

REQUIRED SUPPLEMENTARY INFORMATION



Schedule of Funding Progress Employee Retirement Systems and Plans

(amounts expressed in thousands)	Primary Government	-----Discretely Presented Component Units-----						TRF - Pre- 1996 Account
	SPRF	PERF - State	ECRF	JRS	PARF	LRS		
Valuation Date: July 1, 2010								
Actuarial value of assets	\$ 363,487	*	*	*	*	*	*	
Actuarial accrued liability (AAL)	447,064	*	*	*	*	*	*	
Excess of assets over (unfunded) AAL	(83,577)	*	*	*	*	*	*	
Funded ratio	81%	*	*	*	*	*	*	
Covered payroll	66,603	*	*	*	*	*	*	
Excess (unfunded) AAL as a percentage of covered payroll	-125%	*	*	*	*	*	*	
Valuation Date: July 1, 2009								
Actuarial value of assets	\$ 356,056	\$ 2,121,550	\$ 68,170	\$ 240,954	\$ 26,467	\$ 4,730	\$ 5,109,086	
Actuarial accrued liability (AAL)	453,688	2,443,039	89,296	330,551	44,632	5,087	16,027,093	
Excess of assets over (unfunded) AAL	(97,632)	(321,489)	(21,126)	(89,597)	(18,165)	(357)	(10,918,007)	
Funded ratio	78%	87%	76%	73%	59%	93%	32%	
Covered payroll	68,283	1,749,781	25,238	36,196	20,782	**	2,030,484	
Excess (unfunded) AAL as a percentage of covered payroll	-143%	-18%	-84%	-248%	-87%	**	-538%	
Valuation Date: July 1, 2008								
Actuarial value of assets	\$ 386,873	\$ 2,469,432	\$ 65,375	\$ 234,881	\$ 26,350	\$ 5,120	\$ 5,953,991	
Actuarial accrued liability (AAL)	438,460	2,513,791	77,177	338,749	38,069	5,039	15,792,305	
Excess of assets over (unfunded) AAL	(51,587)	(44,359)	(11,802)	(103,868)	(11,719)	81	(9,838,314)	
Funded ratio	88%	98%	85%	69%	69%	102%	38%	
Covered payroll	65,421	1,661,248	21,333	33,729	20,617	**	2,295,816	
Excess (unfunded) AAL as a percentage of covered payroll	-79%	-3%	-55%	-308%	-57%	**	-429%	
Valuation Date: July 1, 2007								
Actuarial value of assets	\$ 371,918	\$ 2,350,652	\$ 57,414	\$ 211,747	\$ 23,815	\$ 5,035	\$ 5,763,508	
Actuarial accrued liability (AAL)	413,969	2,335,082	74,451	283,995	32,052	5,169	15,988,259	
Excess of assets over (unfunded) AAL	(42,051)	15,570	(17,037)	(72,248)	(8,237)	(134)	(10,224,751)	
Funded ratio	90%	101%	77%	75%	74%	97%	36%	
Covered payroll	59,863	1,573,566	17,715	29,712	18,092	**	2,376,390	
Excess (unfunded) AAL as a percentage of covered payroll	-70%	1%	-96%	-243%	-46%	**	-430%	
SPRF - State Police Retirement Fund PERF - Public Employees' Retirement Fund ECRF - Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Fund (Administered by the PERF board of trustees) JRS - Judges' Retirement System (Administered by the PERF board of trustees) PARF - Prosecuting Attorneys' Retirement Fund (Administered by the PERF board of trustees) LRS - Legislators' Retirement System (Administered by the PERF board of trustees) TRF - Teachers' Retirement Fund								
* Information not available								
** The benefit formula is determined based on service rather than compensation. July 1, 2009: The unfunded liability is expressed per active participant and there were 33 active participants. The unfunded liability per active participant was \$10,817; July 1, 2008: The unfunded liability is expressed per active participant and there were 34 active participants. The funding excess per active participant was (\$2,378); July 1, 2007: The unfunded liability is expressed per active participant and there were 43 active participants. The unfunded liability per active participant was \$3,117.								

Schedule of Funding Progress Other Postemployment Benefits

(dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b- a)/c)
State Personnel Healthcare Plan						
6/30/2009	\$ -	\$ 51,306	\$ 51,306	0.0%	N/A	N/A
6/30/2008	\$ -	\$ 67,405	\$ 67,405	0.0%	N/A	N/A
6/30/2007	\$ -	\$ 62,190	\$ 62,190	0.0%	\$ 1,130,900	5.5%
Legislature's Healthcare Plan						
6/30/2009	\$ -	\$ 8,402	\$ 8,402	0.0%	N/A	N/A
6/30/2008	\$ -	\$ 8,009	\$ 8,009	0.0%	N/A	N/A
6/30/2007	\$ -	\$ 7,950	\$ 7,950	0.0%	N/A	N/A
Indiana State Police Healthcare Plan						
6/30/2009	\$ -	\$ 407,846	\$ 407,846	0.0%	N/A	N/A
6/30/2008	\$ -	\$ 341,923	\$ 341,923	0.0%	N/A	N/A
6/30/2007	\$ -	\$ 329,292	\$ 329,292	0.0%	N/A	N/A
Conservation and Excise Police Healthcare Plan						
6/30/2009	\$ -	\$ 57,305	\$ 57,305	0.0%	N/A	N/A
6/30/2008	\$ -	\$ 45,308	\$ 45,308	0.0%	N/A	N/A
6/30/2007	\$ -	\$ 42,836	\$ 42,836	0.0%	\$ 12,900	332.1%

Schedule of Employer Contributions Other Postemployment Benefits

(dollar amounts in thousands)

Year Ended June 30	State Personnel Healthcare Plan		Legislature's Healthcare Plan		Indiana State Police Healthcare Plan		Conservation and Excise Police Healthcare Plan		Retiree Health Benefit Trust Fund	
	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed
2010	\$ 6,292	30.4%	\$ 519	60.3%	\$ 42,106	21.4%	\$ 5,373	24.3%	\$ 55,502	100.0%
2009	\$ 7,716	23.3%	\$ 497	60.6%	\$ 35,271	22.4%	\$ 4,178	23.5%	\$ 67,213	100.0%
2008	\$ 7,231	22.6%	\$ 492	56.1%	\$ 34,275	21.6%	\$ 3,965	22.7%	\$ 56,113	100.0%

Budgetary Information

The Governor submits a budget biennially to be adopted by the General Assembly for the ensuing two-year period. The budget covers the general fund and most special revenue funds, but excludes the Armory Board and the Recreation funds at State institutions. The General Assembly enacts the budget through passage of specific appropriations, the sum of which may not exceed estimated revenues. Appropriations for programs funded from special revenue funds may allow expenditures in excess of original appropriations to the extent that revenues collected exceed estimated revenues.

The original budget is composed of the budget bill and continuing appropriations. The budget bill is enacted as the Appropriations Act that the Governor may veto, subject to legislative override. Continuing appropriations report budgeted expenditures as equal to the amount of revenues received during the year plus any balances carried forward from the previous year as determined by statute. Except as specifically provided by statute, appropriations or any part thereof remaining unexpended and unencumbered at the close of any fiscal year will lapse and be returned to the fund from which it was appropriated.

The final budget is composed of budgeted amounts as adopted and as amended by supplemental appropriations or appropriation transfers that were necessary during the current year. The State Board of Finance, which consists of the Governor, Auditor of State and Treasurer of State, is empowered to transfer appropriations from one fund of the State to another, with the exception of trust funds. The State Budget Agency may transfer, assign, and reassign almost any appropriation, except those restricted by law; but only when the uses and purposes of the funds concur. Excess general fund revenue is used to cover non-budgeted recurring expenditures and overdrafts of budgeted amounts at the end of the current year. Capital appropriations are initially posted to general government. As projects are approved by the State Budget Committee the appropriations are transferred to the function of government from which they are disbursed. In addition, expenditures under many federal grants are required to be spent before they are reimbursed by the federal government. These actions are considered supplemental appropriations; therefore, expenditures do not exceed appropriations for individual funds.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is maintained at the fund level by the State Budget Agency. When budgets are submitted for each fund, certain recurring expenditures are not budgeted (medical service payments, tort claims) according to instructions from the State Budget Agency to the various agencies. The Budget Agency monitors all funds regularly in addition to monitoring excess general fund revenue that will be available at the end of the fiscal year to cover the non-budgeted, recurring expenditures.

State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Budgetary Basis)
For the Year Ended June 30, 2010
(amounts expressed in thousands)

	General Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ 5,089,306	\$ 5,089,306	\$ 4,407,837	\$ (681,469)
Sales	6,131,700	6,131,700	5,891,874	(239,826)
Fuels	-	-	1	1
Gaming	645,800	645,800	91,144	(554,656)
Inheritance	167,500	167,500	133,164	(34,336)
Alcohol and tobacco	302,004	302,004	282,836	(19,168)
Insurance	177,200	177,200	176,469	(731)
Other	355,955	355,955	270,047	(85,908)
Total taxes	12,869,465	12,869,465	11,253,372	(1,616,093)
Current service charges	164,488	164,488	216,621	52,133
Investment income	50,077	50,077	27,551	(22,526)
Sales/rents	994	994	767	(227)
Grants	-	-	28,388	28,388
Other	30,055	30,055	75,522	45,467
Total revenues	13,115,079	13,115,079	11,602,221	(1,512,858)
Expenditures:				
Current:				
General government	1,208,396	1,919,986	1,090,533	829,453
Public safety	753,555	852,064	693,614	158,450
Health	59,581	80,501	58,523	21,978
Welfare	2,648,190	2,712,317	507,686	2,204,631
Conservation, culture and development	104,306	221,474	79,512	141,962
Education	9,195,527	9,213,742	8,638,332	575,410
Transportation	500	4,379	1,679	2,700
Total expenditures	13,970,055	15,004,463	11,069,879	3,934,584
Excess of revenues over (under) expenditure	(854,976)	(1,889,384)	532,342	(2,421,726)
Other financing sources (uses):				
Total other financing sources (uses)	(185,250)	(185,250)	(185,250)	-
Net change in fund balances	\$ (1,040,226)	\$ (2,074,634)	\$ 347,092	\$ 2,421,726
Fund balances July 1, as restated			\$ 1,016,822	
Fund balances June 30			\$ 1,363,914	

Public Welfare-Medicaid Assistance				State Highway Department			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	3	3	24,876	24,873
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	3	3	24,876	24,873
-	-	115,429	115,429	1,421	1,421	11,662	10,241
-	-	-	-	201	201	199	(2)
-	-	-	-	2,239	2,239	711	(1,528)
3,655,521	3,655,521	4,094,715	439,194	945,876	945,876	809,568	(136,308)
143,397	143,397	-	(143,397)	89,212	89,212	83,607	(5,605)
<u>3,798,918</u>	<u>3,798,918</u>	<u>4,210,144</u>	<u>411,226</u>	<u>1,038,952</u>	<u>1,038,952</u>	<u>930,623</u>	<u>(108,329)</u>
-	-	372	(372)	20,000	21,590	923	20,667
-	-	-	-	-	61,729	22,774	38,955
-	6,861,932	5,519,895	1,342,037	-	-	-	-
-	-	-	-	-	3,511	488	3,023
-	-	-	-	-	-	-	-
-	-	-	-	<u>2,013,029</u>	<u>4,827,939</u>	<u>1,816,152</u>	<u>3,011,787</u>
-	6,861,932	5,520,267	1,341,665	<u>2,033,029</u>	<u>4,914,769</u>	<u>1,840,337</u>	<u>3,074,432</u>
3,798,918	(3,063,014)	(1,310,123)	(1,752,891)	(994,077)	(3,875,817)	(909,714)	(2,966,103)
<u>1,373,525</u>	<u>1,373,525</u>	<u>1,373,525</u>	<u>-</u>	<u>984,553</u>	<u>984,553</u>	<u>984,553</u>	<u>-</u>
<u>\$ 5,172,443</u>	<u>\$ (1,689,489)</u>	\$ 63,402	<u>\$ 1,752,891</u>	<u>\$ (9,524)</u>	<u>\$ (2,891,264)</u>	\$ 74,839	<u>\$ 2,966,103</u>
		82,036				\$ 236,936	
		<u>\$ 145,438</u>				<u>\$ 311,775</u>	

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State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Budgetary Basis)
For the Year Ended June 30, 2010
(amounts expressed in thousands)

	Major Moves Construction Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Other	-	-	-	-
Total taxes	-	-	-	-
Current service charges	-	-	-	-
Investment income	108,843	108,843	220,894	112,051
Sales/rents	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
Total revenues	108,843	108,843	220,894	112,051
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Conservation, culture and development	-	-	-	-
Education	-	-	-	-
Transportation	545,000	555,000	10,661	544,339
Total expenditures	545,000	555,000	10,661	544,339
Excess of revenues over (under) expenditures	(436,157)	(446,157)	210,233	(656,390)
Other financing sources (uses):				
Total other financing sources (uses)	(535,271)	(535,271)	(535,271)	-
Net change in fund balances	\$ (971,428)	\$ (981,428)	\$ (325,038)	\$ 656,390
Fund balances July 1, as restated			\$ 2,308,959	
Fund balances June 30			\$ 1,983,921	

ARRA of 2009 Fund				U.S. Department of Health and Human Services Fund			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	44	44
-	-	-	-	-	-	44	44
-	-	-	-	-	-	589	589
-	-	-	-	-	-	11	11
-	-	-	-	-	-	-	-
955,414	955,414	1,547,508	592,094	-	-	1,083,762	1,083,762
-	-	98	98	-	-	8,352	8,352
<u>955,414</u>	<u>955,414</u>	<u>1,547,606</u>	<u>592,192</u>	<u>-</u>	<u>-</u>	<u>1,092,758</u>	<u>1,092,758</u>
75,778	244,504	249,134	(4,630)	-	19,730	11,090	8,640
-	36,917	9,803	27,114	-	6,870	4,218	2,652
-	27,435	16,607	10,828	-	460,647	239,615	221,032
549,200	983,918	781,240	202,678	-	2,165,306	1,224,315	940,991
-	90,761	31,674	59,087	-	-	11,736	(11,736)
52,459	830,288	447,772	382,516	-	1,623	604	1,019
<u>440,838</u>	<u>468,967</u>	<u>332,591</u>	<u>136,376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,118,275</u>	<u>2,682,790</u>	<u>1,868,821</u>	<u>813,969</u>	<u>-</u>	<u>2,654,176</u>	<u>1,491,578</u>	<u>1,162,598</u>
(162,861)	(1,727,376)	(321,215)	(1,406,161)	-	(2,654,176)	(398,820)	(2,255,356)
8,467	8,467	8,467	-	298,755	298,755	298,755	-
<u>\$ (154,394)</u>	<u>\$ (1,718,909)</u>	<u>\$ (312,748)</u>	<u>\$ 1,406,161</u>	<u>\$ 298,755</u>	<u>\$ (2,355,421)</u>	<u>\$ (100,065)</u>	<u>\$ 2,255,356</u>
		\$ 7,157				\$ (7,555)	
		<u>\$ (305,591)</u>				<u>\$ (107,620)</u>	

Budget/GAAP Reconciliation Major Funds

The cash basis of accounting (budgetary basis) is applied to each budget. The budgetary basis differs from GAAP. The major differences between budgetary (non-GAAP) basis and GAAP basis are:

(amounts expressed in thousands)	GENERAL FUND	PUBLIC WELFARE- MEDICAID ASSIS	STATE HIGHWAY DEPARTMENT	MAJOR MOVES CONSTRUCTION FUND	2009 ARRA FUND	U.S. DEPARTMENT OF HEALTH AND HUMAN	Total
Net change in fund balances (budgetary basis)	\$ 347,092	\$ 63,402	\$ 74,839	\$ (325,038)	\$ (312,748)	\$ (100,065)	\$ (252,518)
Adjustments necessary to convert the results of operations on a budgetary basis to a GAAP basis are:							
Revenues are recorded when earned (GAAP) as opposed to when cash is received (budgetary)	(43,526)	44,889	(51,611)	116,622	33,283	33,980	133,637
Expenditures are recorded when the liability is incurred (GAAP) as opposed to when payment is made (budgetary)	481,638	(16,978)	(50,604)	130	(22,873)	(9,546)	381,767
Net change in fund balances (GAAP basis)	\$ 785,204	\$ 91,313	\$ (27,376)	\$ (208,286)	\$ (302,338)	\$ (75,631)	\$ 262,886



Infrastructure - Modified Reporting Condition Rating of the State's Highways and Bridges

Roads	Average International Roughness Index (IRI)		
	<u>2010</u>	<u>2009</u>	<u>2008</u>
Interstate Roads (excluding Rest Areas and Weigh Stations)	84%	78%	77%
NHS Roads - Non-Interstate (excluding Rest Areas and Weigh Stations)	88%	81%	76%
Non-NHS Roads	97%	77%	72%

The condition of road pavement is based on the International Roughness Index (IRI), which is a measure of the roughness of the pavement in terms of inches per mile, and applies both to Portland cement concrete (PCC) and hot mix asphalt (HMA) pavements. IRI's range from zero for a pavement in perfect condition to ratings above 170 for a failed pavement. The condition index is used to classify roads in excellent condition (0-79), good condition (80-114), fair condition (115-149), marginal condition (150-169), and poor condition (above 170). It is the State's policy to maintain a network average of no more than 95 IRI. Condition assessments are determined on an annual basis for all roads maintained by INDOT.

The ratings provided are based on data gathered during the summer (May to October) of the corresponding calendar year. The data are evaluated and compared to standard criteria by the end of the calendar year.

Bridges	Average Sufficiency Rating		
	<u>2010</u>	<u>2009</u>	<u>2008</u>
Interstate Bridges	88.8%	90.6%	88.9%
NHS Bridges - Non-Interstate	90.0%	90.6%	89.6%
Non-NHS Bridges	87.4%	88.7%	87.4%

The condition of the State's bridges is measured based on a sufficiency rating, which is based on a weighted average of four factors indicative of a bridge's sufficiency to remain in service. The sufficiency rating uses a measurement scale that ranges from zero for an entirely insufficient or deficient bridge to 100 for an entirely sufficient bridge. The sufficiency rating is used to classify bridges in excellent condition (90-100), good condition (80-89), fair condition (70-79), marginal condition (60-69), and poor condition (below 60). It is the State's policy to maintain Interstate bridges at a minimum sufficiency rating of 87%, NHS Non-Interstate bridges at 85%, and Non-NHS bridges at 83%. Sufficiency ratings are determined at least on a biennial basis for all bridges. Sufficiency ratings are determined more frequently for certain bridges depending on their design.

Infrastructure - Modified Reporting
Comparison of Needed-to-Actual Maintenance/Preservation
(dollars in thousands)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Roads					
Interstate Roads (including Rest Areas and Weigh Stations):					
Needed	\$ 241,935	\$ 263,764	\$ 120,147	\$ 212,485	\$ 105,267
Actual	226,401	246,089	256,482	248,803	126,361
NHS and Non-NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)					
Needed	381,433	391,641	419,001	145,720	234,789
Actual	423,949	571,000	374,770	297,223	413,557
Roads at State Institutions and Properties					
Needed	2,073	1,734	1,225	2,529	1,173
Actual	1,635	4,884	3,146	3,069	4,496
Total					
Needed	625,441	657,139	540,373	360,734	341,229
Actual	651,985	821,973	634,398	549,095	544,414
Bridges					
Interstate Bridges					
Needed	\$ 75,181	\$ 82,668	\$ 34,723	\$ 37,157	\$ 5,749
Actual	51,416	37,931	43,904	37,070	29,520
NHS Bridges - Non-Interstate					
Needed	25,706	24,438	4,695	10,220	31,943
Actual	24,299	7,794	13,568	14,154	11,459
Non-NHS Bridges					
Needed	79,055	48,214	26,694	31,549	44,859
Actual	60,861	39,707	34,138	35,118	31,145
Bridges at State Institutions and Properties					
Needed	5	-	-	-	-
Actual	354	253	3	-	-
Total					
Needed	179,947	155,320	66,112	78,926	82,551
Actual	136,930	85,685	91,613	86,342	72,124

Data provided by Comparative Report of Preservation Costs

