

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

COMPLIANCE REPORT  
OF  
TREASURER OF STATE  
STATE OF INDIANA  
July 1, 2017 to June 30, 2018



**FILED**  
04/22/2019



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AGENCY OFFICIAL

Office

Official

Term

Treasurer of State

Kelly Mitchell

01-01-15 to 12-31-22



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE TREASURER OF STATE

This report is supplemental to our audit of the State of Indiana Comprehensive Annual Financial Report (CAFR), for the periods July 1, 2017 to June 30, 2018. 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 Report.

Pursuant to Indiana Code 20-49-3-14 and 21-7-14-7, we have performed certain procedures to the Schedule of Receipts, Disbursements, and Principal Due and Schedule of Investments of the Common School Fund and the Indiana University Permanent Endowment Fund for the period of July 1, 2017 to June 30, 2018. 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 statements.

The Treasurer of State's management is responsible for the Schedule of Receipts, Disbursements, and Principal Due and Schedule 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

March 7, 2019

**TREASURER OF STATE**  
**SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND PRINCIPAL DUE**  
**As of June 30, 2018**

	<u>Common School Fund</u>	<u>IU Permanent Endowment Fund</u>
Receipts:		
Fines/Penalties	\$ 2,622,245.86	\$ -
Interest	115,972.22	13,875.60
Escheated Estates - Abandoned Property	579,815.02	-
Repayment of Loans	118,950,721.15	-
Sale of Investments	<u>259,605,098.53</u>	<u>-</u>
Total Receipts	<u>381,873,852.78</u>	<u>13,875.60</u>
Disbursements:		
Investment Purchases	344,036,164.27	-
Nontaxable Reimbursement	-	-
Loan Advances	54,481,209.07	-
Accts Payable	-	-
Distributions	<u>-</u>	<u>3,076.85</u>
Total Disbursements	<u>398,517,373.34</u>	<u>3,076.85</u>
Total Receipts over (under) Disbursements	<u>(16,643,520.56)</u>	<u>10,798.75</u>
Transfers	-	-
Cash Balance, July 1, 2017	<u>22,661,050.85</u>	<u>3,076.85</u>
Cash Balance, June 30, 2018 (Note 2)	<u>\$ 6,017,530.29</u>	<u>\$ 13,875.60</u>
Investments, July 1, 2017	\$ 92,187,466.67	\$ 785,300.00
Purchase of Investments	344,036,164.27	-
Sale of Investments	<u>(259,605,098.53)</u>	<u>-</u>
Investments, June 30, 2018	<u>\$ 176,618,532.41</u>	<u>\$ 785,300.00</u>
Interest Received from Investments (Note 1)	<u>\$ 1,749,908.03</u>	<u>\$ 13,875.60</u>
Loans Outstanding July 1, 2017	\$ 463,732,306.31	
Loan Advances	54,481,209.07	
Repayment of Loans	<u>(118,950,721.15)</u>	
Loans Outstanding June 30, 2018	<u>\$ 399,262,794.23</u>	
Interest Received on Loans (Note 1)	<u>\$ 12,554,815.97</u>	

The accompanying notes are an integral part of this schedule.

**TREASURER OF STATE  
NOTES TO SCHEDULE  
As of June 30, 2018**

**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, 2018, was \$1,749,908.03.

Interest earned on loans made to schools from the Common School Fund as of June 30, 2018, was \$12,554,815.97. A portion of this 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  
SCHEDULE OF INVESTMENTS  
As of June 30, 2018**

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>
<b>Common School Fund</b>		
Certificate of Deposit:		
Lake City Bank	07/05/18	\$ 1,000,000.00
1st Source Bank	07/05/18	1,000,000.00
State Bank of Medora	07/06/18	100,000.00
Mainsource Bank	07/06/18	<u>100,000.00</u>
Total Certificates of Deposit		<u>\$ 2,200,000.00</u>
Government Agency Discount Notes		
Bank of New York	12/13/18	14,772,500.00
Bank of New York	04/24/19	<u>9,795,911.11</u>
Total Government Discount Notes		<u>\$ 24,568,411.11</u>
Government Agency Coupons		
Bank of New York	08/24/18	10,000,000.00
Bank of New York	07/03/18	10,000,000.00
Bank of New York	06/14/19	10,000,000.00
Bank of New York	10/29/18	4,980,787.97
Bank of New York	04/26/19	5,000,000.00
Bank of New York	01/30/19	10,000,000.00
Bank of New York	08/10/22	5,000,000.00
Bank of New York	08/14/19	10,000,000.00
Bank of New York	08/28/20	10,000,000.00
Bank of New York	08/28/22	5,000,000.00
Bank of New York	07/27/18	14,988,750.00
Bank of New York	01/30/20	10,000,000.00
Bank of New York	04/30/20	9,999,000.00
Bank of New York	02/26/19	14,881,583.33
Bank of New York	06/28/19	<u>10,000,000.00</u>
Total Government Coupons		<u>\$ 139,850,121.30</u>
Local Government Investment Pool		
Bank of New York	12/31/18	<u>\$ 10,000,000.00</u>
Total Government Discount Notes		<u>\$ 10,000,000.00</u>
Total Investments of Common School Fund		<u><u>\$ 176,618,532.41</u></u>
<b>Indiana University Permanent Endowment Fund</b>		
Certificates of Deposit	12/31/18	<u>\$ 785,300.00</u>



TREASURER OF STATE  
EXIT CONFERENCE

The contents of this report were discussed on March 7, 2019, with Mike Frick, Chief Deputy Treasurer of State.