

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

REVIEW REPORT
OF
TREASURER OF STATE
STATE OF INDIANA
July 1, 2013 to June 30, 2015



FILED
12/02/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer of State	Richard Mourdock Daniel Huges (interim) Kelly Mitchell	02-10-07 to 08-29-14 08-30-14 to 11-17-14 11-18-14 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

TO: THE TREASURER OF STATE

This report is supplemental to our audit of the State of Indiana Comprehensive Annual Financial Reports (CAFR), for the years ended June 30, 2014 and 2015. Financial transactions of the Treasurer of State are included in the scope of our audit of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Pursuant to Indiana Code 20-49-3-14 and 21-7-14-7, we have performed certain procedures to the Schedules of Receipts, Disbursements, and Principle Due and Schedules of Investments of the Common School Fund and the Indiana University Permanent Endowment Fund for the years ended June 30, 2014 and 2015. Because our procedures were not designed to opine on the schedules, we did not follow auditing standards generally accepted in the United States of America. Accordingly, we do not express an opinion on the schedules.

The Treasurer of State's management is responsible for the Schedules of Receipts, Disbursements, and Principle Due and Schedules of Investments of the Common School Fund and the Indiana University Permanent Endowment Fund.

The procedures we performed did not indicate any instances of substantial noncompliance that warrant comment at this time. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

This report is intended solely for the information and use of the Treasurer of State's management and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the Indiana State Board of Accounts and of the office reviewed.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

October 12, 2016

TREASURER OF STATE
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND PRINCIPAL DUE
As of June 30, 2014

	Common School Fund	IU Permanent Endowment Fund
Receipts:		
Fines/Penalties	\$ 4,731,610.84	\$ -
Interest	-	1,786.56
Escheated Estates - Abandoned Property	149,594.75	-
Repayment of Loans	29,661,512.71	-
Sale of Investments	384,641,651.80	-
Total Receipts	\$ 419,184,370.10	\$ 1,786.56
Disbursements:		
Investment Purchases	445,719,450.78	-
Nontaxable Reimbursement	-	-
Loan Advances	50,634,627.35	-
Accts Payable	-	-
Distributions	-	2,798.94
Total Disbursements	496,354,078.13	2,798.94
Total Receipts over (under) Disbursements	(77,169,708.03)	(1,012.38)
Transfers	-	-
Cash Balance, July 1, 2013	86,192,474.45	2,798.94
Cash Balance, June 30, 2014 (Note 2)	\$ 9,022,766.42	\$ 1,786.56
Investments, July 1, 2013	\$ 124,904,818.86	\$ 785,300.00
Purchase of Investments	445,719,450.78	-
Sale of Investments	(384,641,651.80)	-
Investments, June 30, 2014	\$ 185,982,617.84	\$ 785,300.00
Interest Received from Investments (Note 1)	\$ 342,830.96	\$ 1,786.56
Loans Outstanding July 1, 2013	\$ 351,874,428.37	
Loan Advances	50,634,627.35	
Repayment of Loans	(29,661,512.71)	
Loans Outstanding June 30, 2014	\$ 372,847,543.01	
Interest Received on Loans (Note 1)	\$ 11,677,582.11	

The accompanying notes are an integral part of this schedule.

TREASURER OF STATE
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND PRINCIPAL DUE
As of June 30, 2015

	Common School Fund	IU Permanent Endowment Fund
Receipts:		
Fines/Penalties	\$ 3,148,525.09	\$ -
Interest	-	1,905.66
Escheated Estates - Abandoned Property	-	-
Repayment of Loans	34,651,256.51	-
Sale of Investments	<u>287,201,193.69</u>	<u>-</u>
Total Receipts	<u>325,000,975.29</u>	<u>1,905.66</u>
Disbursements:		
Investment Purchases	282,204,461.41	-
Nontaxable Reimbursement	-	-
Loan Advances	46,024,931.83	-
Accts Payable	-	-
Distributions	<u>-</u>	<u>1,786.56</u>
Total Disbursements	<u>328,229,393.24</u>	<u>1,786.56</u>
Total Receipts over (under) Disbursements	<u>(3,228,417.95)</u>	<u>119.10</u>
Transfers	-	-
Cash Balance, July 1, 2014	<u>9,022,766.42</u>	<u>1,786.56</u>
Cash Balance, June 30, 2015 (Note 2)	<u>\$ 5,794,348.47</u>	<u>1,905.66</u>
Investments, July 1, 2014	\$ 185,982,617.84	\$ 785,300.00
Purchase of Investments	282,204,461.41	-
Sale of Investments	<u>(287,201,193.69)</u>	<u>-</u>
Investments, June 30, 2015	<u>\$ 180,985,885.56</u>	<u>\$ 785,300.00</u>
Interest Received from Investments (Note 1)	<u>\$ 340,348.14</u>	<u>\$ 1,905.66</u>
Loans Outstanding July 1, 2014	\$ 372,847,543.01	
Loan Advances	46,024,931.83	
Repayment of Loans	<u>(34,651,256.51)</u>	
Loans Outstanding June 30, 2015	<u>\$ 384,221,218.33</u>	
Interest Received on Loans (Note 1)	<u>\$ 11,901,670.82</u>	

The accompanying notes are an integral part of this schedule.

**TREASURER OF STATE
SCHEDULE OF INVESTMENTS
As of June 30, 2014**

Total investments for the Common School Fund and the Indiana University Permanent Endowment Fund.

<u>Description</u>	<u>Maturity Date</u>	<u>Original Cost</u>
Common School Fund		
Certificate of Deposit:		
Lake City Bank	10/08/14	\$ 1,000,000.00
1st Source Bank	10/08/14	1,000,000.00
State Bank of Medora	10/09/14	100,000.00
Mainsource Bank	10/09/14	100,000.00
Bank of New York	07/30/14	14,992,458.33
Bank of New York	08/15/14	9,995,222.22
Bank of New York	11/03/14	4,996,847.22
Bank of New York	02/02/15	9,991,745.83
Bank of New York	02/17/15	9,991,047.22
Bank of New York	07/28/14	9,999,416.67
Bank of New York	08/27/14	9,998,880.56
Bank of New York	09/27/16	5,000,000.00
Bank of New York	01/22/15	20,000,000.00
Bank of New York	10/01/14	19,998,970.00
Bank of New York	12/19/14	10,021,908.33
Bank of New York	08/03/15	10,000,000.00
Bank of New York	10/15/15	10,000,000.00
Bank of New York	07/23/18	5,022,694.44
Bank of New York	09/26/16	2,008,410.00
Bank of New York	04/21/15	9,998,312.30
Bank of New York	12/02/14	9,999,925.00
Bank of New York	08/19/15	<u>11,766,779.72</u>
Total Certificates of Deposit		<u>\$ 185,982,617.84</u>
Indiana University Permanent Endowment Fund		
Certificates of Deposit	12/12/2013	<u>\$ 785,300.00</u>

**TREASURER OF STATE
SCHEDULE OF INVESTMENTS
As of June 30, 2015**

Total investments for the Common School Fund and the Indiana University Permanent Endowment Fund.

<u>Description</u>	<u>Maturity Date</u>	<u>Original Cost</u>
Common School Fund		
Certificate of Deposit:		
Lake City Bank	42,284.00	\$ 1,000,000.00
1st Source Bank	42,284.00	1,000,000.00
State Bank of Medora	42,285.00	100,000.00
Mainsource Bank	42,285.00	<u>100,000.00</u>
Total Certificates of Deposit		<u>\$ 2,200,000.00</u>
T-Bill Investments:		
Bank of New York	42,187.00	\$ 14,992,954.17
Bank of New York	42,208.00	9,996,927.08
Bank of New York	42,271.00	9,994,100.00
Bank of New York	42,460.00	<u>9,981,831.25</u>
Total T-Bill Investments		<u>\$ 44,965,812.50</u>
Government Agency Discount Notes		
Bank of New York	42,186.00	\$ 14,989,500.00
Bank of New York	42,244.00	<u>9,996,416.67</u>
Total Government Discount Notes		<u>\$ 24,985,916.67</u>
Government Agency Coupons		
Bank of New York	42,219.00	\$ 10,000,000.00
Bank of New York	42,235.00	11,750,000.00
Bank of New York	42,360.00	9,995,120.00
Bank of New York	42,304.00	9,999,100.00
Bank of New York	42,219.00	10,000,000.00
Bank of New York	42,779.00	10,010,000.00
Bank of New York	42,451.00	9,999,006.11
Bank of New York	43,161.00	5,083,840.28
Bank of New York	42,439.00	10,000,000.00
Bank of New York	42,542.00	2,000,000.00
Bank of New York	42,426.00	<u>9,997,090.00</u>
Total Government Coupons		<u>\$ 98,834,156.39</u>
Local Government Investment Pool		
Bank of New York	42,369.00	<u>\$ 10,000,000.00</u>
Total Government Discount Notes		<u>\$ 10,000,000.00</u>
Total Investments of Common School Fund		<u>\$ 180,985,885.56</u>
Indiana University Permanent Endowment Fund		
Certificates of Deposit	42,348.00	<u>\$ 785,300.00</u>

**TREASURER OF STATE
NOTES TO SCHEDULES**

Note 1. *Interest Earned on Common School Fund Loans and Investments*

Interest earned on investments made from the Common School Fund as of June 30, 2014 and June 30, 2015, was \$342,830.96 and \$340,348.14, respectively.

Interest earned on loans made to schools from the Common School Fund as of June 30, 2014, and June 30, 2015, was \$11,677,582.11 and \$11,901,670.83, respectively. A portion of which was collected as accrued interest from the Bond Bank. The Common School Fund Interest is deposited in the State's General Fund and annually appropriated for the support of common schools in accordance with Indiana Code 20-49-3-7.

Note 2. *Cash*

Cash represents the "cash" account balances on the Auditor of State's accounting system, which consists of funds pooled for the purchase of investments.

TREASURER OF STATE
EXIT CONFERENCE

The contents of this report were discussed on October 12, 2016, with Mike Frick, Deputy Treasurer. Our report disclosed no material items that warrant comment at this time.