



Annual Report

June 30, 2015

TrustINDiana Rated S&P AAAm

(With report of independent auditors within)



Report of Independent Auditors

Independent Auditor's Report

To the Treasurer of the State of Indiana



We have audited the statement of assets, liabilities and joint value of TrustIndiana (A Component Unit of the State of Indiana) as of June 30, 2015, the portfolio of investments as of June 30, 2015, the related statement of operations for the year ended June 30, 2015 and the statements of changes in joint value for the years ended June 30, 2015 and 2014. These financial statements are the responsibility of the Treasurer of the State of Indiana. Our responsibility is to express an opinion on these financial statements based on our audit.

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 an opinion on these financial statements based on our audits. We conducted our audits 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 audits 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 significant accounting estimates made by management as well as evaluating the overall presentation of financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TrustIndiana as of June 30, 2015, and the results of its operations for the period then ended and the changes in joint value for the years ended June 30, 2015 and 2014, in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have issued our report dated August 28, 2015 on our consideration of TrustIndiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise TrustIndiana's basic financial statements. Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. Management's Discussion and Analysis has not been included with the basic financial statements.

London Witte Group, LLC
Indianapolis, Indiana
August 28, 2015



Statement of Assets, Liabilities and Joint Value

June 30, 2015

	<u>TrustIndiana</u>	<u>External Participants</u>
Assets		
Investments at amortized cost (market value \$519,481,885)	\$519,463,331	\$229,446,953
Interest income receivable	<u>93,100</u>	<u>41,122</u>
Total assets	<u>519,556,431</u>	<u>229,488,075</u>
Liabilities and Joint Value		
Management fee payable	40,023	17,678
Other payables	<u>47,468</u>	<u>20,967</u>
Total liabilities	<u>87,491</u>	<u>38,645</u>
Joint Value	<u>519,468,940</u>	<u>229,449,430</u>
Total liabilities and joint value	<u>\$519,556,431</u>	<u>\$229,488,075</u>

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



Portfolio of Investments

June 30, 2015

<u>Principal Amount</u>		<u>Value</u>
Money Market Funds - 2.13%		
\$11,079,150	Goldman Sachs Financial Square Government Fund, FST Shares, 0.00%	\$ 11,079,150 (a)
Total Money Market Funds (market value \$11,079,150)		<u>11,079,150</u>
U.S. Government Agencies - 8.66%		
Federal Agricultural Mtg Group		
10,000,000	0.22%, maturity date 11/25/15	10,000,000
Federal Home Loan Bank		
10,000,000	0.20%, maturity date 09/18/15	9,999,771
10,000,000	0.27%, maturity date 02/04/16	10,000,000
Treasury Note/Bond		
15,000,000	0.25%, maturity date 12/31/15	15,002,748
Total U.S. Government Agencies (market value \$45,002,702)		<u>45,002,519</u>
Commercial Paper -25.39% (b)		
5,000,000	Nordea Bank AB,0.13%, maturity date 07/01/15	5,000,000
5,000,000	Gotham Funding Corp.,0.14%, maturity date 07/08/15	4,999,824
5,000,000	Liberty Street Funding, LLC,0.15%, maturity date 07/14/15	4,999,674
5,000,000	Standard Charter Bank,0.19%, maturity date 07/15/15	4,999,533
5,000,000	Bank of Tokyo-Mitsubishi UFJ Ltd.,0.25%, maturity date 07/23/15	4,999,206
5,600,000	Institutional Secured Funding LLC,0.35%, maturity date 07/24/15	5,598,784
10,000,000	Institutional Secured Funding LLC,0.39%, maturity date 08/03/15	9,996,792
10,000,000	Ridgefield Funding CO LLC,0.29%, maturity date 08/04/15	9,997,356
5,000,000	Macquire Bank Limited,0.31%, maturity date 08/05/15	4,998,542
10,000,000	Bank of Tokyo-Mitsubishi UFJ Ltd.,0.28%, maturity date 08/28/15	9,995,650
10,000,000	Societe Generale North America,0.28%, maturity date 08/31/15	9,995,510
8,000,000	Ridgefield Funding CO LLC,0.33%, maturity date 09/02/15	7,995,520
9,700,000	Angelesa Funding LLC,0.00%, maturity date 09/18/15	9,693,614
10,000,000	Credit Agricole CIB NY,0.41%, maturity date 11/02/15	9,986,222
7,000,000	Credit Agricole CIB NY,0.44%, maturity date 12/01/15	6,987,654
11,665,000	Toronto Dominion Holding (USA) Inc.,0.34%, maturity date 12/09/15	11,648,045
10,000,000	Jupiter Security Co. LLC,0.43%, maturity date 01/05/16	9,976,500
Total Commercial Paper (market value \$131,888,797)		<u>131,868,426</u>

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



Portfolio of Investments (continued)
June 30, 2015

<u>Principal Amount</u>		<u>Value</u>
Bank Deposits - 63.82%		
\$108,010,639	Fifth Third Bank, N.A., 0.30%, due on demand	\$ 108,010,639
30,005,908	Huntington Bank, 0.30%, due on demand	30,005,908
10,000,000	Lake City Bank, 0.30%, due on demand	10,000,000
150,374,854	PNC Bank, 0.30%, due on demand	150,374,854
3,000,000	The National Bank of Indianapolis, 0.20%, due on demand	3,000,000
30,119,835	US Bank, 0.15%, due on demand	30,119,835
2,000	Bank of New York/Mellon, 0.00%, due on demand	2,000
	Total Bank Deposits (market value \$331,513,236)	<u>331,513,236</u>
	Total Investments - 100.00% (market value \$519,483,885)	519,463,331
	Other assets in excess of liabilities - 0.00%	<u>5,609</u>
	Joint Value - 100.0%	<u>\$519,468,940</u>

(a) Interest rate as of June 30, 2015. Rate is declared daily.

(b) Rate represents effective yield at June 30, 2015.

bps -Basis points (100 basis points equals one percentage point).

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



Statement of Operations

For the year ended June 30, 2015

	<u>TrustIndiana</u>	<u>External Participants</u>
Revenues:		
Interest income	\$ 827,314	\$ 406,459
Total revenues	<u>827,314</u>	<u>406,459</u>
Expenses:		
Management fee (less waiver of \$68,623)	343,832	168,925
Other expenses	<u>281,051</u>	<u>138,080</u>
Total expenses	<u>624,883</u>	<u>307,005</u>
Net investment income	<u>202,431</u>	<u>99,454</u>
Net realized gain on investments	<u>2,961</u>	<u>1,455</u>
Net increase in joint value from operations	<u>\$ 205,392</u>	<u>\$ 100,909</u>

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



Statements of Changes in Joint Value

	For the year ended June 30, 2015		For the year ended June 30, 2014	
	<u>TrustIndiana</u>	<u>External Participants</u>	<u>TrustIndiana</u>	<u>External Participants</u>
Increase / (Decrease) in joint value				
Operations:				
Net investment income	\$ 202,431	\$ 99,454	\$ 416,097	\$ 263,605
Net realized gain on investments	<u>2,961</u>	<u>1,455</u>	<u>2,165</u>	<u>1,372</u>
Net increase in joint value from operations	<u>205,392</u>	<u>100,909</u>	<u>418,262</u>	<u>264,977</u>
Distributions to participants	<u>(205,392)</u>	<u>(100,909)</u>	<u>(418,262)</u>	<u>(264,977)</u>
Participants' transactions:				
Contributions	209,852,070	119,852,070	165,563,160	165,563,160
Reinvestment of distributions	206,058	102,396	421,774	268,148
Withdrawals	<u>(171,498,891)</u>	<u>(171,406,202)</u>	<u>(278,125,329)</u>	<u>(277,966,444)</u>
Net increase / (decrease) in joint value from participants' transactions	<u>38,559,237</u>	<u>(51,451,736)</u>	<u>(112,140,395)</u>	<u>(112,135,136)</u>
Total increase / (decrease) in joint value	38,559,237	(51,451,736)	(112,140,395)	(112,135,136)
Joint value				
Beginning of year	<u>480,909,703</u>	<u>280,901,166</u>	<u>593,050,098</u>	<u>393,036,302</u>
End of year	<u>\$519,468,940</u>	<u>\$229,449,430</u>	<u>\$480,909,703</u>	<u>\$280,901,166</u>

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



Notes to Financial Statements

For the year ended June 30, 2015

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. 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.

At June 30, 2015 certain Pool participants held a participation interest in the Pool in excess of 10%. Investment activities of these participants could have a material impact on the Pool.

2. Significant Accounting Policies

The following significant accounting policies are consistently followed by the Pool in the preparation of its financial statements. 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 and disclosures in the financial statements. Actual results could differ from those estimates.

Valuation of investments

The Pool has elected to use the amortized cost method of valuation consistent with the provisions of a 2a-7 like pool as defined by Statement No. 31 of the Governmental Accounting Standards Board provided that amortized cost approximates the fair value of a security as defined by Accounting Standards Codification ("ASC") 820. This involves valuing a security at its cost initially and thereafter assuming a constant amortization to maturity of any discounts or premium, regardless of the impact of fluctuating interest rates on the market value of the security. This method may result in periods during which value, as determined by amortized cost, is higher or lower than the price the Pool would receive if it sold the security. The fair value of securities in the Pool can be expected to vary inversely with changes in prevailing interest rates. Investments in money market funds are valued at the current day's closing net asset value per share.

In accordance with ASC 820-10, Fair Market Measurements and Disclosures, the various inputs that are used in determining the fair value of the Pool's investments are summarized into the three broad levels listed below.

- Level 1 — quoted prices in active markets for identical securities
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 — significant unobservable inputs (including the Pool's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, money market securities are valued using amortized cost, in accordance with the provisions of Statement No. 31 of the Governmental Accounting Standards Board. Generally, amortized cost approximates the current fair value of a security, but since the value is not obtained from a quoted price in an active market, such securities are reflected as Level 2.



Notes to Financial Statements continued

For the year ended June 30, 2015

The following table summarizes the valuation of the Pool's investments by the fair value hierarchy levels described above as of June 30, 2015, in valuing the Pool's assets carried at amortized cost which approximates fair value:

<u>Description</u>	<u>Valuation Inputs</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money Market Funds	\$ 11,079,150	\$ 11,079,150	\$ 0	\$0
U.S. Government Treasury & Agency Securities	\$ 45,002,519	\$ 0	\$ 45,002,519	\$0
Commercial Paper	\$131,868,426	\$ 0	\$131,868,426	\$0
Bank Deposits	\$331,513,236	\$331,513,236	\$ 0	\$0
Total Investments	\$519,463,331	\$342,592,386	\$176,870,945	\$0

The Pool did not invest in any level 3 securities during the year ended June 30, 2015. There were no significant transfers between level 1 and level 2 during the year ended June 30, 2015.

Accounting for investments

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

Credit, market and interest rate risks

The Pool is exposed to various types of risks, including market risk, interest rate risk, and credit risk. Market risk is the risk in decline in value of the investments held by the Pool because of a number of reasons, including changes in prevailing market and interest rates, increases in defaults, increases in voluntary prepayments for investments subject to prepayment risk, and widening credit spreads. Interest rate risk is the risk associated with the effects of the fluctuations in the prevailing level of market interest rates. Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Pool attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques.

The Pool limits its investments in any one issuer to the highest rating category issued by one nationally recognized statistical rating organization.

Concentration risk

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.



Notes to Financial Statements continued

For the year ended June 30, 2015

Income taxes

The Pool is not subject to federal, state or local income taxes, and accordingly, no tax provision has been made. The Pool files tax returns annually. The Pool is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next 12 months. The Pool's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

Distributions to participants

Net investment income, adjusted for net realized gains or losses, is declared and distributed to participants daily. Such amounts are automatically reinvested the following business day.

Joint value

The joint value of the Pool is its assets less its liabilities. The joint value represents the value of the beneficial interests of the Participants in the Pool.

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 market 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 were no securities lending activity during fiscal year ended 2015.

3. 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.

Effective May 1, 2015 the investment advisory services, administration and marketing services are provided by Public Trust Advisors, LLC ("PTA"). These services were provided by Cutwater Investor Services Corp. ("CISC") for the ten months prior to PTA for the year. Under the service agreement with CISC was entitled to a fee payable monthly based on the amortized cost valuation of the portion of the portfolio that it has been contracted to advise (the "CISC portion").

*The expense allocations set forth below became effective on May 1, 2015.

Pursuant to the TrustIndiana Administrator and Investment Advisor Services Agreement, 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.



Notes to Financial Statements continued

For the year ended June 30, 2015

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.

4. 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.

5. Subsequent Events

Management has determined that there were no material events that would require disclosure in the Pool's financial statements as of August 28, 2015.



Selected Data per Dollar of Joint Value and Ratios

Selected data per dollar of joint value and ratios for the periods presented are as follows:

Data per dollar of joint value¹:

	For the year ended				
	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Net investment income and net realized gain/(loss) on investments	\$ 0.000	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.002
Distributions to participants	\$ (0.000)	\$ (0.001)	\$ (0.001)	\$ (0.001)	\$ (0.002)
Total Return ² :	0.05%	0.08%	0.12%	0.14%	0.24%
Ratios/Supplemental data:					
Joint value, end of period (000's)	\$519,469	\$480,910	\$593,050	\$573,842	\$819,704
Ratios to average joint value:					
Net investment income	0.05%	0.08%	0.12%	0.13%	0.24%
Expenses	0.08% ⁵	0.13% ⁴	0.09% ³	0.14%	0.14%

¹ Calculated based upon average joint value during the period.

² Total returns for periods less than one year are not annualized.

³ Expense waiver amounted to less than 0.01% annualized.

⁴ Expense waiver amounted to 0.02% annualized.

⁵ Expense waiver amounted to 0.02% annualized.

See Independent Auditors' Report.



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

London Witte Group, LLC



TrustINDiana

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