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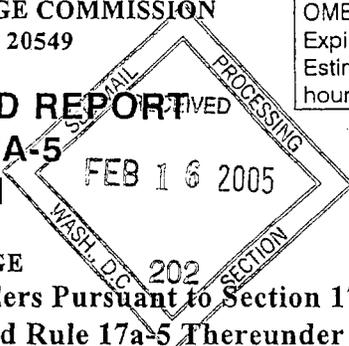
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

VF 2-17-05

OMB APPROVAL	
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**ANNUAL AUDITED REPORT**  
**FORM X-17A-5**  
**PART III**



SEC FILE NUMBER
8. 50984

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 1/1/04 AND ENDING 12/31/04  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:  
INDIANA SECURITIES, LLC  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY
FIRM I.D. NO.

1705 NORTH MERIDIAN STREET

(No. and Street)

INDIANAPOLIS  
(City)

IN  
(State)

46202  
(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
DAWN BARRINGER (317) 632-6000  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

PRICE & GARTRELL, P.C.

(Name - if individual, state last, first, middle name)

8465 KEYSTONE CROSSING, SUITE 195 INDIANAPOLIS IN 46240  
(Address) (City) (State) (Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

**PROCESSED**  
FEB 22 2005  
THOMSON  
FINANCIAL

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

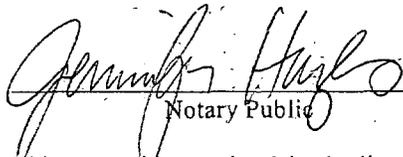
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, DAWN BARRINGER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of INDIANA SECURITIES, LLC, as of DECEMBER 31, 2004, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Signature

Title

  
Notary Public

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

INDIANA SECURITIES, LLC  
FINANCIAL STATEMENT

DECEMBER 31, 2004

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# PRICE & GARTRELL, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Indiana Securities, LLC  
Indianapolis, Indiana

## Independent Auditor's Report

We have audited the accompanying statement of financial condition of Indiana Securities, LLC as of December 31, 2004, and the related statements of income, changes in members' equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with generally accepted auditing standards accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial condition of Indiana Securities, LLC as of December 31, 2004, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements, taken as a whole. The information contained on page 8 through 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a - 5 of the Securities and Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



PRICE & GARTRELL, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

January 22, 2005

Stephen D. Price, C.P.A.  
H. Lynn Gartrell, C.P.A.

Frank T. Crislip, Jr., C.P.A.  
Jason C. Lowe, C.P.A.

8465 KEYSTONE CROSSING, SUITE 195 • INDIANAPOLIS, INDIANA 46240  
(317) 257-4100 • FAX (317) 205-7005 • EMAIL [pgpc@on-net.net](mailto:pgpc@on-net.net)

INDIANA SECURITIES, LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2004

ASSETS

Cash	\$ 86,494
Accounts receivable	2,899
Furniture and equipment, net of accumulated depreciation of \$5,046	441
Investment - Warrants (300) of National Association of Securities Dealers, Inc., at cost	<u>3,300</u>
Total assets	<u>\$ 93,134</u>

LIABILITIES AND MEMBERS' EQUITY

Accrued payroll, payroll taxes and other withholdings	\$ 8,198
Accrued retirement plan contributions	<u>378</u>
Total liabilities	8,576
Members' equity	<u>84,558</u>
Total liabilities and members' equity	<u>\$ 93,134</u>

See accompanying notes to financial statements.

INDIANA SECURITIES, LLC  
STATEMENT OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2004

REVENUE

Commissions and fees	\$ 391,483
Interest	1,265
	<u>392,748</u>

EXPENSES

Employee compensation and benefits	261,007
Occupancy and equipment costs	28,614
Professional fees	14,915
Insurance	11,148
Telephone	5,917
Office supplies	2,056
Other operating expense	40,614
	<u>364,271</u>

Net income	<u>\$ 28,477</u>
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See accompanying notes to financial statements.

INDIANA SECURITIES, LLC  
STATEMENT OF CHANGES IN MEMBERS' EQUITY  
DECEMBER 31, 2004

Balance at January 1, 2004	\$ 138,313
Net income	28,477
Distribution to members	<u>(82,232)</u>
Balance at December 31, 2004	<u>\$ 84,558</u>

See accompanying notes to financial statements.

INDIANA SECURITIES, LLC  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2004

Cash flows from operating activities:

Net income	\$ 28,477
Items not affecting net cash used by operating activities	
Depreciation	784
Changes in	
Increase in accounts receivable	(2,788)
Accrued payroll and other liabilities	<u>(4,740)</u>
Net cash provided by operating activities	21,733
Financing activities	
Distributions to members	<u>(82,232)</u>
Net increase in cash	(60,499)
Cash at beginning of year	<u>146,993</u>
Cash at end of year	<u>\$ 86,494</u>

See accompanying notes to financial statements.

INDIANA SECURITIES, LLC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Indiana Securities, LLC (the Company) is an Indiana limited liability company.

The Company was incorporated in November 1997 and is a fully licensed broker/dealer in trading investment securities. The Company also engages in the selling of life insurance and annuity contracts. As a limited liability company, each member's liability is limited to the extent of its investment and each member's interest has the same rights and privileges.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

**Bad Debts**

Accounts receivable are considered fully collectible; therefore, no allowance for bad debts has been provided.

**Furniture and Equipment**

Furniture and equipment are carried at cost. The Company provides for depreciation using annual rates which are sufficient to amortize the costs of depreciable assets over their estimated useful lives. Depreciation is computed using straight-line over estimated useful lives.

**Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission uniform net capital rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2004, the Company had net capital of \$ 80,817 which was \$ 75,817 in excess required net capital of \$ 5,000. The Company's ratio of aggregate indebtedness to net capital was .11 to 1.

**Revenue Recognition**

Fees and commissions are recognized when the applicable transaction is complete.

**Income Taxes**

Since the Company is a limited liability company, it is not subject to federal, state and local income taxes and, accordingly, no provision for income taxes is required. The members include their share of net income or loss in their income tax returns.

**2. LEASES – RELATED PARTIES**

The Company relocated in May 2002 and now leases its facilities from its shareholders. The lease is for one year expiring December 31, 2004. Rent is payable at \$2,083 per month. The company is responsible for insurance, real estate taxes, maintenance and all utilities. Rental expense for this lease is included in the income statement for the period ended December 31, 2004 was \$25,000.

INDIANA SECURITIES, LLC  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2004

Total members' equity	\$ 84,558
Nonallowable assets	
Furniture and equipment	(441)
Investment	(3,300)
Net capital	<u>80,817</u>
Reconciliation with Company's Computation (included in Part IIA of Form X-17A-5 as of December 31, 2004 )	
Net capital, as reported in Company's Part II FOCUS report	\$ 80,834
Audit adjustment - increase in accounts receivable	<u>(17)</u>
Net capital per page 7	<u>\$ 80,817</u>

INDIANA SECURITIES, LLC  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2004

Aggregate indebtedness	
Included in statement of financial condition	
Accounts payable	<u>\$ 8,575</u>
Computation of basis net capital requirement	
Minimum net capital required (6 2/3% of aggregate indebtedne\$	<u>572</u>
Minimum dollar net capital requirement of reporting broker or dealer	<u>\$ 5,000</u>
Net capital requirement	<u>\$ 5,000</u>
Excess net capital	<u>\$ 75,817</u>
Excess net capital at 1,000%	<u>\$ 79,959</u>
Ratio: aggregate indebtedness to net capital	<u>.11 to 1</u>

INDIANA SECURITIES, LLC  
COMPUTATION FOR DETERMINATION OF  
RESERVE REQUIREMENTS UNDER RULE 15c3-3  
DECEMBER 31, 2004

Broker-dealer is exempt from Rule 15c3-3. There were no security transactions during fiscal 2004.

# PRICE & GARTRELL, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of  
Indiana Securities, LLC  
Indianapolis, Indiana

In planning and performing our audit of the financial statements of Indiana Securities, LLC for the year ended December 31, 2004, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's

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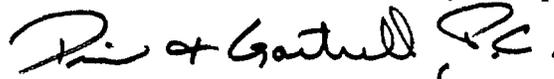
authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2004, to meet the SEC's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the New York Stock Exchange and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.



PRICE & GARTRELL, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

January 22, 2005