

# CITY OF INDIANAPOLIS

## Annual Investment Report Year Ending December 31, 2025



January 28, 2026

Presented By:

Janae Rhoton, Deputy Controller

Ciara Leath, Accounting Administrator

Prepared for the Marion County Board of  
Finance



## Table of Contents

Financial Institution and Investment Relationships	Page 2
Investment Policy	Page 3
Report of 2025 Average Monthly Bank/Investment Balances	Page 7
Report of 2025 Monthly Interest Income	Page 8
Report of 2025 Interest Income Analysis	Page 9
Federal Fund Rate Changes	Page 10
Year End 2025 Investment Portfolio	Page 11



City of Indianapolis  
 Financial Institution/Investment Relationships  
 For the Calendar Year Ending December 31, 2025

Prepared for the Marion County Board of Finance

Bank Accounts	
<b>J.P. Morgan Chase</b> 7 Commercial ZBA Checking accounts 1 Commercial Checking account 1 Commercial Savings accounts	<b>TrustINDiana</b> 17 Local Government Investment Pool Accounts

Investment Accounts	
<b>J.P. Morgan Chase Safekeeping</b> 10 Treasuries held at end of year	<b>Huntington Money Market</b>

Financial Institution	Indiana Approved Depository List	Community Reinvestment Act (CRA) Rating	Bankrate Safe & Sound Rating
JP Morgan Chase Bank, N.A.	✓	Outstanding	3.5
TrustINDiana*	✓	N/A	N/A
Huntington Bank	✓	Outstanding	4.2

**Indiana Approved Depository List:** Public funds with deposits in approved Indiana depositories are insured through the Public Deposit Insurance Fund (PDIF). The PDIF was created by the Acts of 1937 to protect the public funds of the state and its political subdivisions deposited in approved financial institutions. The PDIF insures public funds exceeding the limits of coverage provided by any federal deposit insurance.

**\*NOTE:** TrustINDiana is a local government investment pool. The purpose of TrustINDiana is to allow local units of government, as well as the State of Indiana to invest in a common pool of investment assets that preserves the principal of the public’s funds, remains highly liquid, and maximizes return on investment. Indiana Code § 5-13-9-11



# City of Indianapolis

## Investment Policy

### 1.0 Policy:

It is the policy of the City of Indianapolis to invest public funds, with the approval of the investment officer, in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City of Indianapolis and conforming to all state/local statutes governing the investment of public funds and in accordance with Title 5, Article 13 of the Indiana Code.

### 2.0 Scope:

This Investment Policy Statement applies to investment of public funds in securities by the Office of the Finance and Management of the City of Indianapolis. These funds are accounted for in the City of Indianapolis Annual Comprehensive Financial Report.

### 3.0 Prudence:

Investments shall be made with judgment and care-under circumstances then prevailing-which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

3.1 The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

### 4.0 Objective:

The primary objectives, in priority order, of the City of Indianapolis investment activities shall be:

4.1 **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the City of Indianapolis shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities *do* not exceed the income generated from the remainder of the portfolio.

4.2 **Liquidity:** The City of Indianapolis investment portfolio will remain sufficiently liquid to enable the City of Indianapolis to meet all operating requirements which might be reasonably anticipated.

**4.3 Return on Investments:** The City of Indianapolis investment portfolio shall be designed to maximize its return on investments while keeping safety and liquidity as a balance to maximizing returns.

#### **5.0 Delegation of Authority:**

Authority to manage the City of Indianapolis investment program is derived from Chapter 5-13-9 of the Indiana Code and Section 202-203 of the Revised Code of the Consolidated City and County Indianapolis/Marion, Indiana. The City Controller is the Investment Officer. (IC 36-1-2-7) Management shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Responsibility for the investment program is hereby delegated to:

City Controller (Primary Responsibility)

Deputy Controller as assigned by the Controller (Secondary Responsibility) Investment Manager or other title as determined by the Controller (Day to day activity)

**5.1 Investment Procedures:** The Controller of the City of Indianapolis shall establish written investment policy procedures for the operation of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Controller of the City of Indianapolis.

#### **6.0 Ethics and Conflicts of Interest:**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall complete the annual ethics statements required by the City notwithstanding the normal qualifications for completing the statement.

#### **7.0 Designation of depositories:**

No public deposit shall be made except in a qualified public depository as established by the laws of the State of Indiana.

#### **8.0 Authorized & Suitable Investments:**

**8.1 Securities:** The City of Indianapolis is empowered by statute to invest in the following types of securities:

- (1) Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. (IC 5-13-9-2). Funds may be invested in deposit accounts including passbook savings and money market account offered by designated depository approved by the Board of Finance, or fully collateralized repurchase or resale agreements with such approved depositories. (IC 5-13-9-3 and IC 5-13-9-5)

- (2) Municipal securities issued by an Indiana local governmental entity, a quasi- governmental entity related to the state, or a unit of government, municipal corporation, or special taxing district in Indiana, if the issuer has not defaulted on any of the issuer's obligations within the twenty (20) years preceding the date of the purchase. (IC 5-13-9-2)

**8.2 Master Repurchase Agreement:** Repurchase agreements, including standing repurchase agreements, commonly known as sweep accounts, must be with depositories designated by the State Board of Finance as depositories for state funds. A repurchase agreement may only be for securities which are issued or fully insured or guaranteed by the United States, a United States government agency, an instrumentality of the United States, or a federal sponsored enterprise. The depository shall determine daily that the repurchase agreements are fully collateralized base on the market value of securities, and the depository shall deliver additional securities to make the agreement collateralized to the required level. The collateral involved in a repurchase agreement is not subject to the two-year maturity limitation. (IC 5-13-9-3)

**8.3 Certificates of Deposit:** The investment pool may be invested in negotiable certificates of deposit having maturities of less than two years and in multiples of one million dollars providing that market yields on CD's exceed treasury bills of comparable maturity / duration. Principal and interest is insured by the Deposit Insurance Fund to the extent not covered any federal deposit insurance agency. Eligible financial institutions must have a market share of at least one- percent of the average daily deposits in Marion County and must maintain a capital ratio in excess of the minimum required by the appropriate governmental supervisory body for each institution. For institutions rated Prime-1, there is no limitation on total investment per institution. However, total investment with a non-rated institution is limited to the lessor of 10% of the institution's capital or five million dollars, and ninety days maximum maturity. (IC 5-13-9-4)

**8.4 Cash Management Systems:** The City of Indianapolis may contract with a designated depository for the operation of an investment cash management system. If no institution within the City of Indianapolis can provide a system, then the contract may be awarded to a depository outside the City of Indianapolis but with a principal office or branch within the state. (IC 5-13-11-1, IC5-13-11-2)

#### 9.0 Investment Pools:

A thorough investigation of the pool/fund is required prior to investing and on a continual basis.

The following must be examined and analyzed prior to investment:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced, and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.

#### 10.0 Collateralization:

Collateralization will be required on repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be (102%) of market value of principal and accrued interest. The City of Indianapolis reserves the right to choose the collateral providers. Collateral will always be

held by an independent third party with which the entity has a current custodial agreement. A clearly marked evidence of ownership must be supplied to the entity and retained. The right of collateral substitution is granted.

**11.0 Safekeeping and Custody:**

All security transactions, including collateral for repurchase agreements, entered into by the City of Indianapolis shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian designated by the Controller and evidenced by monthly statement.

**12.0 Diversification:**

Maturities shall be time diversified over a schedule determined by known liabilities and/or to achieve target duration or weighted average maturity for the portfolio based on the judgment of the Controller.

**13.0 Maximum Maturities:**

To the extent possible, the City of Indianapolis will attempt to match its investments with anticipated cash flow requirements. The City of Indianapolis may invest in securities for more than two (2) years and not more than five (5) years in accordance with IC 5-13-9-5.7. The total investments outstanding under this policy shall not exceed 25% of the total portfolio of public funds invested by the City of Indianapolis, including balances in transaction accounts. The remaining balance of investments must be for a maturity of two years or less.

**14.0 Internal Control:**

The Controller shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

**15.0 Performance Standards:**

The investment portfolio shall be designed with the objective of obtaining a maximum rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

**16.0 Reporting:**

The Controller's Office shall provide investment reports to the Board of Finance as requested, which provides a clear picture of the status of the current investment portfolio.

***This Investment Policy for the Office of Finance and Management of the City of Indianapolis is effective as of the 1<sup>st</sup> of December 2022 and, in accordance with IC 5-13-9-5.7(a)(6), expires on December 1, 2026.***

Signed: Abigail Hanson

Date: 12-4-24

**Abigail Hanson, Controller  
Office of Finance and Management**



City of Indianapolis  
 Report of 2025 Average Monthly Bank & Investment Balances  
 For the Calendar Year Ending December 31, 2025  
 Prepared for the Marion County Board of Finance

Financial Institutions	January	February	March	April	May	June	July
JP Morgan Chase - Pool Account	\$ 23,233,258	\$ 22,626,037	\$ 20,887,477	\$ 21,047,594	\$ 23,447,277	\$ 35,002,211	\$ 22,987,492
JP Morgan Chase - HUD Account	\$ 201,345	\$ 198,355	\$ 198,926	\$ 211,769	\$ 200,212	\$ 200,850	\$ 220,758
JP Morgan Chase - Savings Account	\$ 516,415	\$ 1,083,096	\$ 54,334	\$ 57,183	\$ 66,793	\$ 714,216	\$ 59,595
TrustIndiana	\$ 511,995,546	\$ 464,551,794	\$ 416,921,536	\$ 369,356,583	\$ 332,859,346	\$ 458,487,462	\$ 569,086,003
<b>Total Bank Balances</b>	<b>\$ 535,946,564</b>	<b>\$ 488,459,282</b>	<b>\$ 438,062,273</b>	<b>\$ 390,673,129</b>	<b>\$ 356,573,628</b>	<b>\$ 494,404,739</b>	<b>\$ 592,353,848</b>
<b>Investments</b>							
JP Morgan Chase Safekeeping	\$ 354,000,000	\$ 354,000,000	\$ 354,000,000	\$ 354,000,000	\$ 354,000,000	\$ 329,000,000	\$ 319,000,000
Huntington Money Market Account	\$ 53,743,375	\$ 53,941,931	\$ 54,121,935	\$ 54,321,889	\$ 54,516,109	\$ 54,717,520	\$ 54,913,153
<b>Total Investments</b>	<b>\$ 407,743,375</b>	<b>\$ 407,941,931</b>	<b>\$ 408,121,935</b>	<b>\$ 408,321,889</b>	<b>\$ 408,516,109</b>	<b>\$ 383,717,520</b>	<b>\$ 373,913,153</b>
<b>Total Balances</b>	<b>\$ 943,689,939</b>	<b>\$ 896,401,213</b>	<b>\$ 846,184,208</b>	<b>\$ 798,995,018</b>	<b>\$ 765,089,737</b>	<b>\$ 878,122,259</b>	<b>\$ 966,267,001</b>

Financial Institutions	August	September	October	November	December	Average Monthly Balance	December Ending Cash Balances
JP Morgan Chase - Pool Account	\$ 19,613,935	\$ 13,449,429	\$ 14,061,753	\$ 18,430,042	\$ 19,442,464	\$ 21,185,747	\$26,772,930
JP Morgan Chase - HUD Account	\$ 202,172	\$ 202,815	\$ 228,855	\$ 204,100	\$ 204,645	\$ 206,234	\$205,180
JP Morgan Chase - Savings Account	\$ 50,143	\$ 50,263	\$ 1,004,865	\$ 52,193	\$ 1,599,009	\$ 442,342	\$52,815
TrustIndiana	\$ 521,951,626	\$ 476,790,297	\$ 449,941,224	\$ 411,728,563	\$ 449,856,307	\$ 452,793,857	\$526,236,437
<b>Total Bank Balances</b>	<b>\$ 541,817,876</b>	<b>\$ 490,492,804</b>	<b>\$ 465,236,697</b>	<b>\$ 430,414,898</b>	<b>\$ 471,102,425</b>	<b>\$ 474,628,180</b>	<b>\$553,267,362</b>
<b>Investments</b>							
JP Morgan Chase Safekeeping	\$ 319,000,000	\$ 357,000,000	\$ 319,000,000	\$ 319,000,000	\$ 319,000,000	\$ 337,583,333	\$315,393,289
Huntington Money Market Account	\$ 55,116,031	\$ 55,319,658	\$ 55,512,519	\$ 55,705,064	\$ 55,881,336	\$ 54,817,543	\$56,056,023
<b>Total Investments</b>	<b>\$ 374,116,031</b>	<b>\$ 412,319,658</b>	<b>\$ 374,512,519</b>	<b>\$ 374,705,064</b>	<b>\$ 374,881,336</b>	<b>\$ 392,400,877</b>	<b>\$371,449,312</b>
<b>Total Balances</b>	<b>\$ 915,933,907</b>	<b>\$ 902,812,462</b>	<b>\$ 839,749,216</b>	<b>\$ 805,119,962</b>	<b>\$ 845,983,761</b>	<b>\$ 867,029,057</b>	<b>\$924,716,674</b>

\* DRAFT, unaudited statement



City of Indianapolis  
 Report of 2025 Monthly Interest Income  
 For the Calendar Year Ending December 31, 2025  
 Prepared for the Marion County Board of Finance

Financial Institutions	January	February	March	April	May	June	July	August	September	October	November	December	Total	Average Monthly Income
JP Morgan Chase - Pool Account	\$ 73,989	\$ 65,082	\$ 66,519	\$ 64,867	\$ 74,671	\$ 107,873	\$ 73,207	\$ 62,463	\$ 40,122	\$ 41,428	\$ 49,230	\$ 50,582	\$ 770,034	\$ 64,169
JP Morgan Chase - HUD Account	\$ 641	\$ 571	\$ 634	\$ 653	\$ 638	\$ 619	\$ 703	\$ 644	\$ 607	\$ 678	\$ 545	\$ 535	\$ 7,467	\$ 622
JP Morgan Chase - Savings Account	\$ 1,237	\$ 2,343	\$ 130	\$ 133	\$ 160	\$ 1,655	\$ 143	\$ 120	\$ 112	\$ 2,193	\$ 100	\$ 2,815	\$ 11,140	\$ 928
TrustIndiana	\$ 1,920,436	\$ 1,551,384	\$ 1,527,606	\$ 1,312,168	\$ 1,200,255	\$ 1,603,317	\$ 2,083,038	\$ 1,910,105	\$ 1,672,292	\$ 1,579,393	\$ 1,329,223	\$ 1,453,004	\$ 19,142,220	\$ 1,595,185
<b>Total Bank Balances</b>	<b>\$1,996,304</b>	<b>\$1,619,380</b>	<b>\$1,594,888</b>	<b>\$1,377,819</b>	<b>\$1,275,723</b>	<b>\$1,713,464</b>	<b>\$2,157,090</b>	<b>\$1,973,332</b>	<b>\$1,713,133</b>	<b>\$1,623,691</b>	<b>\$1,379,098</b>	<b>\$1,506,937</b>	<b>\$19,930,860</b>	<b>\$ 1,660,905</b>
<b>Investments</b>														
JP Morgan Chase Safekeeping	\$ 1,337,915	\$ 1,319,162	\$ 1,319,162	\$ 1,319,162	\$ 1,319,162	\$ 1,191,292	\$ 1,159,708	\$ 1,159,708	\$ 1,108,806	\$ 1,028,213	\$ 1,099,702	\$ 1,067,980	\$ 14,429,972	\$ 1,202,498
Huntington Money Market	\$ 431,967	\$ 180,003	\$ 199,955	\$ 194,219	\$ 201,411	\$ 195,634	\$ 202,878	\$ 203,627	\$ 192,861	\$ 192,545	\$ 176,272	\$ 174,687	\$ 2,546,059	\$ 212,172
<b>Total Investments</b>	<b>\$1,769,882</b>	<b>\$1,499,165</b>	<b>\$1,519,117</b>	<b>\$1,513,381</b>	<b>\$1,520,573</b>	<b>\$1,386,926</b>	<b>\$1,362,586</b>	<b>\$1,363,335</b>	<b>\$1,301,667</b>	<b>\$1,220,758</b>	<b>\$1,275,974</b>	<b>\$1,242,667</b>	<b>\$16,976,031</b>	<b>\$ 1,414,669</b>
<b>Total Balances</b>	<b>\$3,766,186</b>	<b>\$3,118,546</b>	<b>\$3,114,005</b>	<b>\$2,891,201</b>	<b>\$2,796,296</b>	<b>\$3,100,390</b>	<b>\$3,519,676</b>	<b>\$3,336,667</b>	<b>\$3,014,800</b>	<b>\$2,844,449</b>	<b>\$2,655,072</b>	<b>\$2,749,603</b>	<b>\$36,906,891</b>	<b>\$ 3,075,574</b>

\* DRAFT, unaudited statement



City of Indianapolis  
 Report of 2025 Interest Income Analysis  
 For the Calendar Year Ending December 31, 2025  
 Prepared for the Marion County Board of Finance

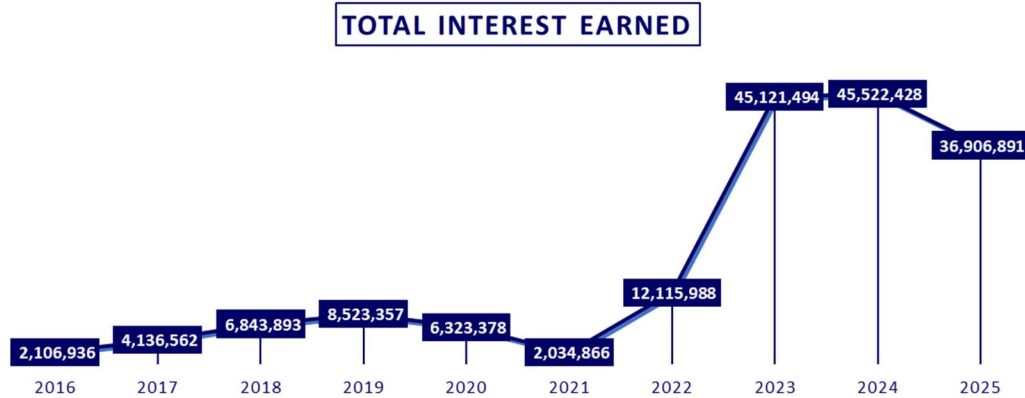
Financial Institutions	Average Monthly Balance	YTD Interest Earnings	Average Interest Rate
JP Morgan Chase - Pool Account	\$ 21,185,747	\$ 770,034	3.63%
JP Morgan Chase - HUD Account	\$ 206,234	\$ 7,467	3.62%
JP Morgan Chase - Savings Account	\$ 442,342	\$ 11,140	2.52%
TrustIndiana	\$ 452,793,857	\$ 19,142,220	4.23%
<b>Total Bank Balances</b>	<b>\$ 474,628,180</b>	<b>\$ 19,930,860</b>	<b>4.20%</b>

<b>Combined Total</b>	<b>\$ 867,029,057</b>	<b>\$ 36,906,891</b>	<b>4.26%</b>
-----------------------	-----------------------	----------------------	--------------

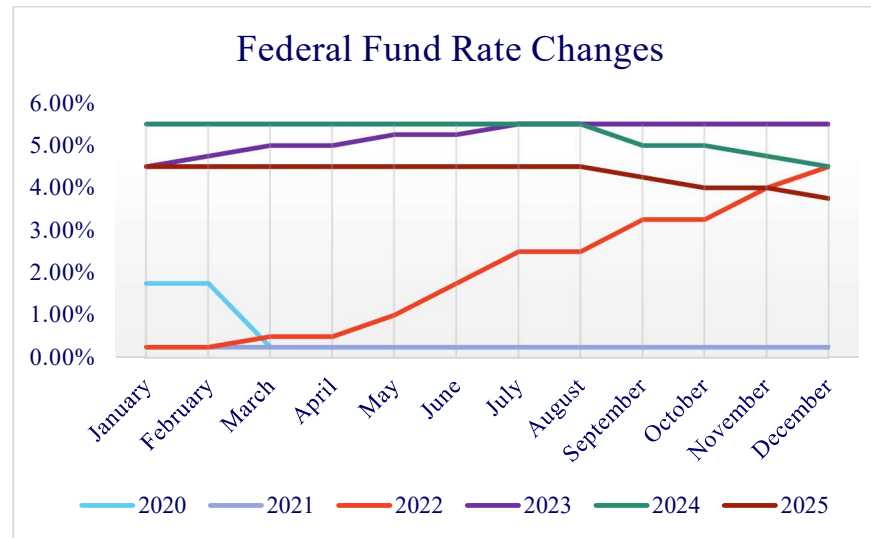
Investments	Average Monthly Balance	YTD Interest Earnings	Average Interest Rate
JP Morgan Chase Safekeeping - Cash Basis	\$ 337,583,333	\$ 14,429,972	4.27%
Huntington Money Market	\$ 54,817,543	\$ 2,546,059	4.64%
<b>Total Investments - Cash Basis</b>	<b>\$ 392,400,877</b>	<b>\$ 16,976,031</b>	<b>4.33%</b>

\* DRAFT, unaudited statement





City of Indianapolis  
 Federal Fund Rate Changes  
 For the Calendar Year Ending December 31, 2025  
 Prepared for the Marion County Board of Finance



**\*NOTE:** In response to the COVID 19 Pandemic, the Federal Reserve made significant rate cuts on March 3 and March 16, 2020. The Fed kept rates unchanged through 2021. In 2022 and 2023, the Federal Reserve raised rates repeatedly as inflation climbed, reaching a peak target range of around 5.25%-5.50%. In late 2024 and throughout 2025, the Fed cut rates several times, lowering the federal funds target range to about 3.50%-3.75% by the end of 2025. (Source: <https://www.federalreserve.gov/monetarypolicy/openmarket.htm>)



City of Indianapolis  
 Year End Investment Portfolio  
 For the Calendar Year Ending December 31, 2025  
 Prepared for the Marion County Board of Finance

Issuer	CUSIP	Purchase Date	Maturity Date	PAR	Days to Maturity	Yield Rate	As of Date:	Coupon Rate
United States Treasury Note	91282CKK6	7/11/2024	4/30/2026	25,000,000	120	4.67%	12/31/2025	4.88%
United States Treasury Note	91282CKY6	9/17/2024	6/30/2026	25,000,000	181	3.60%	12/31/2025	4.63%
United States Treasury Note	91282CCP4	7/15/2025	7/31/2026	25,000,000	212	4.10%	12/31/2025	1.13%
United States Treasury Note	91282CDG3	10/22/2024	10/31/2026	22,500,000	304	3.98%	12/31/2025	1.88%
United States Treasury Note	91282CDG3	11/3/2025	10/31/2026	22,500,000	304	3.74%	12/31/2025	4.13%
United States Treasury Note	91282CKA8	6/3/2025	2/15/2027	46,000,000	411	4.00%	12/31/2025	0.63%
United States Treasury Note	91282CEC1	2/19/2025	2/28/2027	40,000,000	424	4.29%	12/31/2025	4.38%
United States Treasury Note	91282CKZ3	7/15/2025	7/15/2027	25,000,000	561	4.38%	12/31/2025	3.50%
United States Treasury Note	91282CAL5	9/12/2025	9/30/2027	38,000,000	638	3.54%	12/31/2025	1.13%
United States Treasury Note	91282CMF5	12/17/2025	1/15/2028	50,000,000	745	3.50%	12/31/2025	4.25%
<b>Total</b>				<b>319,000,000</b>				

**\*NOTE:** As of December 31, 2025, the City of Indianapolis has one investment outstanding with a maturity greater than two years.