



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B55909

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October 13, 2020

Treasurer of the State of Indiana
TrustIndiana
200 W. Washington St., 242 State House
Indianapolis, Indiana 46204

We have received the audit report of TrustIndiana which was opined upon by BKD, LLP, Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of TrustIndiana as of June 30, 2020, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The audit report is filed with this letter in our office as a matter of public record.

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



Local Government Investment Pool



Annual Report

JUNE 30, 2020

AUDITED



Report of Independent Auditors



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Independent Auditor's Report

Treasurer of the State of Indiana
Indianapolis, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of TrustINDiana (a custodial fund of the State of Indiana), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the TrustINDiana's basic financial statements, which includes the statement of fiduciary net position - TrustINDiana and TrustINDiana Term as of June 30, 2020 and the statement of operations - TrustINDiana and TrustINDiana Term and changes in fiduciary net position - TrustINDiana and TrustINDiana Term for the year ended June 30, 2020.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of TrustINDiana as of June 30, 2020, and the results of its operations and changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of TrustINDiana do not purport to, and do not, present fairly the financial position of the State of Indiana as of June 30, 2020, the changes in its financial position or, where applicable, its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we also have issued our report dated September 23, 2020, on our consideration of TrustINDiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TrustINDiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TrustINDiana's internal control over financial reporting and compliance.

BKD, LLP

Indianapolis, Indiana
September 23, 2020

Statement of Operations - TrustINDiana

For the year ended June 30, 2020

	<u>TrustINDiana</u>	<u>External Participants</u>
Revenues:		
Interest income	\$23,734,922	\$17,906,839
Net realized gain on investments	319	241
Net unrealized gain on investments	<u>484,912</u>	<u>365,842</u>
Total Revenues	<u>24,220,153</u>	<u>18,272,922</u>
Expenses:		
Management fee	1,553,800	1,172,266
Other expenses	<u>303,402</u>	<u>228,902</u>
Total Expenses	<u>1,857,202</u>	<u>1,401,168</u>
Net investment income	<u>22,362,951</u>	<u>16,871,754</u>
Increase in net position from operations	<u><u>\$22,362,951</u></u>	<u><u>\$16,871,754</u></u>

Statement of Operations - TrustINDiana Term

For the year ended June 30, 2020

	<u>TrustINDiana</u>	<u>External Participants</u>
Revenues:		
Interest income	<u>\$365,817</u>	<u>\$365,817</u>
Total Revenues	<u>365,817</u>	<u>365,817</u>
Expenses:		
Management fee	<u>7,286</u>	<u>7,286</u>
Total Expenses	<u>7,286</u>	<u>7,286</u>
Net investment income	<u>358,531</u>	<u>358,531</u>
Increase in net position from operations	<u><u>\$358,531</u></u>	<u><u>\$358,531</u></u>

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Fiduciary Net Position - TrustINDiana

	For the year ended June 30, 2020	
	TrustINDiana	External Participants
Increase in net position		
Operations:		
Net investment income	\$21,877,720	\$16,505,671
Net realized gain on investments	319	241
Net unrealized appreciation on investments	484,912	365,842
Increase in net position from operations	<u>22,362,951</u>	<u>16,871,754</u>
Distributions to participants	<u>(21,878,039)</u>	<u>(16,505,912)</u>
Participants' transactions		
Contributions	2,136,698,721	2,086,348,721
Reinvestment of distributions	21,877,684	17,358,223
Withdrawals	<u>(1,824,949,274)</u>	<u>(1,790,145,449)</u>
Increase in net position from participants' transactions	<u>333,627,131</u>	<u>313,561,495</u>
Total increase in net position	334,112,043	313,927,337
Net position		
Beginning of year	<u>1,533,415,118</u>	<u>1,167,670,163</u>
End of year	<u>\$1,867,527,161</u>	<u>\$1,481,597,500</u>

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Fiduciary Net Position - TrustINDiana Term

	For the year ended June 30, 2020	
	TrustINDiana	External Participants
Increase in net position		
Operations:		
Net investment income	\$358,531	\$358,531
Increase in net position from operations	358,531	358,531
Distributions to participants	(265,682)	(265,682)
Participants' transactions		
Contributions	44,933,745	44,933,745
Reinvestment of distributions	265,682	265,682
Withdrawals	(31,837,353)	(31,837,353)
Increase in net position from participants' transactions	13,362,074	13,362,074
Total increase in net position	13,454,923	13,454,923
Net position		
Beginning of year	3,392,566	3,392,566
End of year	<u>\$16,847,489</u>	<u>\$16,847,489</u>

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements

For the year ended June 30, 2020

Note 1: Description of TrustINDiana

TrustINDiana (the "Pool") is a local government investment pool created pursuant to IC §5-13-9-11(b) within the office and custody of the Treasurer of the State of Indiana. The purpose of the Pool is to allow local units of government (e.g., counties, municipalities, school corporations, townships and other units of local government) as well as the State of Indiana to invest in a common pool of investment assets. In 2019 TrustINDiana began offering a specially designed sub-account feature for active TrustINDiana participants: TrustINDiana Term Series. The Term Series product is designed to complement the daily liquidity of TrustINDiana by offering a longer dated fixed income investment. For purposes of these financial statements, external participants are defined as all investors other than the State of Indiana. The difference between the amounts presented in total and external participants represents the investment by the State of Indiana.

The accompanying financial statements present only the activities of TrustINDiana, a custodial fund of the State of Indiana, and are not intended to present fairly the financial position of the State of Indiana, the changes in its financial position or, where applicable, its cash flows in conformity with accounting principles generally accepted in the United States of America.

Note 2: Significant Accounting Policies Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 revenues, expenses and changes in net position during the period. Actual results could differ from those estimates.

Measurement Focus and Basis of Accounting and Presentation

The Pool prepares its financial statements in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Pool is reported as a special-purpose government and the accompanying financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

Cash and Cash Equivalents

Cash is held in various financial institutions in depository accounts. The Pool considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2020, cash equivalents consisted of money market mutual funds and commercial paper, which are reported at fair value. The Pool's money market mutual funds do not have significant limitations or restrictions on withdrawals.

Investments and Investment Income

Securities are valued at the most recent market bid price as obtained from one or more market makers for such securities. The underlying investments of the Pool are marked-to-market on a daily basis.

Security transactions are recorded on a trade-date basis. Realized gains and losses on sales of investments are calculated on an identified cost basis. Interest income, including any amortization of premium or accretion of discount, is recorded on the accrual basis.

Operating Revenues and Expenses

As a special-purpose government, the Pool distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally arise from providing services in connection with the principal ongoing operations. The Pool's principal operating revenue is investment income and its principal expenses are administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating or capital transactions.

Notes to Financial Statements continued

For the year ended June 30, 2020

Earnings

Net investment income in the Pool is declared and allocated to participants daily. Such amounts are automatically reinvested the same business day. Net realized capital gains, if any, are allocated in a reasonable timeframe after the gain is realized. Investment income in the Term Series is distributed to participants at the maturity of their term. Such amounts are automatically reinvested the same business day and transferred to their TrustINDiana Pool account.

Securities Lending

The Pool has entered into a securities lending agreement, as authorized by state statute and the policies of the Pool, with Bank of New York Mellon (“BNY Mellon”), its custodian. BNY Mellon may loan the Pool’s securities to brokers, dealers and financial institutions determined by them to be creditworthy and approved by the Indiana Treasurer of State. The Pool continues to receive the interest on the loaned securities during the term of the loan. The loans can be terminated on demand by either the Pool or the borrower. The loans of securities are collateralized in the form of cash in an amount at least equal to 102% of the current fair value of the loaned securities. The cash collateral is reinvested by BNY Mellon and the net income earned on the reinvestment, less the borrower’s rebate and a fee to BNY Mellon, is recorded as additional income to the Pool. There was no securities lending activity during fiscal year ended 2020.

Note 3: Deposits and Investments

As of June 30, 2020, the Pool had the following cash deposits and investments:

	TrustINDiana	TrustINDiana Term
	<u>2020</u>	<u>2020</u>
Cash	\$1,033,134,023	\$ -
Certificates of Deposit	-	16,750,000
Money market mutual funds	348,808,632	-
Commercial paper	460,744,179	-
U.S. Government Treasury securities	24,987,225	-
	<u>\$1,867,674,059</u>	<u>\$16,750,000</u>

Deposits and investments included in the statement of net position at June 30, 2020 are as follows:

	<u>2020</u>	<u>2020</u>
Carrying Value		
Deposits	\$1,033,134,023	\$16,750,000
Investments	834,540,036	-
	<u>\$1,867,674,059</u>	<u>\$16,750,000</u>

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Pool’s deposits may not be returned to it. The Pool’s deposit policy for custodial credit risk requires compliance with the provisions of state law. Additionally, the Pool is required to be comprised of no less than 50% of deposits in banks from an approved list maintained by the State of Indiana.

Any cash deposits in excess of the \$250,000 Federal Deposit Insurance Corporation (FDIC) limits are fully insured by the Indiana Public Deposit Insurance Fund (Fund) along with any additional pledged collateral from the institutions securing deposits of public funds. The Fund is created under Indiana Code 5-13-12-1(a) and is maintained by the assessments payable by depositories and the receipt of all interest and other earnings of the Fund.

Notes to Financial Statements continued

For the year ended June 30, 2020

Investments

Indiana statutes generally authorize the Pool to invest in United States obligations and issues of federal agencies, municipal securities of Indiana issuers that have not defaulted during the previous 20 years, commercial paper, secured repurchase agreements fully collateralized by U.S. Government or U.S. Government agency securities, certificates of deposit, and open end money market mutual funds pursuant to Indiana Code §5-13. The Term Series consists of deposits in financial institutions designated by the state as a depository of public funds.

Portfolio of Deposits and Investments - TrustINDiana

<u>Principal Amount</u>		<u>Fair Value</u>
Money Market Mutual Funds - 19%		
\$348,808,632	Goldman Sachs Financial Square Government Fund	\$348,808,632
Total Money Market Funds (cost of \$348,808,632)		<u>348,808,632</u>
U.S. Government Treasury Securities - 1%		
Treasury Bill		
25,000,000	0.18%, maturity date 11/03/20	24,987,225
Total U.S. Government Treasuries (cost of \$24,984,679)		<u>24,987,225</u>
Commercial Paper - 25%		
30,000,000	Anglesea Funding LLC, 0.44%, maturity date 07/01/20	29,997,000
10,000,000	Svenska Handelsbanken AB, 1.75%, maturity date 07/17/20	9,999,528
10,000,000	CPPIB Capital Inc., 1.27%, maturity date 07/20/20	9,999,556
25,000,000	Citigroup Global Markets, 1.92%, maturity date 07/24/20	24,997,668
20,000,000	Atlantic Asset Securitization LLC, 1.66%, maturity date 08/18/20	19,995,372
25,000,000	Old Line Funding LLC, 0.30%, maturity date 08/24/20	25,000,000
25,000,000	Banque et Caisse Epargne, 1.65%, maturity date 08/25/20	24,996,110
10,000,000	Bedford Row Funding Corp., 0.29%, maturity date 08/26/20	9,999,000
25,000,000	Kells Funding LLC, 1.17%, maturity date 08/27/20	24,953,680
25,000,000	Dexia Credit Local SA New York, 0.45%, maturity date 09/21/20	24,993,083
25,000,000	National Australia Bank Ltd., 1.17%, maturity date 09/29/20	24,986,730
25,000,000	Svenska Handelsbanken AB, 1.20%, maturity date 10/07/20	24,990,375
25,000,000	Caisse des Depot et Consignations, 0.30%, maturity date 10/16/20	24,988,750
25,000,000	DNB Bank ASA, 0.64%, maturity date 10/19/20	24,988,438
15,000,000	Ontario Teachers' Finance Trust, 1.22%, maturity date 10/19/20	14,993,063
25,000,000	Caisse des Depot et Consignations, 0.27%, maturity date 10/21/20	24,988,230
16,000,000	Citigroup Global Markets, 1.69%, maturity date 10/22/20	15,988,853
25,000,000	Dexia Credit Local SA New York, 0.44%, maturity date 11/16/20	24,982,625
25,000,000	Banque et Caisse Epargne, 0.30%, maturity date 12/01/20	24,979,680
25,000,000	Atlantic Asset Securitization LLC, 0.35%, maturity date 12/16/20	24,961,270
25,000,000	DBS Bank Ltd., 0.33%, maturity date 01/25/21	24,965,168
Total Commercial Paper (cost of \$460,238,066)		<u>460,744,179</u>
Bank Deposits - 55%		
83,427,117	Bank of America Deposit, 0.09%, due on demand	83,427,117
171,707,265	BMO Harris Bank Deposit, 0.30%, due on demand	171,707,265
153,392,720	Fifth Third Bank Deposit, 0.20%, due on demand	153,392,720
25,014,728	First Merchants Bank Deposit, 0.30%, due on demand	25,014,728
25,014,385	Flagstar Bank Deposit, 0.30%, due on demand	25,014,385

Notes to Financial Statements continued

For the year ended June 30, 2020

\$50,951,873	Horizon Bank Deposit, 0.35%, due on demand	\$50,951,873
20,426,084	Huntington Bank Deposit, 0.20%, due on demand	20,426,084
172,880,367	Key Bank Deposit, 0.20%, due on demand	172,880,367
848,545	Key Bank Liquid Deposit, 0.05%, due on demand	848,545
31,389,237	Lake City Bank Deposit, 0.45%, due on demand	31,389,237
75,519,367	Merchants Bank Deposit, 1.00%, due on demand	75,519,367
160,496,111	PNC Bank Deposit, 0.15%, due on demand	160,496,111
62,061,224	US Bank Deposit, 0.05%, due on demand	62,061,224
5,000	Bank of New York/Mellon, 0.00%, due on demand	5,000
Total Bank Deposits (cost of \$1,033,134,023)		<u>1,033,134,023</u>
Total Investments - 100.00% (cost of \$1,867,165,400)		1,867,674,059
Accrued interest receivable		74,594
Liabilities		<u>(221,492)</u>
Position - Unrestricted		<u>\$1,867,527,161</u>

Portfolio of Deposits and Investments - TrustIndiana Term

<u>Principal Amount</u>		<u>Fair Value</u>
Certificates of Deposit - 100%		
3,000,000	Merchants Bank Certificate of Deposit, 1.91%, maturity date 07/10/2020	3,000,000
500,000	Merchants Bank Certificate of Deposit, 1.91%, maturity date 07/10/2020	500,000
500,000	Merchants Bank Certificate of Deposit, 1.91%, maturity date 07/10/2020	500,000
750,000	Merchants Bank Certificate of Deposit, 1.91%, maturity date 08/20/2020	750,000
10,000,000	Merchants Bank Certificate of Deposit, 1.43%, maturity date 09/10/2020	10,000,000
500,000	Merchants Bank Certificate of Deposit, 1.43%, maturity date 09/10/2020	500,000
500,000	Horizon Bank Certificate of Deposit, 1.80%, maturity date 09/21/2020	500,000
1,000,000	Horizon Bank Certificate of Deposit, 1.65%, maturity date 02/10/2021	1,000,000
Total Certificates of Deposit (cost of \$16,750,000)		<u>16,750,000</u>
Total Deposits and Investments - 100.00% (cost of \$16,750,000)		16,750,000
Accrued interest receivable		101,323
Liabilities		<u>(3,834)</u>
Position - Unrestricted		<u>\$16,847,489</u>

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Pool is generally limited to investing in commercial paper with a stated maturity of not more than 270 days and other securities with a stated maturity of not more than two years after the date of purchase or entry into a repurchase agreement, as defined by the Pool's investment policy and Indiana Code §5-13 (excepting Indiana municipal securities that must have maturities of no more than 10 years). However, the Pool is permitted to invest in securities with a stated maturity of more than two years but not more than five years, provided such investments in this group comprise no more than 25% of the total portfolio available for investment. The money market mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Notes to Financial Statements continued

For the year ended June 30, 2020

At June 30, 2020, the Pool had the following investments and maturities:

	<u>Carrying Value</u>	<u>Maturity in Years Less Than 1</u>
Money market mutual funds	\$348,808,632	\$348,808,632
Commercial paper	460,744,179	460,744,179
U.S. Government Treasury securities	24,987,225	24,987,225
	<u>\$834,540,036</u>	<u>\$834,540,036</u>

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Pool's investment policy for credit risk requires compliance with the provisions of Indiana statutes. Indiana Code Section 5-13-9-2.5 requires that the Pool's investments in money market mutual funds be rated AAAM by Standard and Poor's or Aaa by Moody's Investor's Service. Indiana Code also requires the Pool limit its investments in commercial paper to those rated in the highest category by one of the nationally recognized rating services.

At June 30, 2020, the Pool's investments were rated by Moody's Investors Service and Standard & Poor's as follows:

	<u>Moody's Investors Service</u>			
	<u>Carrying Value</u>	<u>Long-Term Ratings</u>		<u>Short-Term Rating</u>
		<u>Aaa</u>	<u>Aa</u>	<u>P-1</u>
Money market mutual funds	\$348,808,632	\$348,808,632	\$ -	\$ -
Commercial paper	460,744,179	-	-	460,744,179
U.S. Government Treasury securities	24,987,225	-	-	24,987,225
	<u>\$834,540,036</u>	<u>\$348,808,632</u>	<u>\$ -</u>	<u>\$485,731,404</u>

	<u>Standard & Poor's</u>			
	<u>Carrying Value</u>	<u>Long-Term Ratings</u>		<u>Short-Term Rating</u>
		<u>AAAM</u>	<u>AA</u>	<u>A-1</u>
Money market mutual funds	\$348,808,632	\$348,808,632	\$ -	\$ -
Commercial paper	460,744,179	-	-	460,744,179
U.S. Government Treasury securities	24,987,225	-	-	24,987,225
	<u>\$834,540,036</u>	<u>\$348,808,632</u>	<u>\$ -</u>	<u>\$485,731,404</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Pool will not be able to recover the value of its investments or collateral securities that are in the possession of the counterparty. At June 30, 2020, the Pool's investments were not exposed to custodial credit risk. The Pool's investments in U.S. Government Agency and Treasury securities and commercial paper are held by the pledging financial institution's trust department or agent in the Pool's name. The Pool's investments in money market mutual funds is not subject to custodial credit risk as their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Pool limits its investments in any one issuer of commercial paper to a maximum of 5% of assets per commercial paper issuer and 10%

Notes to Financial Statements continued

For the year ended June 30, 2020

of assets per ultimate commercial paper issuer. At June 30, 2020, there were no commercial paper investments in any one issuer, not exempt from disclosure that represents 5% or more of the total investments. As shown in note 3, the Pools Money Market Fund is invested in one fund. This fund represents more than 5% of total investments.

Foreign Currency Risk

Foreign currency risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Pool's investment policy prohibits investments in foreign investments.

Note 4: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1 — Quoted prices in active markets for identical assets or liabilities
- Level 2 — Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3 — Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2020:

TrustINDiana

Description	Valuation Inputs			
	Total	Level 1	Level 2	Level 3
Investments Carried at Fair Value	\$ 834,540,036	\$348,808,632	\$485,731,404	\$ -
Bank Deposits	1,033,134,023			
Total Deposits and Investments	\$1,867,674,059			

TrustINDiana Term

Description	Valuation Inputs			
	Total	Level 1	Level 2	Level 3
Certificates of Deposit	\$16,750,000			
Total Deposits and Investments	\$16,750,000			

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Pool did not invest in any Level 3 securities during the year ended June 30, 2020.

Notes to Financial Statements continued

For the year ended June 30, 2020

Note 5: Management

The Indiana Treasurer of State has been designated by statute as the administrator of the Pool and the Deputy Treasurer of State shall have general oversight over the daily operation of the Pool. The Indiana Treasurer of State shall oversee the functions of such investment advisor, all in accordance with the policies of the Pool and Indiana Law.

Pursuant to the TrustIndiana Administrator and Investment Advisor Services Agreement, Public Trust Advisors (PTA) will charge up to 10 basis points fee (0.10%) from the Investment Property Value (the "Daily Fee"). This Daily Fee will be accrued on a daily basis and be paid monthly in arrears and prorated for any portion of the month in which the agreement is in effect.

The Daily Fee shall be calculated as follows: The Investment Property Value is multiplied by a percentage up to 0.10% (10 basis points) and is divided by 365 or 366 days in the event of a leap year to equal the Daily Fee accrual. The Investment Property Value shall be based on the current day's shares outstanding. For weekend days and holidays, the shares outstanding for the previous business day will be utilized for the calculation of fees.

Fees may be waived or abated at any time, or from time to time, at the sole discretion of PTA. This Fee may be reviewed periodically, based upon the Portfolio's yield performance, and both parties agree to potentially re-negotiate the Fee for the agreement in good faith. The other administrative expenses of the Pool shall be accounted for by the Treasurer and shall be paid from the earnings of the Pool.

Note 6: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Deposits and Investments

Approximately 52% of the Pool's net deposits and investments were attributable to three Participants' accounts at June 30, 2020.

Contingencies and Commitments

In the course of business, the Pool enters into contracts that contain representations and warranties and which provide general indemnifications. The Pool's exposure, if any, under these arrangements is unknown, as this would involve future claims that may be made against the Pool that have not yet occurred. To date, no claims have been brought against the Pool for any of these provisions. Based on experience, the Pool expects the risk of liability to be remote.

Note 7: Subsequent Events

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the fiduciary net position and results of operations. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Subsequent events have been evaluated through September 23, 2020, which is the date the financial statements were available to be issued.

Note 8: Selected Data per Dollar of Fiduciary Net Postion

Selected data per dollar of net position and ratios for the periods presented are as follows:

Data per dollar of net position¹:

	TrustINDiana For the year ended				
	<u>June 30, 2020</u>	<u>June 30, 2020</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Net investment income	\$0.014	\$0.022	\$0.014	\$0.007	\$0.003
Distributions to participants	\$(0.014)	\$(0.022)	\$(0.014)	\$(0.007)	\$(0.003)
Total Return:	1.46%	2.27%	1.37%	0.64%	0.28%
Ratios/Supplemental data:					
Net position, end of period (000's)	\$1,867,527	\$1,533,415	\$1,431,946	\$1,122,057	\$559,097
Ratios to average net position:					
Net investment income	1.41%	2.24%	1.38%	0.66%	0.28%
Expenses	0.12%	0.12%	0.12%	0.14%	0.15%

¹ Calculated based upon average net position during the period.

Data per dollar of net position¹:

	TrustINDiana Term For the year ended	
	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Net investment income	\$0.020	\$0.000
Distributions to participants	-	-
Total Return ² :	N/A	N/A
Ratios/Supplemental data:		
Net position, end of period (000's)	16,847	\$3,393
Ratios to average net position:		
Net investment income	\$1.95%	0.35%
Expenses	0.04%	0.00%

¹ Calculated based upon average net position during the period.

² Total returns are variable by participant depending on when they entered in to a Term deposit.

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed
in Accordance With *Government Auditing Standards***

Independent Auditor's Report

Treasurer of the State of Indiana
Indianapolis, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of TrustINDiana, which comprise the statement of fiduciary net position - TrustINDiana and TrustINDiana Term as of June 30, 2020, and the related statements of operations - TrustINDiana and TrustINDiana Term and changes in fiduciary net position - TrustINDiana and TrustINDiana Term for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 23, 2020. Our report contained an emphasis of matter paragraph that states the basic financial statements do not purport to, and do not, present fairly the financial position of the State of Indiana as of June 30, 2020, the changes in its financial position or, where applicable, its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered TrustINDiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of TrustINDiana's internal control. Accordingly, we do not express an opinion on the effectiveness of TrustINDiana's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether TrustINDiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Indianapolis, Indiana
September 23, 2020

TrustINDiana
Schedule of Findings and Questioned Responses
Year Ended June 30, 2020

Findings Required to be Reported by *Government Auditing Standards*

No matters are reportable.

Office of the Indiana Treasurer of State

Kelly Mitchell

Indiana Treasurer of State

Michael Frick

Deputy Treasurer

Cindy Barger

Director
TrustINDiana

Management

Administrator

Indiana Treasurer of State and
Public Trust Advisors, LLC

Investment Advisor

Public Trust Advisors, LLC

Custodian

Bank of New York/Mellon

Professional Services

Independent Auditors

BKD, LLP



TrustINDiana

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