



Office of the Indiana
Treasurer of State

Annual Report
Fiscal Year 2017
July 1, 2016—June 30, 2017

October 26, 2017

The Honorable Eric Holcomb
State of Indiana
Indiana Statehouse, Suite 206
Indianapolis, Indiana 46204

Dear Governor Holcomb:

In accordance with Indiana Code Section 4-8.1-2-14, I hereby submit the Annual Financial Report of the Office of the Treasurer for the State of Indiana.

The following information is a summary of the business transactions for Indiana's General Fund and all other funds managed by this office for the Fiscal Year of July 1, 2016, to June 30, 2017.

Sincerely,

A handwritten signature in black ink that reads "Kelly M. Mitchell". The signature is written in a cursive style with a large, looped initial "K".

Kelly M. Mitchell
Indiana Treasurer of State

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Dear Fellow Hoosiers:

It is my honor to present the State Treasurer's Office Fiscal Year 2017 Annual Report to the citizens of Indiana. The primary responsibility of the Treasurer of State is the safekeeping and investment of monies paid into the state treasury. By meeting this responsibility and many others given to my office via statute, the Treasurer of State's Office serves the citizens of the State of Indiana, as well as state agencies, and local units of government.

This report marks the 30th anniversary of Annual Reports from the sitting Indiana Treasurer of State. Marjorie O'Laughlin, the state's 50th State Treasurer, was the first to submit an annual report. I am proud that she still continues to serve the office as a member of our Indiana Bond Bank board. Her first report is attached at the end of this one.

The financial climate continues to show an upward trend after the last decade of low interest rates and the continued turmoil in the global financial markets. This fiscal year, our office was able to increase the investment income to over fifty-two (52) million dollars. This is a gain of over six (6) million dollars more than the investment income in fiscal year 2016.

In addition, the most recent fiscal year was enormously successful for the quasi-governmental agencies my office oversees: Indiana Bond Bank (IBB), Indiana Education Savings Authority (IESA), Indiana Statewide 9-1-1 Board, the Indiana Board for Depositories (BFD), and the recently launched Indiana ABLA Authority.

This fiscal year saw the creation and development of the state's first Achieving a Better Life Experience (ABLE) plan. An Executive Director was hired and an appropriation provided by the General Assembly. The board entered into an agreement with the National ABLA Alliance, which is a partnership of States dedicated to providing those living with disabilities with an ABLA investment product that offers multiple financial options at low cost.

In FY 17, the IBB issued \$133,710,419 in short-term and long-term debt on behalf of local government entities. IBB programs provided significant interest earnings for Indiana's units of local government that will continue for years to come.

2017 marks the 20th anniversary of Indiana's tax-advantaged CollegeChoice 529 Savings Plans. This program now has over 330,000 accounts. During the past year, the IESA saw record contribution activity and steady investment growth that enabled total assets under management to reach nearly \$4 billion.

Leading the pack with advanced 911 technologies, the Statewide 911 board celebrated the one year anniversary of statewide deployment of 'Text to 911' services in all 92 counties on June 9, 2017. The Statewide 9-1-1 board continued its partnership with the Indiana Youth Services Agency to promote the use of 'Text to 911' across university, college, and high school campuses throughout the state as part of the 'Make Good Decisions' campaign.

Finally, Indiana's local government investment pool, TrustINDiana, continues to be a safe investment option for local units of government. TrustINDiana ended the fiscal year with over \$1.2 billion in assets and has seen an increase of over \$535 million in assets and 57 basis points on the investment rate during the past twelve months.

Respectfully,



Kelly M. Mitchell
Indiana Treasurer of State

History of the Indiana Treasurer of State's Office

The Treasurer of State's Office was created by the first state constitution in 1816. David Crosby Lane became the first State Treasurer in November 1816 in Corydon, IN, the state's first capitol. The state capitol was later moved to Indianapolis, and in 1888 Julius A. Lemke was the first State Treasurer to occupy offices in the current Statehouse. In 1970, the Treasurer's term was extended from two years to four years, with no person eligible to serve more than eight years, (two successive terms), in any twelve year period.

When created in 1816, the Treasurer of State's Office was responsible for collecting all public revenue through the county treasurers. The Treasurer was to keep correct and separate account of all monies received and paid out by the State of Indiana. In 1933, the Indiana Department of Revenue was created and designated as the agency responsible for the collecting of all state taxes.

Since 1933, the primary responsibility of the Treasurer of State's Office has been the investing and safekeeping of all state monies. Today, the Treasurer of State's Office manages an investment portfolio of over \$7 billion comprised of receipts from Indiana's General Fund and over 70 trust funds. As part of the investment program, the Treasurer maintains deposits in the form of certificates of deposit, checking accounts and savings accounts in 71 banks, savings and loans, and credit unions across Indiana.

The Treasurer has day-to-day authority over the operations of the following boards and quasi-governmental entities: Chair of the Indiana Bond Bank, Chair of the Indiana Education Savings Authority, Chair of the Indiana Statewide 9-1-1 Board, Chair of the Achieving a Better Life Experience Authority, Sole Trustee of the Indiana State Police Pension Fund, and the Secretary/Investment Manager of the Indiana Board for Depositories. In addition, the Treasurer serves as Vice Chair of the Indiana Housing and Community Development Authority and Vice Chair of the Indiana Board of Finance and a member of the following boards and commissions: Indiana Deferred Compensation Committee, Grain Indemnity Corporation, and Underground Storage Tank Financial Assurance Board. Finally, the Treasurer serves as the administrator for TrustINDiana, the state's local government investment pool.

Indiana's State Treasurers

Daniel Crosby Lane	D-R	1816-1822
Samuel Merrill	R-W	1822-1834
Nathan B. Palmer	D	1834-1841
George H. Dunn	W	1841-1844
Royal Mayhew	D	1844-1847
Samuel Hannah	W	1847-1850
James P. Drake	D	1850-1853
Elijah Newland	D	1853-1855
William R. Nofsinger	R	1855-1857
Aquilla Jones	D	1857-1859
Nathaniel F. Cunningham	D	1859-1861
Jonathan S. Harvey	R	1861-1863
Matthew L. Brett	D	1863-1865
John I. Morrison	R	1865-1867
Nathan Kimball	R	1867-1871
James B. Ryan	D	1871-1873
John B. Glover	R	1873-1875
Benjamin C. Shaw	D	1875-1879
William Fleming	D	1879-1881
Roswel S. Hill	R	1881-1883
John J. Cooper	D	1883-1887
Julius A. Lemke	R	1887-1891
Albert Gall	D	1891-1895
Frederick J. Scholz	R	1895-1899
Leopold Levy	R	1899-1903
Nathaniel U. Hill	R	1903-1907
Oscar C. Hadley	R	1907-1911
William H. Vollmer	D	1911-1915
George A. Bittler	D	1915-1917
Uz McMurtrie	R	1917-1921
Ora J. Davies	R	1921-1925
Bernhardt H. Urbahns	R	1925-1926
Grace Urbahns	R	1926-1931
William Storen	D	1931-1935
Peter F. Hein	D	1935-1939
Joseph M. Robertson	D	1939-1941
James M. Givens	R	1941-1945
Frank T. Mills	R	1945-1949
F. Shirley Wilcox	D	1949-1951
William L. Fortune	R	1951-1953
John Peters	R	1953-1957
Adolph L. Fossler	R	1957-1959
Jack A. Haymaker	D	1959-1961
Robert E. Hughes	R	1961-1965
Jack L. New	D	1965-1967
John K. Snyder	R	1967-1971
Jack L. New	D	1971-1979
Julian L. Ridlen	R	1979-1987
Marjorie H. O'Laughlin	R	1987-1995
Joyce Brinkman	R	1995-1999
Tim Berry	R	1999-2007
Marjorie H. O'Laughlin	R	2007-2007
Richard E. Mourdock	R	2007-2014
Daniel J. Huges	R	2014-2014
Kelly M. Mitchell	R	2014-

Treasurer of State Staff

Statehouse Staff

Michael Frick
Chief Deputy Treasurer & Portfolio Manager

Caitlin Larson
Deputy Treasurer, Chief of Staff

Duane Jasheway
Assistant Portfolio Manager

Vicki Pool
Chief Accountant

Catherine Seat
Director of Communications

Cindy Barger
Director of Trust Indiana

Anastasia Bryan
Administrative Assistant

Amy Corbin
Director of Indiana ABL Authority

Indiana Government Center South

Kim Logan
Deputy Treasurer & Director of Operations

Laura Whyde
Head Cashier

Kristen Rothwell
Cashier

Angela Miller
Cashier

Christina Thomas
Document Supervisor

Indiana Board for Depositories

Public Deposit Insurance Fund

The Public Deposit Insurance Fund (PDIF) was created in 1937 to insure the deposits of public monies in Indiana's banks, similar to the way the FDIC insures individual depositors' accounts. PDIF funds are managed and invested by Treasurer Kelly M. Mitchell in her capacity as the Secretary-Investment Manager for the Indiana Board for Depositories (IBD). The State Treasurer staffs, administers, manages, and directs the affairs and activities of the IBD in accordance with the policies set out by the IBD.

The purpose of the IBD is to ensure the safekeeping and prompt payment of all public funds deposited in any approved depository through the prudent management of the PDIF. For those institutions most likely to fail, the IBD requires and manages collateral to further protect public funds. The IBD is separate from the state in its corporate and sovereign capacity.

The PDIF is funded by assessments payable by every depository that has public funds. The IBD may waive this assessment if, in its discretion, it determines the assets of the fund are equal to the reserve for losses. The IBD has waived this assessment since 1985. The IBD has the authority to invest, reinvest, and exchange investments of the PDIF in excess of the cash balance in certain securities set out in the Indiana Code 5-13-12.

As of June 30, 2017, there are 158 financial institutions that have been designated as approved depositories in Indiana and able to accept public fund deposits. At the end of Fiscal Year 2017, the assets of the PDIF totaled approximately \$303.4MM.

Indiana Board for Depositories

Governor Eric Holcomb
Chairman

Auditor of State Tera Klutz
Vice Chairman

Treasurer of State Kelly M. Mitchell
Secretary & Investment Manager

Paul Joyce
State Board of Accounts

Richard J. Rice
Department of Financial Institutions

Morris Maurer
National Bank of Indianapolis

Annette Russell
Security Federal Savings Bank

Michael C. Marhenke
iAB Financial Bank

George McNichols
Hoosier Hills Credit Union

Board for Depositories Staff

Vacant
Executive Director

Aaron Bacon
Office Manager

Indiana Board for Depositories
One North Capitol Avenue, Suite 900
Indianapolis, Indiana 46204-2026
(317) 232-5257
www.in.gov/deposit

Indiana Bond Bank

In Fiscal Year 2017, the Indiana Bond Bank (IBB) issued \$133,710,419 in short-term and long-term debt on behalf of local governmental entities.

Created by the Indiana General Assembly in 1984, the IBB services local units of government with their short-term and long-term financing needs. The primary purpose of the IBB is to assist local government entities in the process of issuing debt by operating as a financing conduit. The IBB purchases the bonds and warrants of various communities, and in turn, issues its own obligations in the financial markets. The conduit process allows local communities to take advantage of economies of scale by obtaining lower costs of borrowing, thereby saving taxpayer dollars.

The Indiana Bond Bank is governed by a Board of Directors, and the Treasurer of State serves as the Chair of the Board. The remaining members consist of the Director of the Indiana Finance Authority and five members appointed by the Governor.

The 2017 Advance Funding Program (AFP) purchased the tax-anticipation warrants of 32 taxing districts in the State of Indiana totaling \$61,000,000. The consistently active participation in the AFP is due in part to competitive interest rates, standardized documentation, cash-flow projection assistance, and arbitrage rebate assistance. True to the successful history of the program, entities received a competitive all-inclusive rate of 1.72%.

The Hoosier Equipment Lease Purchase (HELP) Program allows local communities to acquire equipment at cash prices and utilize tax-exempt interest rates. In 2017, 29 communities were assisted through the HELP Program, totaling \$24,449,397. Items financed included school buses, computers, police vehicles, computer technology, ambulances, and other essentials. Lease terms ranged from three to seven years.

The IBB's Pool Program assists communities with long-term financing needs by combining the debt of many entities into a "pooled" financing group. The pooling process allows communities to realize savings that are achieved through the sharing of fixed costs and economies of scale. In Fiscal Year 2017, two qualified entities participated in the Pool Program by refunding (refinancing) their outstanding obligations. The IBB provided net savings of \$2,771,695 to the participating entities.

The Interim Loan Program is a partnership with the U.S. Department of Agricultural - Rural Development (USDA-RD). After an entity receives a letter of commitment from USDA-RD, the proceeds of this program become available to the entity to cover the project costs from the construction timeframe through project completion. The partnership was briefly placed on hold during Fiscal Year 2017, as USDA's interest rates hit record lows. However, the program is running again, as one entity has participated, totaling \$1.8 million in financing at rates of 1.70%.



Indiana Bond Bank Board of Directors

The Honorable Kelly M. Mitchell
Treasurer of State, Chair

Patrick F. Carr
Vice-Chair
UnitedHealthOne

Dan Huges
Indiana Finance Authority

David O. Mann
Spring Mill Venture Partners

Marjorie H. O'Laughlin
Former State Treasurer, '88-'95

Cynthia Walsh
Walsh Financial Services

Indiana Bond Bank Staff

Ronald L. Mangus
Executive Director

Matthew E. Zimmerman
Program & Marketing Director

Aaron R. Barnett
Compliance Officer

Indiana Bond Bank
10 West Market Street, Suite 2410
Indianapolis, Indiana 46204
Phone: (317) 233-0888
Email: bondbank@inbondbank.com
Website: www.in.gov/bond

Indiana Education Savings Authority

Created by the Indiana General Assembly to develop programs that encourage saving for higher education, the Indiana Education Savings Authority (IESA) is chaired by the Treasurer of State and administers the CollegeChoice 529 Savings Plans (Plans).

Launched in 1997 as a convenient, tax-advantaged way to invest for students' qualified higher education expenses, the Plans totaled nearly \$4 billion in assets in more than 330,000 participant accounts at the conclusion of Fiscal Year 2017.

Since 2007, Hoosier taxpayers have also benefited from an annual state income tax credit of 20% of their contributions, worth up to \$1,000 and available to both account owners and third-party contributors.

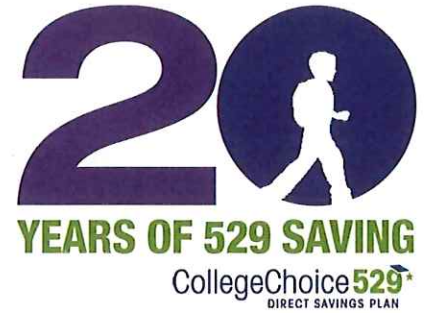
The IESA is proud to offer a diverse investment lineup that includes automatic, age-based portfolios and individual options in both the Direct and Advisor Plans. The Direct Plan's low minimum contribution level of \$10 ensures the program is accessible to all income ranges, and the aforementioned tax credit remains a powerful incentive for enrollment and **regular or recurring investment in any of the program's Plans.**

The IESA continues to grow awareness of and participation in the Plans via a statewide media campaign that peaks during the holiday gifting season and at other times coordinated with peer states in the 529 industry. Recently, special emphasis has been placed on strengthening partnerships with private-sector employers to encourage education about saving for college in the workplace.

The CollegeChoice CD Plan continues to serve a select niche of the market interested in conservative, FDIC-insured certificate of deposit products and savings accounts. During Fiscal Year 2017, the product lineup was simplified to focus on one-, two- and three-year Fixed-Rate CDs offering higher annual yields.

The IESA also continued expansion of its locally-driven Promise Indiana matching account program into four additional pilot counties. The initiative aims to increase college-going and savings behaviors in communities around the state and create a pathway for all children, regardless of socioeconomic status, to attain education beyond high school.

Looking ahead to Fiscal Year 2018, the IESA approved extensive changes to the Advisor Plan's investment lineup that will result in substantial fee reductions for participants in December 2017. Additionally, both the Direct and Advisor Plans will realize an additional program management fee reduction when their combined assets reach \$4.5 billion.



Indiana Education Savings Authority Board of Directors

The Honorable Kelly M. Mitchell
Treasurer of State, Chair

Teresa Lubbers
Indiana Commissioner for Higher
Education, Vice Chair

The Honorable Dr. Jennifer McCormick
Superintendent of Public Instruction

Jason Dudich
Director, State Budget Agency

Jay Collins
Estridge Homes

Martha Lamkin
Lumina Foundation (ret.)

Amelia West
Howell Financial Advisors

IESA Staff

Troy Montigney
Executive Director

Aaron Bacon
Office Manager

Indiana Education Savings Authority
One North Capitol, Suite 900
Indianapolis, Indiana 46204-2026
Phone: 317-232-5259
Website: www.in.gov/iesa

Indiana Statewide 9-1-1 Board

The Statewide 911 Board's mission is to promote the technological advancement of the statewide 911 system to ensure immediate and safe access to emergency services in the time of need from any device and any caller, and to collect 911 fees from communication service providers doing business in Indiana. Utilizing these fees, the board oversees the operation of a statewide public safety ESInet and distributes funding to all 92 counties for the operations of their Public Safety Answering Points (PSAPs).

Leading the pack with advancing 911 technologies, the board celebrated the one-year anniversary of statewide deployment of 'Text to 911' services in all 92 counties on June 9, 2017. Indiana became the second state in the United States with statewide 'Text to 911' services and is the largest deployment of this service in the world.

Moreover, the board continues the buildout of a dual ESInet in cooperation with INdigital telecom and AT&T and a buildout of a comprehensive data analytics system statewide with ECATS to continue the advancement in public safety.

The board promoted the 'Text to 911' services with various means of social media at high profile events and across campuses and universities impacting over 5.5 million views by Hoosiers.

The board established a minimum training standard guidelines for Indiana's telecommunicators in 2017. The board also partnered with the Denise Amber Lee Foundation and the 911 Training Institute to focus and promote peer support and situational training.

Statements of Revenue, Expenditures & Change in Net Position

Operating Revenue	
Wireless fees	\$ 51,442,096
Landline fees	\$ 12,184,233
VOIP fees	\$ 9,927,260
Prepaid wireless fees	\$ 13,462,142
Lifeline Program fees	\$ 110,199
Total Operating Revenues	\$ 87,125,930
Operating Expenses	
Hold harmless distribution	\$ 60,778,104
90/10 distribution	\$ 9,800,000
Operating expense	\$ 13,197,089
Depreciation expense	\$ 19,440
Total Operating Expenses	\$ 83,794,633
Operating Income (Loss)	\$ 3,313,000
Other Income (Expense)	
Other income/expense	\$ 491
Total Other Income	\$ 491
Change in Net Position	\$ 3,331,792
Net position beginning of the year	\$ 10,041,880
Net position end of the year	\$ 13,373,672

Indiana Statewide 9-1-1 Board

The Honorable Kelly Mitchell
Treasurer of State, Chair

Brad Meixell
Clark County 9-1-1

Teri Brooks
White County 9-1-1

Kevin McGuire
Enhanced Telecommunications Corp.

Greg Hohlier
AT&T

David Kane
IN Dept. of Homeland Security

Matt Kelley
Comcast

Shane Rekeweg
Indiana Sheriff's Association

Kevin Overmyer
County Commissioner

Wes Bennett
Town of Plainfield

Superintendent Douglas Carter
Indiana State Police

James Greeson
State Fire Marshall

Stephen Reid
Verizon Wireless

James Sparks
IN Office of Technology

Indiana Statewide 9-1-1 Board Staff

Ed Reuter
Executive Director

Laurel Simmermeyer
Project Manager

Jen Haag
Program Manager Analyst

Indiana Statewide 9-1-1 Board
10 West Market Street, Suite 2950
Indianapolis, Indiana 46204-2982
Phone: 317-234-2507

Indiana ABLE Authority

Created by the Indiana General Assembly to develop a program that allows individuals with disabilities to save for qualified expenses, the Achieving a Better Life Experience (ABLE) Authority is chaired by the State Treasurer, and administers the INvestABLE Indiana savings plan.

The ABLE Act of 2014 allows for individuals with disabilities and their families to save for many daily, disability-related expenses on a tax-deferred basis while not losing access to vital public benefits. ABLE savings may grow and be withdrawn tax-free, provided that savings are used for qualified expenses. The intent of these accounts is to ease financial burdens on individuals with disabilities to allow for savings to cover qualified expenses such as education, transportation, housing, and medical needs.

Throughout Fiscal Year 2017 the Treasurer of State's office worked diligently toward researching and developing a qualified ABLE Program. After the hiring of a project manager, the Board of the Authority convened to review the research and determine the best option for implementation. The final decision was made to join a multi-state consortium known as The National ABLE Alliance. This is a partnership of States dedicated to providing those living with disabilities an ABLE investment product that offers multiple financial options at low cost.

The ABLE Authority is proud to offer a diverse investment lineup that includes an FDIC-insured checking option that allows the beneficiary to withdraw money via debit card or check. Up to \$14,000 per year can be saved, with a maximum account balance of \$450,000. For an individual receiving Social Security benefits, they can save up to \$100,000 and not risk losing their monthly cash benefit. An INvestABLE Indiana account can be opened online with a low initial contribution of \$25, allowing for easy access to all income levels.

Looking ahead to Fiscal Year 2018, INvestABLE Indiana will enter its first year of being open for enrollment. Throughout the year the ABLE Authority will concentrate efforts on growing awareness of and increasing participation in the Plan.



Indiana ABLE Authority

The Honorable Kelly Mitchell
Treasurer of State, Chair

Jason Dudich
State Budget Agency

Dr. Jennifer Walthall
Family and Social Services
Administration

Jacob Sipe
IN Housing and Community
Development Authority

Jason Breaux
Edwards Jones

Selina Stoller
Parent of a child with a disability

Anastasia Demos Mills
Attorney and Counselor at Law, LLC

Clint McKay
The Arc of Indiana

ABLE Staff

Amy Corbin
Executive Director

Aaron Bacon
Office Manager

Indiana ABLE Authority
One North Capitol, Suite 900
Indianapolis, Indiana 46204-2026
Phone: 317-232-1614

TREASURER OF STATE
Fiscal Year 2017 Investment
Summary
Cash Basis

<u>Fund Name</u>	<u>Average Daily</u> <u>Balance</u>	<u>Interest</u> <u>Collected</u>	<u>Yield</u>
General Fund Designated:			
Warrant Clearing/Savings Accounts	\$ 1,035,428,028	\$ 4,158,818	0.40%
Certificates of Deposit	\$ 169,986,345	\$ 977,830	0.58%
Money Market Mutual Funds	\$ 473,120,548	\$ 1,956,359	0.41%
LGIP - TrustIndiana	\$ 259,561,644	\$ 1,556,089	0.60%
Government Securities	<u>\$ 2,136,436,808</u>	<u>\$</u> <u>12,451,959</u>	<u>0.58%</u>
Total General Fund Designated	<u>\$ 4,074,533,373</u>	<u>\$</u> <u>21,101,055</u>	<u>0.52%</u>
Other General Accounts:			
Economic Stabilization Fund	<u>\$ 519,934,322</u>	<u>\$2,893,659</u>	<u>0.56%</u>
Total Other General Accounts	<u>\$ 519,934,322</u>	<u>\$2,893,659</u>	<u>0.56%</u>
Trust Funds/Dedicated Funds:			
I.U. Permanent Endowment	\$ 770,115	\$3,077	0.40%
Purdue Trust Fund	\$ 340,000	\$1,977	0.58%
Public Deposit Insurance Fund	\$ 267,077,150	\$2,210,473	0.83%
Common School Fund	\$ 127,908,009	\$966,387	0.76%
Agency for the Blind:			
- Vending Operations	\$ 1,300,000	\$7,189	0.55%
- Restricted Donations	\$ 14,096	\$68	0.48%
*Indiana State Police Pension Trust	\$ 438,865,704	\$43,388,048	9.89%
Federal Revenue Sharing Fund	\$ 2,842,172	\$18,673	0.66%
Patient Compensation Fund	\$ 117,162,820	\$350,608	0.30%
Property Custody Fund	\$ 250,000	\$1,453	0.58%
Law Enforcement Training Board	\$ 20,091	\$141	0.70%
Tri-Centennial Fund	\$ 10,436	\$79	0.75%
Retirement Home Guaranty Fund	\$ 3,979,982	\$30,401	0.76%

Natural Resources - Reclamation				
Set Aside	\$ 9,664,740		\$73,668	0.76%
Hazardous Substance Emergency	\$ 1,790,705		\$13,375	0.75%
Natural Resources - Lifetime License	\$ 7,496,505		\$59,010	0.79%
Natural Resources Donations	\$ 750,000		\$6,180	0.82%
Residual Asbestos Injury Fund	\$ 472,829		\$2,230	0.47%
Bail Bond Enforcement	\$ 1,000,000		\$5,940	0.59%
Exxon Oil Overcharge Fund	\$ 1,999,842		\$13,734	0.69%
Political Subdivision Risk Mgmt	\$ 4,727,524		\$35,022	0.74%
Stripper Well Fuel Overcharge	\$ 7,923,618		\$67,263	0.85%
Mine Subsidence Fund	\$ 1,956,587		\$9,826	0.50%
Post 1977 Abandoned Mine Reclamation	\$ 2,359,727		\$16,704	0.71%
Commerce Energy/Stripper Well	\$ 700,000		\$4,757	0.68%
Commerce Agricultural Loan Fund	\$ 200,000		\$1,507	0.75%
Recovery Real Estate	\$ 485,870		\$2,262	0.47%
Recovery Plumbers	\$ 500,000		\$3,766	0.75%
Recovery Auctioneers	\$ 325,000		\$2,448	0.75%
E/M - Petroleum Trust	\$ 498,565		\$5,013	1.01%
E/M - Excess Liability	\$ 84,251,789		\$575,466	0.68%
Industrial Training Fund	\$ 7,194,293		\$39,648	0.55%
State Library Publications Fund	\$ 508,257		\$2,347	0.46%
Commerce STP Loans	\$ 500,000		\$2,401	0.48%
License Plate Escrow	\$ 812,636		\$6,700	0.82%
Jeopardy Assessment Receipts	\$ 700,000		\$3,337	0.48%
Heritage Trust Fund	\$ 4,344,633		\$31,001	0.71%
HCFA Civil Penalties	\$ 8,978,976		\$60,041	0.67%
Producer-Premium Fund	\$ 26,770,193		\$211,960	0.79%
Veteran's Memorial Cemetery Trust	\$ 192,265		\$1,638	0.85%
Arts Commission Trust Fund	\$ 2,954,399		\$20,864	0.71%
Continental Steel Escrow	\$ 795,873		\$4,049	0.51%
Children's Trust	\$ 984,727		\$6,250	0.63%
Major Moves Construction Fund	\$ 642,019,092		\$6,919,033	1.08%
Next Generation Trust Fund	\$ 526,089,440		\$13,791,415	2.62%
West Baden Springs Hotel Preservation	\$ 17,352,802		\$155,900	0.90%
Oil & Gas Environmental Fund	\$ 500,000		\$3,134	0.63%
Correction Drug Abuse	\$ 343,478		\$1,365	0.40%
State Retiree Health Plan	\$ 294,336,029		\$2,104,558	0.72%
Title Insurance Enforcement Fund	\$ 1,500,000		\$7,665	0.51%

Acid Mine Drainage Fund	\$ 16,525,012	\$124,445	0.75%
Dana Corp Settlement	\$ 1,703,431	\$13,510	0.79%
Congressional Township School Principal	\$ 1,275,631	\$6,094	0.48%
Chemtura/New Haven	\$ 750,000	\$3,602	0.48%
State Police 401H	\$ 18,119,222	\$130,362	0.72%
Veterans Affairs Trust Fund	\$ 5,018,107	\$47,553	0.95%
Abandoned Mine LBP	\$ 1,000,000	\$5,940	0.59%
ISP 115 Trust	\$ 69,099,354	\$349,183	0.51%
OPEB - ATC/Excise	\$ 3,335,670	\$25,549	0.77%
OPEB - DNR	\$ 9,832,499	\$31,976	0.33%
OPEB - SPD	\$ 43,166,328	\$304,713	0.71%

Total Trust Funds/Dedicated Funds	<u>\$ 2,794,346,223</u>	<u>72,292,979.81</u>	<u>2.59%</u>
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GRAND TOTAL	<u>\$ 7,388,813,918</u>	<u>\$ 96,287,694</u>	<u>1.30%</u>
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Grand Total, excluding SPPT	<u>\$ 6,949,948,214</u>	<u>\$ 52,899,646</u>	<u>0.76%</u>
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* Values calculated using Market Value

TREASURER OF STATE
Fiscal Year 2017 Investment
Summary
Accrual Basis

<u>Fund Name</u>	<u>Average Daily Balance</u>	<u>Interest Earned</u>	<u>Yield</u>
General Fund Designated:			
Warrant Clearing/Savings Accounts	\$ 1,035,428,028	\$ 4,158,818	0.40%
Certificates of Deposit	\$ 169,986,345	\$ 1,070,656	0.63%
Money Market Mutual Funds	\$ 473,120,548	\$ 2,154,921	0.46%
LGIP - TrustIndiana	\$ 259,561,644	\$ 1,676,670	0.65%
Government Securities	<u>\$ 2,136,436,808</u>	\$ 15,547,862	0.73%
Total General Fund Designated	<u>\$ 4,074,533,373</u>	\$ 24,608,927	0.60%
Other General Accounts:			
Economic Stabilization Fund	<u>\$ 519,934,322</u>	\$ 3,574,163	0.69%
Total Other General Accounts	<u>\$ 519,934,322</u>	\$ 3,574,163	0.69%
Trust Funds/Dedicated Funds:			
I.U. Permanent Endowment	\$ 770,115	\$ 5,638	0.73%
Purdue Trust Fund	\$ 340,000	\$ 2,355	0.69%
Public Deposit Insurance Fund	\$ 267,077,150	\$ 2,354,914	0.88%
Common School Fund	\$ 127,908,009	\$ 970,761	0.76%
Agency for the Blind:			
- Vending Operations	\$ 1,300,000	\$ 7,992	0.61%
- Restricted Donations	\$ 14,096	\$ 83	0.59%
*Indiana State Police Pension Trust	\$ 438,865,704	\$ 43,391,515	9.89%
Federal Revenue Sharing Fund	\$ 2,842,172	\$ 17,330	0.61%
Patient Compensation Fund	\$ 117,162,820	\$ 760,896	0.65%

Property Custody Fund	\$ 250,000	\$ 1,639	0.66%
Law Enforce Training Board	\$ 20,091	\$ 131	0.65%
Tri-Centennial Fund	\$ 10,436	\$ 81	0.77%
Retirement Home Guaranty Fund	\$ 3,979,982	\$ 30,948	0.78%
Natural Resources - Reclamation			
Set Aside	\$ 9,664,740	\$ 79,798	0.83%
Hazardous Substance Emergency	\$ 1,790,705	\$ 15,970	0.89%
Natural Resources - Lifetime License	\$ 7,496,505	\$ 68,309	0.91%
Natural Resources Donations	\$ 750,000	\$ 6,179	0.82%
Residual Asbestos Injury Fund	\$ 472,829	\$ 3,629	0.77%
Bail Bond Enforcement	\$ 1,000,000	\$ 6,243	0.62%
Exxon Oil Overcharge Fund	\$ 1,999,842	\$ 16,375	0.82%
Political Subdivision Risk Mgmt	\$ 4,727,524	\$ 41,162	0.87%
Stripper Well Fuel Overcharge	\$ 7,923,618	\$ 77,146	0.97%
Mine Subsidence Fund	\$ 1,956,587	\$ 10,814	0.55%
Post 1977 Abandoned Mine			
Reclamation	\$ 2,359,727	\$ 18,278	0.77%
Commerce Energy/Stripper Well	\$ 700,000	\$ 5,042	0.72%
Commerce Agricultural Loan Fund	\$ 200,000	\$ 1,548	0.77%
Recovery Real Estate	\$ 485,870	\$ 2,928	0.60%
Recovery Plumbers	\$ 500,000	\$ 3,870	0.77%
Recovery Auctioneers	\$ 325,000	\$ 2,516	0.77%
E/M - Petroleum Trust	\$ 498,565	\$ 4,903	0.98%
E/M - Excess Liability	\$ 84,251,789	\$ 689,024	0.82%
Industrial Training Fund	\$ 7,194,293	\$ 44,194	0.61%
State Library Publications Fund	\$ 508,257	\$ 3,313	0.65%
Commerce STP Loans	\$ 500,000	\$ 2,949	0.59%

License Plate Escrow	\$ 812,636	\$ 6,852	0.84%
Jeopardy Assessment Receipts	\$ 700,000	\$ 4,196	0.60%
Heritage Trust Fund	\$ 4,344,633	\$ 40,717	0.94%
HCFA Civil Penalties	\$ 8,978,976	\$ 74,014	0.82%
Producer-Premium Fund	\$ 26,770,193	\$ 246,277	0.92%
Veteran's Memorial Cemetery Trust	\$ 192,265	\$ 1,346	0.70%
Arts Commission Trust Fund	\$ 2,954,399	\$ 21,768	0.74%
Continental Steel Escrow	\$ 795,873	\$ 4,236	0.53%
Children's Trust	\$ 984,727	\$ 8,118	0.82%
Major Moves Construction Fund	\$ 642,019,092	\$ 5,932,798	0.92%
Next Generation Trust Fund	\$ 526,089,440	\$ 13,446,406	2.56%
West Baden Springs Hotel Preservation	\$ 17,352,802	\$ 154,714	0.89%
Oil & Gas Environmental Fund	\$ 500,000	\$ 3,241	0.65%
Correction Drug Abuse	\$ 343,478	\$ 2,088	0.61%
State Retiree Health Plan	\$ 294,336,029	\$ 2,249,669	0.76%
Title Insurance Enforcement Fund	\$ 1,500,000	\$ 11,047	0.74%
Acid Mine Drainage Fund	\$ 16,525,012	\$ 148,459	0.90%
Dana Corp Settlement	\$ 1,703,431	\$ 11,489	0.67%
Congressional Township School Principal	\$ 1,275,631	\$ 7,678	0.60%
Chemtura/New Haven	\$ 750,000	\$ 4,424	0.59%
State Police 401H	\$ 18,119,222	\$ 141,062	0.78%
Veterans Affairs Trust Fund	\$ 5,018,107	\$ 42,026	0.84%
Abandoned Mine LBP	\$ 1,000,000	\$ 6,243	0.62%
ISP 115 Trust	\$ 69,099,354	\$ 475,917	0.69%
OPEB - ATC/Excise	\$ 3,335,670	\$ 24,295	0.73%
OPEB - DNR	\$ 9,832,499	\$ 61,995	0.63%
OPEB - SPD	\$ 43,166,328	\$ 314,052	0.73%

Total Trust Funds/Dedicated Funds	<u>\$ 2,794,346,223</u>	<u>\$ 72,093,602</u>	<u>2.58%</u>
GRAND TOTAL	<u>\$ 7,388,813,918</u>	<u>\$ 100,276,692</u>	<u>1.36%</u>
Grand Total, excluding SPPT	<u>\$ 6,949,948,214</u>	<u>\$ 56,885,177</u>	<u>0.82%</u>

* Values calculated using Market Value

Changes in Outstanding Debt
Year End Summary for
July 1, 2016 through June 30, 2017

Program Name	New Debt Issued FYE 6/30/17	Debt Retired FYE 6/30/17	QEs Assisted New Debt FYE 6/30/17
Advance Funding Program*	\$ 61,821,000	\$ 83,210,000	37
Common School Fund	-	29,205,000	0
HELP Program	24,449,398	8,473,214	30
Not-For-Profit Water	-	1,770,000	0
School Building Program Bonds	-	-	0
School Severance Bonds	-	133,575,000	0
Special Program Bonds	25,725,000	125,825,143	2
State Revolving Fund Program	-	-	0
USDA-RD Interim Loan Program	1,873,000	25,686,000	1
Other Programs**	25,000,000	31,262,000	0
Total	<u>\$ 138,868,398</u>	<u>\$ 439,006,357</u>	<u>70</u>

* Does not include Interim Financing

** Includes YE Assistance Program, QSCB, and other bond payments.

■ REPORT FROM THE TREASURER

My Fellow Hoosiers:

The first year in any new job is exciting; that is especially true when the job is Treasurer of the State of Indiana. It is amazing how the office has evolved from its original mission of collecting, disbursing and reporting on state funds to the current responsibilities: overseeing programs which greatly assist Hoosier farmers, first-time homebuyers, municipal officials and many other Indiana citizens.

In the last eight years the Treasurer's role has expanded to include chairing the Indiana Bond Bank, which assists local communities with funding for capital projects, and the Indiana Housing Finance Authority, which offers programs to provide affordable housing for moderate and low-income families. Serving as Treasurer of the reactivated Indiana State Office Building Commission and the Recreational Development Commission has also created additional responsibilities.

The most important function of the office, however, remains the investment of funds that are not immediately needed to pay the state's bills. This Treasurer has conscientiously attempted to invest as much money as possible so that it works positively for Hoosier citizens. I have implemented policies to assure the maximum yield on our dollars while maintaining the safety of the funds and a balanced distribution throughout the state.

My primary goal, essential to charting a financial course that will keep Indiana fiscally sound far into the future, is the review of cash management practices throughout state government. I intend to recommend such a study to my compatriots.

The flow of information from all revenue-producing agencies must be accurate and timely to enable us to monitor income and outflow which dictates the number of investable dollars. Advances in technology will play a large part in strengthening this process as the individual agencies refine their internal systems and, thus, their ability to communicate with each other and with the Treasurer's office.

Indiana government is big business with annual income and expenditures in excess of \$7 billion for Fiscal Year 1986-87. Increasing our knowledge of the income and expense cycles, and developing more sophisticated processing techniques are vital money management tools. Our ultimate goals are to ensure that every possible income dollar is put to work promptly earning the highest interest rate while keeping risk at a minimum, and that the maximum percent of surplus funds remain invested until they are actually needed to cover expenses.

I am always mindful of the fact that this office is the only one in state government that can generate additional income without raising taxes or fees. Unfortunately, we have little control over prevailing interest rates that dictate the amount of earnings on invested state funds, but it is incumbent upon this office and this officeholder to promote the most efficient cash management program possible.



Marjorie H. O'Laughlin

Second only to the cash management study is my goal to refine and expand the programs offered by the Indiana Bond Bank. Recent reductions in the allocation of federal funds to local government along with added restrictions on local borrowing brought about by the Tax Reform Act of 1986 make it increasingly difficult for Indiana's political subdivisions to fund essential public projects. Through sound and frugal business practices that minimize operating costs, the IBB will be able to obtain more favorable interest rates on bond issues and reduce costs to local participants.

The Single Family Mortgage Program of the Indiana Housing Finance Authority will be reduced drastically at the end of this year if Congress does not act to extend the life of Mortgage Revenue Bonds. This program, geared to low and middle income families, assures the availability of below-market rate mortgages to those who qualify. Nearly 20,000 mortgages have been generated by this program to families who might never have realized the American dream of home ownership without assistance. As Chairman of the IHFA Board, I will support the extension of this program as vigorously as possible.

My staff and I hope that this, my first annual report, will give you as a citizen-taxpayer a greater understanding of the Treasurer of State's role in Indiana government.

As I begin my second year as your State Treasurer, I am more firmly committed than ever to making Indiana a model of effective fiscal management.

Sincerely,

A handwritten signature in cursive script that reads "Marjorie H. O'Laughlin". The signature is written in dark ink and is positioned above the typed name.

Marjorie H. O'Laughlin
Treasurer of State
Indiana

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