

**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, 2018 to June 30, 2019



**FILED**  
02/10/2020



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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

STATE BOARD OF ACCOUNTS  
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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, 2018 to June 30, 2019. Financial transactions of the Treasurer of State are included in the scope of our audit of the State of Indiana as reflected in the CAFR.

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 Principle Due and Schedule of Investments of the Common School Fund and the Indiana University Permanent Endowment Fund for the period of July 1, 2018 to June 30, 2019. 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 Principle 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

January 28, 2020

**TREASURER OF STATE**  
**SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND PRINCIPAL DUE**  
**As of June 30, 2019**

|   | Common<br>School Fund | IU Permanent<br>Endowment<br>Fund |
|---|-----------------------|-----------------------------------|
| Receipts:                                   |                       |                                   |
| Fines/Penalties                             | \$ 2,393,563.86       | \$ -                              |
| Interest                                    | -                     | 20,128.55                         |
| Escheated Estates - Abandoned Property      | 2,748,462.23          | -                                 |
| Prior Period Adjustment                     | (115,972.22)          | -                                 |
| Repayment of Loans                          | 157,441,895.92        | -                                 |
| Sale of Investments                         | 258,257,668.47        | -                                 |
| Total Receipts                              | 420,725,618.26        | 20,128.55                         |
| Disbursements:                              |                       |                                   |
| Investment Purchases                        | 360,831,105.87        | -                                 |
| Nontaxable Reimbursement                    | -                     | -                                 |
| Loan Advances                               | 63,807,619.42         | -                                 |
| Accts Payable                               | (17,245.89)           | -                                 |
| Distributions                               | -                     | 13,875.60                         |
| Total Disbursements                         | 424,621,479.40        | 13,875.60                         |
| Total Receipts over (under) Disbursements   | (3,895,861.14)        | 6,252.95                          |
| Transfers                                   | -                     | -                                 |
| Cash Balance, July 1, 2018                  | 6,017,530.29          | 13,875.60                         |
| Cash Balance, June 30, 2019 (Note 2)        | \$ 2,121,669.15       | 20,128.55                         |
| Investments, July 1, 2018                   | \$ 176,618,532.41     | \$ 785,300.00                     |
| Purchase of Investments                     | 360,831,105.87        | -                                 |
| Sale of Investments                         | (258,257,668.47)      | -                                 |
| Investments, June 30, 2019                  | \$ 279,191,969.81     | \$ 785,300.00                     |
| Interest Received from Investments (Note 1) | \$ 2,928,806.25       | \$ 20,128.55                      |
| Loans Outstanding July 1, 2018              | \$ 399,262,794.23     |                                   |
| Loan Advances                               | 63,807,619.42         |                                   |
| Repayment of Loans                          | (157,441,895.92)      |                                   |
| Loans Outstanding June 30, 2019             | \$ 305,628,517.73     |                                   |
| Interest Received on Loans (Note 1)         | \$ 12,768,584.55      |                                   |

The accompanying notes are an integral part of this schedule.

**TREASURER OF STATE  
NOTES TO SCHEDULE  
As of June 30, 2019**

**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, 2019, was \$2,928,806.25.

Interest earned on loans made to schools from the Common School Fund as of June 30, 2019, was \$12,768,584.55. 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, 2019**

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

| <u>Description</u>                                 | <u>Maturity<br/>Date</u> | <u>Original<br/>Cost</u>        |
|--|--------------------------|---------------------------------|
| <b>Common School Fund</b>                          |                          |                                 |
| Certificate of Deposit:                            |                          |                                 |
| Lake City Bank                                     | 7/4/2019                 | \$ 1,000,000.00                 |
| 1st Source Bank                                    | 7/4/2019                 | 1,000,000.00                    |
| State Bank of Medora                               | 7/5/2019                 | 100,000.00                      |
| Mainsource Bank                                    | 7/5/2019                 | 100,000.00                      |
| Total Certificates of Deposit                      |                          | <u>\$ 2,200,000.00</u>          |
| Treasury Bills                                     |                          |                                 |
| Bank of New York                                   | 2/27/2020                | <u>24,381,135.42</u>            |
|  |                          | <u>24,381,135.42</u>            |
| Treasury Notes                                     |                          |                                 |
| Bank of New York                                   | 9/30/2019                | \$ 9,919,531.25                 |
| Bank of New York                                   | 6/30/2020                | <u>15,057,467.20</u>            |
|  |                          | <u>24,976,998.45</u>            |
| Government Agency Coupons                          |                          |                                 |
| Bank of New York                                   | 8/10/2022                | 5,000,000.00                    |
| Bank of New York                                   | 8/14/2019                | 10,000,000.00                   |
| Bank of New York                                   | 8/28/2020                | 10,000,000.00                   |
| Bank of New York                                   | 2/28/2022                | 5,000,000.00                    |
| Bank of New York                                   | 1/30/2020                | 10,000,000.00                   |
| Bank of New York                                   | 1/4/2021                 | 10,000,000.00                   |
| Bank of New York                                   | 2/18/2022                | 10,006,044.44                   |
| Bank of New York                                   | 8/28/2020                | 14,995,500.00                   |
| Bank of New York                                   | 3/12/2021                | 14,947,132.05                   |
| Bank of New York                                   | 9/25/2020                | 10,000,702.78                   |
| Bank of New York                                   | 11/28/2023               | 10,000,000.00                   |
| Bank of New York                                   | 4/1/2022                 | 5,000,000.00                    |
| Bank of New York                                   | 4/1/2024                 | 15,000,000.00                   |
| Bank of New York                                   | 10/9/2020                | 10,009,916.67                   |
| Bank of New York                                   | 4/30/2024                | 7,500,000.00                    |
| PNC Bank, N.A.                                     | 3/11/2022                | 10,076,415.00                   |
| Bank of New York                                   | 5/23/2022                | 10,000,000.00                   |
| Bank of New York                                   | 6/5/2020                 | 15,000,000.00                   |
| Bank of New York                                   | 6/10/2020                | 10,002,500.00                   |
| Bank of New York                                   | 6/11/2021                | 10,095,625.00                   |
| Total Government Coupons                           |                          | <u>\$ 202,633,835.94</u>        |
| Local Government Investment Pool                   |                          |                                 |
| Bank of New York                                   | 12/31/2019               | <u>\$ 10,000,000.00</u>         |
| Total Local Government Investment Pool             |                          | <u>\$ 10,000,000.00</u>         |
| Supranational Coupons                              |                          |                                 |
| Bank of New York                                   | 3/4/2022                 | <u>\$ 15,000,000.00</u>         |
| Total Supranational Coupons                        |                          | <u>\$ 15,000,000.00</u>         |
| Total Investments of Common School Fund            |                          | <u>\$ 279,191,969.81</u>        |
| <b>Indiana University Permanent Endowment Fund</b> |                          |                                 |
| Certificates of Deposit                            | 12/12/2019               | <u>\$ 785,300.00</u>            |
| Total Investments of IU Perm Endowment             |                          | <u>785,300.00</u>               |
| <b>Total Investments</b>                           |                          | <u><b>\$ 279,977,269.81</b></u> |

TREASURER OF STATE  
EXIT CONFERENCE

The contents of this report were discussed on January 28, 2020, with Mike Frick, Chief Deputy Treasurer, and Rachel Hemminghouse, Investment Accountant.