
708	Education Compact Commission
710	Vocational Technical College
715	Student Assistance Commission
718	School Lunch Division
719	Higher Education Commission
720	Commission on Community Service and Volunteerism
722	Vocational Technical Education
728	Vocational Education Council
730	State Library
735	Historical Bureau
740	Teachers Retirement Fund
750	Indiana University
755	Medical Education Board
760	Purdue University
770	Indiana State University
775	University of Southern Indiana
780	Ball State University
790	Vincennes University
795	Independent State Universities Board
800	Department of Transportation
878	State Fair Commission
885	Little Calumet River Basin Dev Commission