

INDIANA

Comprehensive Annual Financial Report
For Fiscal Year Ended June 30, 2019

Eric J. Holcomb, Governor



Prepared by the Office of
Indiana Auditor of State

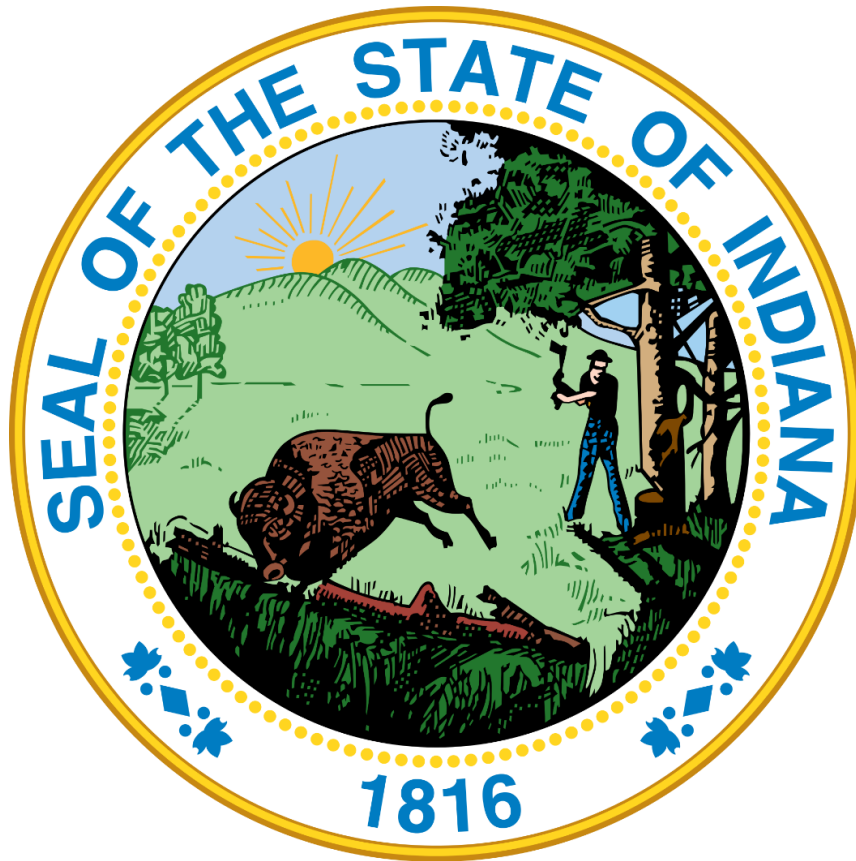
Tera Klutz, CPA

Room 240 State House
200 West Washington St.
Indianapolis, IN 46204

STATE OF INDIANA

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

Eric J. Holcomb, Governor



Prepared by:

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Room 240
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Indianapolis, Indiana 46204

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We acknowledge the cooperation and assistance of the State Budget Agency and all other state agencies in the preparation of this report.

Please visit our web site at www.in.gov/auditor/

Tera K. Klutz is the 57th Indiana Auditor of State and the first Certified Public Accountant to serve as the state's Chief Financial Officer. Appointed by Governor Eric J. Holcomb in January 2017 and elected to a four-year term in November 2018, Klutz is focused on providing accurate financial information, maintaining and enhancing government transparency, and delivering great customer service to ALL Hoosiers.

Prior to becoming the Auditor of State, Klutz served as the County Auditor in Allen County. First elected in 2010 and again in 2014, Klutz streamlined local government processes, reduced debt, and maintained a balanced budget with responsible reserves. As County Auditor, Klutz was very active in the Association of Indiana Counties' Legislative Committee serving as the Chairwoman where she oversaw and directed the Association's legislative priorities.

Before serving in the public sector, Klutz served as a Senior Accountant at both Crowe and PwC.

During her second year as State Auditor, Klutz released an update to the Indiana Transparency Portal which uses the latest in data delivery technology to provide a more accessible and in-depth look at Indiana's finances and assets using easy-to-understand dashboards to give a snapshot of the data, while still offering the raw data in searchable fields.

Auditor Klutz also created an Internal Controls Department to review and document the processes within the office in order to reduce the risk of misstatement or opportunities for fraud within the state's financial system.

Klutz holds a Bachelor's Degree in Accounting from Indiana University- Purdue University Ft Wayne. She is married to Zach and they have 2 daughters; Alyx and Julian and two Goldendoodles; Margo and Leo.

Auditor Klutz is a member of the Indiana CPA Society, the American Institute of CPAs, and Pass the Torch.



**AUDITORS OF STATE
Of THE STATE OF INDIANA**

Term	Name	Politics
1816-1828	William H. Lilley	Party Unknown
1828-1829	Benjamin I. Blythe	Party Unknown
1829-1844	Morris Morris	Party Unknown
1844-1847	Horatio J. Harris	Party Unknown
1847-1850	Douglas Maguire	Whig
1850-1853	Erastus W. H. Ellis	Democrat
1853-1855	John P. Dunn	Democrat
1855-1857	Hiram E. Talbot	Fusion-"peoples"
1857-1861	John W. Dodd	Democrat
1861-1863	Albert Lange	Republican
1863-1865	Joseph Ristine	Democratic Union
1865-1869	Thomas P. McCarthy	Republican
1869-1871	John D. Evans	Republican
1871-1873	John C. Shoemaker	Democrat
1873-1875	James A. Wilder	Republican
1875-1879	Ebenezer Henderson	Democrat
1879-1881	Mahlon D. Manson	Democrat
1881-1883	Edward H. Wolfe	Republican
1885-1887	James H. Rice	Democrat
1887-1891	Bruce Carr	Republican
1891-1895	John O. Henderson	Democrat
1895-1899	Americus C. Daily	Republican
1899-1903	William H. Hart	Republican
1903-1905	David E. Sherrick	Republican
1905-1906	Warren Bigler	Republican
1906-1910	John C. Billheimer	Republican
1910-1914	William H. O'Brien	Democrat
1914-1916	Dale J. Crittenberger	Democrat
1916-1920	Otto Clauss	Republican
1920-1922	William G. Oliver	Republican
1922-1924	Robert Bracken	Democrat
1924-1928	Lewis S. Bowman	Republican
1928-1930	Arch N. Bobbit	Republican
1930-1934	Floyd E. Williamson	Democrat
1934-1938	Laurence F. Sullivan	Democrat
1938-1940	Frank G. Thompson	Democrat
1940-1944	Richard T. James	Republican
1944-1948	Alvin V. Burch	Republican
1948-1950	James M. Propst	Democrat
1950-1954	Frank T. Millis	Republican
1954-1956	Curtis E. Rardin	Republican
1956-1958	Roy T. Combs	Republican
1958-1960	Albert A. Steinwedel	Democrat
1960-1964	Dorothy Gardner	Republican
1964-1966	Mark L. France	Democrat
1966-1968	John P. Gallagher	Republican
1968-1970	Trudy Slaby Etherton	Republican
1970-1978	Mary Aikins Currie	Democrat
1978-1982	Charles D. Loos	Republican
1982-1986	Otis E. Cox	Democrat
1986-1994	Ann G. DeVore	Republican
1994-1998	Morris Wooden	Republican
1998-2006	Connie K. Nass	Republican
2006-2013	Tim Berry	Republican
2013-2013	Dwayne Sawyer	Republican
2013-2017	Suzanne Crouch	Republican
2017-	Tera Klutz	Republican

STATE OF INDIANA

**Comprehensive Annual Financial Report
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June 30, 2019**

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INTRODUCTORY SECTION

Comprehensive Annual Financial Report

With over 650 festivals throughout the year, visitors from all over the world come to visit some of the unique festivals of the Hoosier State. These visitors helped contribute to the \$12.7 billion spent on tourism in 2018.

Check out www.IndianaFestivals.org to find a festival near you!



(Marshall County Blueberry Festival- Photo Courtesy of the Indiana State Festival Association)



December 18, 2019

The Honorable Eric J. Holcomb, Governor,
Honorable Members of the General Assembly,
Citizens of the State of Indiana:

We are proud to present the Comprehensive Annual Financial Report (CAFR) for the State of Indiana's fiscal year ended June 30, 2019.

This Comprehensive Annual Financial Report has been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as prescribed in pronouncements by the Governmental Accounting Standards Board. While management remains primarily and ultimately responsible for the contents and presentation of this report, responsibility for both the accuracy of the data presented and completeness and fairness of the presentation rests with the State agencies that provide the data and which are obligated to verify postings. We believe the information in this report is accurate in all aspects and presents the financial position and results of operations of the State as measured by the financial activity of its various funds.

State statute requires an annual audit by the Indiana State Board of Accounts. The Board is considered by both the federal and state government to be independent auditors. The Independent Auditor's Report on the financial statements is included in the financial section of this report and in the Statewide Single Audit Report of the State of Indiana.

The State is responsible for ensuring that an adequate internal control structure is in place to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized user disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires management to make estimates and judgments.

This internal control structure is subject to periodic evaluation by management and internal audit staff of the various State agencies. As part of the Single Audit, tests are conducted to determine the adequacy of the internal control structure related to federal financial assistance programs, as well as to determine that the State of Indiana has complied with applicable laws and regulations.

Generally Accepted Accounting Principles provides for two types of statements, government-wide and fund statements. The government-wide statements are very similar to the private sector's statements, using the full accrual basis of accounting and the economic resources measurement focus. The governmental funds financial statements use the modified accrual basis of accounting and the current financial resources measurement focus. In the government-wide statements, infrastructure (roads, bridges, dams) is capitalized. Capital assets, except for infrastructure using the modified approach, are depreciated like the private sector.

Management's Discussion and Analysis (MD&A) in the Financial Section introduces the basic financial statements and provides an analytical overview of the government's financial activities.

It is presented before the basic financial statements and provides an in-depth analysis of the State of Indiana's finances.

Profile of the Government

Located in America's heartland in the Midwest, Indiana is a leading manufacturing state and a major agricultural producer. The latest U.S. Census Bureau estimate places Indiana's population of approximately 6.7 million, which makes Indiana the nation's 18th largest State. The State is 72.4% urban and 27.6% rural. The five largest cities are Indianapolis (the capital), Fort Wayne, Evansville, South Bend, and Carmel.

Indiana became the 19th State of the Union on December 11, 1816. The State Constitution establishes the government in three separate departments: legislative, executive including administrative, and judicial. The legislative power of the State is vested in the Indiana General Assembly, which consists of a 100-member House of Representatives and a 50-member Senate. The Indiana General Assembly has the power to enact laws which are authorized and not prohibited by the State Constitution and not in conflict with the U.S. Constitution and laws made in pursuance thereof. The executive power of the State is vested with the Governor. The State Constitution and legislation establish the following Statewide elected administrative officials: Lieutenant Governor, Auditor of State, Secretary of State, Treasurer of State, Attorney General, and the Superintendent of Public Instruction. The judicial power of the State is vested in one Supreme Court consisting of five justices, one Court of Appeals consisting of 15 judges, 313 Trial Courts (including Circuit Courts), and one Tax Court.

The State government provides a wide range of services to the citizens of Indiana, including education, transportation, public health, public safety, welfare, conservation, and economic development.

This report includes the financial activities and balances of the State of Indiana and its component units. The component units are legally separate entities for which the State of Indiana has financial responsibility and include State funded colleges and universities, and other legally separate entities that provide services and benefits to local governments and the citizens of the State of Indiana. More information on the financial reporting entity can be found in Note I(A) in the notes to the financial statements.

The Indiana General Assembly meets every year. In odd years, it adopts a biennial budget which has been submitted by the Governor. The General Assembly enacts the budget through passage of specific appropriations, the sum of which may not exceed estimated funding sources. Budgetary control is exercised in that agencies of the State may only expend appropriations as allotted by the Budget Agency or other statutory authority. The State Board of Finance, which consists of the Governor, Auditor of State, and Treasurer of State, is empowered to transfer appropriations from one agency of the State to another, with the exception of trust funds. The State Budget Agency may transfer, assign, and reassign appropriations made for one specific purpose to another use or purpose within the same agency.

Factors Affecting Economic and Financial Conditions

The information presented in the financial statements is better understood within the context of the specific environment within which the State of Indiana operates. The following describes that environment.

Local Economy

With the latest data as of December 2018, Indiana's Gross State Product (GSP) was \$371.6 billion. Indiana's economy ranked the 18th largest in the U.S. in terms of the value of goods and services. Indiana's largest contributor to real GSP growth was the durable goods manufacturing sector, which accounted for 39% of Indiana's GSP growth in 2018. The second largest contributor of Indiana's real GSP growth was trade, transportation, and utilities, which accounted for 33% of the total growth.

As of December 2018, the manufacturing sector accounted for nearly 16% of the jobs in Indiana. The largest share of employment was in the trade, transportation, and utilities sector with 17.6% of employment. Per capita personal income was \$47,720, and the State's unemployment rate was 3.46% at the end of calendar year 2018.

Cash Management and Investments

Cash temporarily idle during the year was invested in deposit accounts, obligations of the U.S. Treasury and U.S. Agencies, money market mutual funds, and repurchase agreements. The pension trust funds' portfolios include other investments as outlined in Note I(E)(1) in the notes to the financial statements. The average yield on the General Fund investments was 1.96% for the fiscal year (FY) ended June 30, 2019. The average yield on the total investment of all funds, except for pension trust funds, was 2.03% for the FY ended June 30, 2019. The State's investment policy is to minimize credit and market risks while maintaining sufficient liquidity and earning a competitive yield on its portfolio. Deposits held by the Treasurer of State are insured by federal and state depository insurance.

Debt Administration

The commissions and authorities, some of which are included as component units in the financial reporting entity of the State of Indiana, issue bonds for some of the State's capital needs. All of the bond issues are revenue bonds associated with specific State component units. The total of long-term revenue bonds and notes outstanding, net of amortized discounts, is \$8.9 billion at June 30, 2019.

Financial Policies

Indiana's Office of Management and Budget (OMB) serves as an umbrella organization to better coordinate the State's financial policies. The OMB consists of the Management Performance Hub, Department of Local Government Finance, Board of Tax Review, Office of Technology, Department of Revenue, State Budget Agency, State Board of Accounts, Distressed Unit Appeal Board, Indiana Public Retirement System, and the Indiana Finance Authority.

At 2019 fiscal year-end, Indiana closed the books with \$2.27 billion in reserves, and a structurally balanced budget. The reserve balances equate to 13.9% of FY 2019 General Fund

expenditure levels and are the highest historical balances on record. Moody's Analytics released a Stress-Testing States report in October 2019 indicating that Indiana was one of "28 states that have the funds they need for the next recession."

Indiana has historically maintained annual surpluses, with FY 2019 being no different. The State ended FY 2019 with over a \$410 million annual surplus. In November 2018, a vast majority of Hoosier voters affirmed this sound fiscal policy by voting to amend the State's constitution to require a balanced biennial budget. According to S&P Global Ratings, this strengthened Indiana's governmental framework.

Long-Term Financial Planning

The Indiana Finance Authority is charged with developing, implementing, maintaining and monitoring a debt management plan for all non-conduit debt or debt-related obligations issued by the State. This plan is intended to provide guidance in the structuring, sale, monitoring, and post-issuance compliance for all State-related debt.

Indiana continues to position itself as one of the lowest debt-level states in the country. Net tax supported debt (NTSD) represents just \$295 per capita, the 6th lowest in the country.

Indiana is one of thirteen states that has the highest credit rating assigned by all three independent credit rating agencies: Fitch, Moody's, and Standard & Poor's Ratings Service (S&P). From the December 2018 report, S&P cited four areas in issuing the AAA credit rating: sustained economic growth across all sectors, maintenance of strong budgetary reserves, active budget management, and low overall debt levels. Fitch's February 2019 rating report issued AAA due to "the state's low long-term liability burden and exceptionally strong operating profile, including a commitment to ongoing structural budget balance and rapid restoration of fiscal flexibility in times of economic expansion."

Major Initiatives

K-12 Education – Funding for elementary and secondary education is the State's largest operating expense. Prior to January 1, 2003, the State provided approximately 66% of school corporations' general fund budgets. As a result of the tax restructuring legislation enacted in 2002, the State provided approximately 85% of the school corporations' general fund budgets. As part of the property tax reform legislation enacted by P.L. 146-2008, the State assumed responsibility for the local share of tuition support and provides 100% of the tuition support for school corporation general funds since January 2009.

The K-12 tuition support distributions for FY 2019 totaled \$7,152.2 million. In addition, there was a distribution of \$35.9 million for adult learners. HEA 1001-2019 allowed for a \$150 million transfer from General Fund reserves to reduce the Post-1996 Teacher Retirement Fund (TRF) Plan unfunded liability, resulting in a 2% reduction in school corporation retirement contributions, which equates to an estimated ongoing savings to school corporations of \$70 million annually.

Higher Education – Through the General Fund, the State supports seven higher education institutions: Ball State University, Indiana University, Indiana State University, Ivy Tech Community College of Indiana, Purdue University, University of Southern Indiana, and Vincennes University. Higher education expenditures from the General Fund for FY 2019 were

\$1,602.0 million, which includes funding for university operating, fee-replaced debt service, and line items. An additional \$412.2 million was appropriated for other higher education line items, university repair and rehabilitation, university capital projects, and State student aid.

Since FY 1976, the General Assembly has appropriated to each State university and college an amount equal to the annual debt service requirements due on qualified outstanding student fee and building facilities fee bonds and other amounts due with respect to debt service and debt reduction for interim financings (collectively, "Fee Replacement Appropriations"). The Fee Replacement Appropriations are not pledged as security for such bonds and other amounts. Under the Indiana Constitution, the General Assembly cannot bind subsequent General Assemblies to continue the present Fee Replacement Appropriations policy; however, it is anticipated that the policy will continue for outstanding bonds and notes.

Public Safety – Appropriations for the Department of Correction, payable almost entirely from the General Fund, include funds for incarceration and rehabilitation of adult and juvenile offenders, as well as parole programs. Corrections expenditures were \$739.4 million for FY 2019.

Offender population is the most significant driver of corrections expenditures. The total offender population, including those in jail and contract beds, increased to 27,530 at the end of FY 2019 – up 1.8% from 27,031 at the end of FY 2018.

Indiana's Department of Homeland Security awarded over \$14 million in new Secured School Safety Grants in FY 2019. This was nearly double the investment from FY 2018.

Transportation – As a result of the funding changes in HEA 1002-2017, the Indiana Department of Transportation (INDOT) plans on investing more than \$3 billion annually in the State transportation network starting from FY 2019. These funds will be used for the operation, construction, preservation, and maintenance of all modes of transportation under INDOT. Further, INDOT awarded over \$200 million in FY 2019 to local governments for matching grant funding to be used for road and bridge maintenance and construction.

During the 2019 legislative session, the General Assembly created the Next Level Connection Fund under INDOT to provide: \$90 million to local units of government for the funding of trails across the State, \$20 million to the Indiana Economic Development Corporation to establish nonstop flights originating from Indiana Airports, \$100 million to the Rural Broadband Fund, up to \$205 million to the Northern Indiana Commuter Rail Account and \$585 million to INDOT for the accelerated completion of INDOT road projects across the State.

Conservation and Environment - In FY 2019, the Governor announced the Next Level Trail program. This program utilizes the Indiana Toll Road lease proceeds for the purpose of expanding and creating new trail infrastructure throughout the State. The first three projects were awarded in FY 2019 for \$3.5 million.

The Bicentennial Nature Trust (BNT) was launched in FY 2012 as a statewide land conservation initiative to celebrate Indiana's upcoming 200th anniversary in much the same way as the first 100 years of statehood were marked in 1916 with establishment of the state park system. The state committed \$20 million to help fund BNT and added an additional \$10 million in contributions from individuals, businesses and communities around the state. Through FY 2019, 198 BNT projects had been approved of which 173 have been closed protecting over 14,400 acres. DNR expects this program to be completed by the end of 2021.

The Indiana Heritage Trust (IHT) program was established by statute in 1992 and was renamed the President Benjamin Harrison Conservation Trust (PBHCT) in 2016. The purpose of the trust is to acquire and protect land that represents outstanding natural resources and habitats, or have recreational, historical, or archeological significance. Primary funding for this program is through the sale of the Environmental License Plate. At the end of FY 2019 the IHT/PBHCT programs have protected over 83,500 acres in over 570 projects.

Health and Human Services – Medicaid is a state/federal shared fiscal responsibility with the State supporting roughly one-third of the total program through a combination of State General Fund and dedicated funds over the biennium. Federal funding accounts for the remaining two-thirds. Total Medicaid recipients dropped from 1,760,489 in FY 2018 to 1,746,096 in FY 2019. However, Medicaid expenses grew from \$11.4 billion in FY 2018 to \$12.4 billion in FY 2019. The federal share of FY 2019 expenses was \$8.5 billion. Indiana's base federal medical assistance percentage equaled 65.59% for Federal Fiscal Year 2018 and 65.96% for Federal Fiscal Year 2019.

In 2015, Indiana received approval from the federal government to replace the traditional Medicaid program for non-disabled adults by expanding the Healthy Indiana Plan (HIP). HIP has been designed to improve healthcare utilization and promote personal responsibility. In addition, HIP will maintain financial sustainability and will not increase taxes for Hoosiers. The program is funded by enhanced federal funding, the hospital assessment fee, and existing cigarette tax revenues previously used for HIP.

The Department of Child Services (DCS) continued the implementation of its practice to place children in the least restrictive, most family-like setting. This trending is important because research among child-advocate experts has shown that placing children in the least restrictive, most family-like setting produces the best outcomes for children and families and, consequently, is more cost effective.

In January 2010, DCS established the Indiana Child Abuse and Neglect Hotline to serve as the centralized reporting channel for all allegations of child abuse or neglect in Indiana. The Hotline is staffed with trained intake specialists and at least one supervisor per shift, 24 hours per day, seven days per week, and 365 days per year. DCS has seen the number of calls reported to the Hotline increase by 121% from 2009 to 2018, up from 109,489 in 2009 to 242,994 in 2018. Following on the heels of a 2018 Child Welfare Policy and Practice Group assessment, DCS saw its largest ever state funded appropriation increase during the 2019 legislative session.

Economic Development – The Indiana Economic Development Corporation (IEDC) is the State of Indiana's chief economic development agency. The IEDC seeks to bring new job creation and capital investment opportunities to Indiana through competitive company attractions, expansions and consolidations. In 2019, Indiana received several accolades for its business environment. This includes favorable rankings of 1st in the Midwest and 5th in the nation in Chief Executive Magazine's annual "Best & Worst States" survey (May 2019), 1st in the Midwest and 10th overall in the Tax Foundation's State Business Tax Climate Index (2019), and 1st in Infrastructure according to CNBC's 2019 America's Top States for Business ranking (July 2019).

General Government – Legislation creating an Automatic Taxpayer Refund (ATR) was enacted in FY 2011, requiring any reserves greater than 10% of FY 2013 appropriations to be divided equally between various pension plans and a refundable tax credit to eligible taxpayers. The total amount of excess reserves at the end of FY 2012 was \$721.28 million, with \$360.64 million

going to specified pension plans and an equal amount set aside for taxpayer refunds. The remaining \$360.64 million was issued as refundable tax credits to eligible taxpayers on their 2012 tax returns filed beginning January 1, 2013. For FY 2013, the amount of reserves needed to trigger a transfer was changed to 12.5% of FY 2014 appropriations plus \$50 million, but reserves did not meet that threshold. No calculation of excess reserve was required at the end of FY 2014. The reserve amounts at the end of FY 2015 did not trigger a transfer as the \$300.0 million balance in the Tuition Reserve Fund is no longer included as part of the calculation. The statute was again changed during FY 2016 triggering a one-time transfer from the General Fund reserves of \$427.9 million after the end of the FY for state and local road and bridge preservation. The balance in General Fund at the end of Fiscal Years 2017, 2018, and 2019 did not result in a transfer.

The State continues to administer Retirement Medical Benefits accounts, established as Health Reimbursement Arrangements (HRAs), for employees and elected officials of the State. The purpose of this defined contribution plan is to allow retirees from State government to have a means to assist with the payment of health insurance premiums in retirement. Funding for the program comes from 4% of State cigarette tax revenues as well as charges to federal and dedicated funds for employees paid from those funds. These funds are then credited to each employee's account annually based upon their age.

Awards and Acknowledgements

Certificate of Achievement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Indiana for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the twenty-sixth consecutive year that the State of Indiana has achieved this prestigious award.

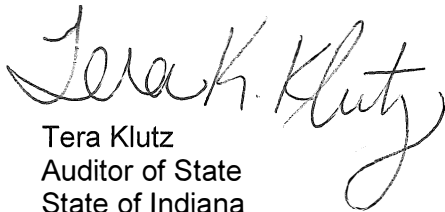
In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.


Acknowledgments

We acknowledge the cooperation and assistance of all State agencies in the preparation of this report.

Sincerely,



Tera Klutz
Auditor of State
State of Indiana



Christopher Johnston
Director
Office of Management and Budget



Government Finance Officers Association

**Certificate of
Achievement for
Excellence in
Financial
Reporting**

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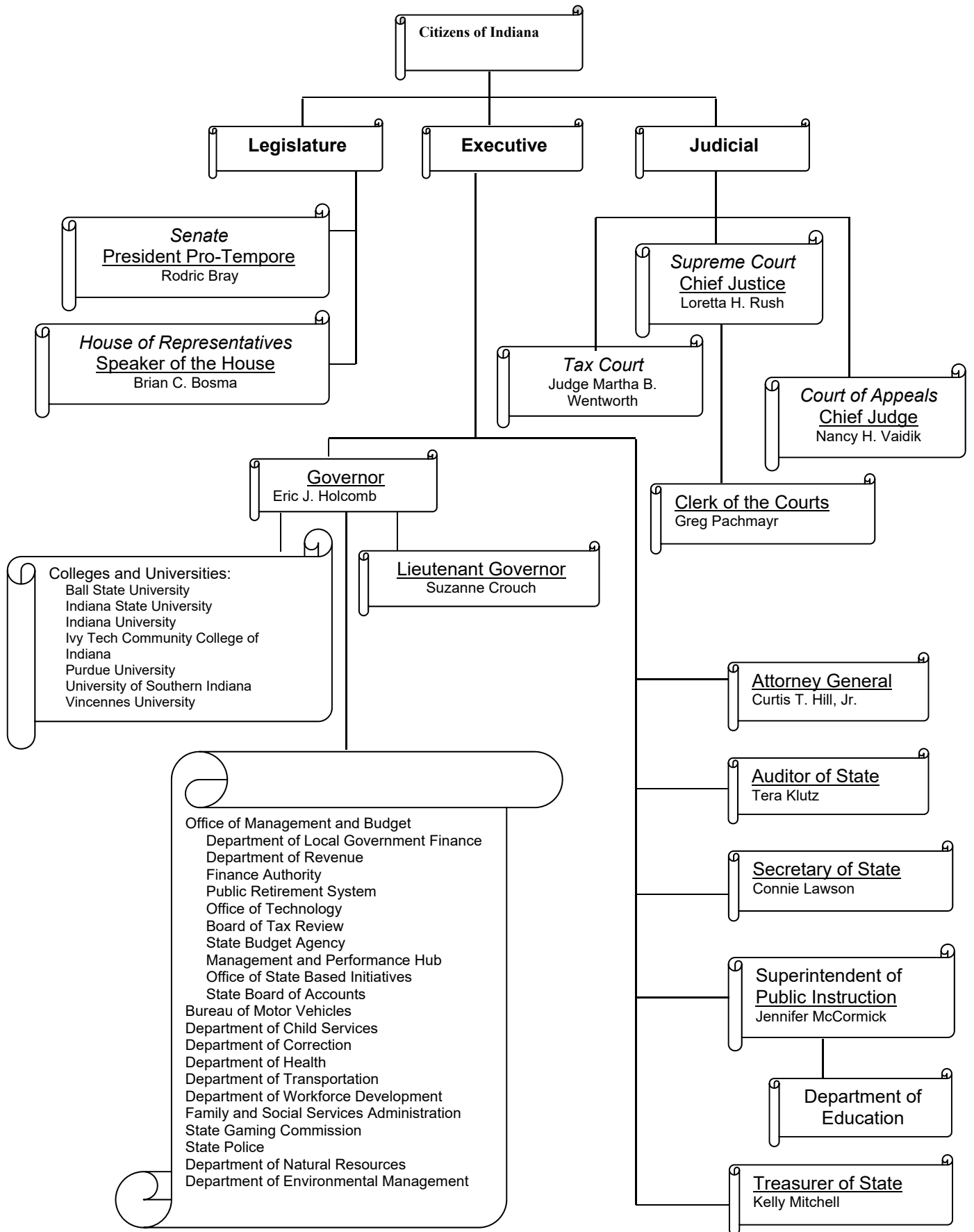
State of Indiana

For its Comprehensive Annual Financial
Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION

Comprehensive Annual Financial Report



Everyone knows about the Indianapolis 500 and the Brickyard 400 but do you know about Indiana's third-largest motorsports event? The Newport Antique Auto Hill Climb takes place the first Sunday in October in Newport, located in Vermillion County.

The event features a series of timed runs in which antique cars, trucks and even motorcycles attempt to climb the steep hill in the center of town. Sponsored by the Newport Lions club, the 2018 event drew a crowd of over 200,000 fans.



(Photos Courtesy of the Indiana State Festival Association)



STATE OF INDIANA
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Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

TO: THE HONORABLE ERIC J. HOLCOMB, THE MEMBERS OF THE GENERAL ASSEMBLY, AND THE CITIZENS OF THE STATE OF INDIANA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Indiana (State), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the governmental discretely presented component unit and the proprietary discretely presented component units, as discussed in Note I(A), which represent 35.4 percent, 3.6 percent, and 22.3 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units; the Investment Trust Fund, State Police Pension Fund, State Police Supplemental Trust Fund, and Indiana Public Retirement System, a Fiduciary in Nature Component Unit, as discussed in Note I(A), which represent 86.3 percent, 86.8 percent, and 43.2 percent, respectively, of the assets, net position, and revenues and additions of the aggregate remaining fund information; and certain long-term liabilities, which represent 6.2 percent of the net position of the governmental activities. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those activities and component units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the following were not audited in accordance with *Government Auditing Standards*: Ports of Indiana, Indiana State Fair Commission, and Indiana Political Subdivision Risk Management Commission, reported as discretely presented component units, and the State Police Pension and Indiana Public Retirement System, reported within the aggregate remaining fund information.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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 State'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 State's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Employer Contributions for Employee Retirement Systems and Plans and Other Postemployment Benefits, Schedules of Changes in the Net Pension Liability and Related Ratios for Employee Retirement Systems and Plans, Schedules of the State's Proportionate Share of the Net Pension Liability for Employee Retirement Systems and Plans, Schedules of Changes in the Net OPEB Liability and Related Ratios for Other Postemployment Benefits, Schedule of Changes in the Total OPEB Liability and Related Ratios for Other Postemployment Benefits, Schedule of Investment Returns Annual Money-Weighted Rate of Return, Net of Investment Expense Other Postemployment Benefits, Budgetary Information, Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual, (Budgetary Basis), Budget/GAAP Reconciliation - Major Funds, and the Infrastructure - Modified Reporting Condition Rating of the State's Highways and Bridges and Comparison of Needed-to-Actual Maintenance/Preservation, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The accompanying combining and individual statements for the Non-Major Governmental and Proprietary Funds, Internal Service Funds, Fiduciary Funds, Non-Major Discretely Presented Component Units, Budget/GAAP Reconciliation Non-Major Special Revenue Funds, and the Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual statements for the Non-Major Governmental and Proprietary Funds, Internal Service Funds, Fiduciary Funds, Non-Major Discretely Presented Component Units, and the Budget/GAAP Reconciliation Non-Major Special Revenue Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual statements for the Non-Major Governmental and Proprietary Funds, Internal Service Funds, Fiduciary Funds, and Non-Major Discretely Presented Component Units, and the Budget/GAAP Reconciliation Non-Major Special Revenue Funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

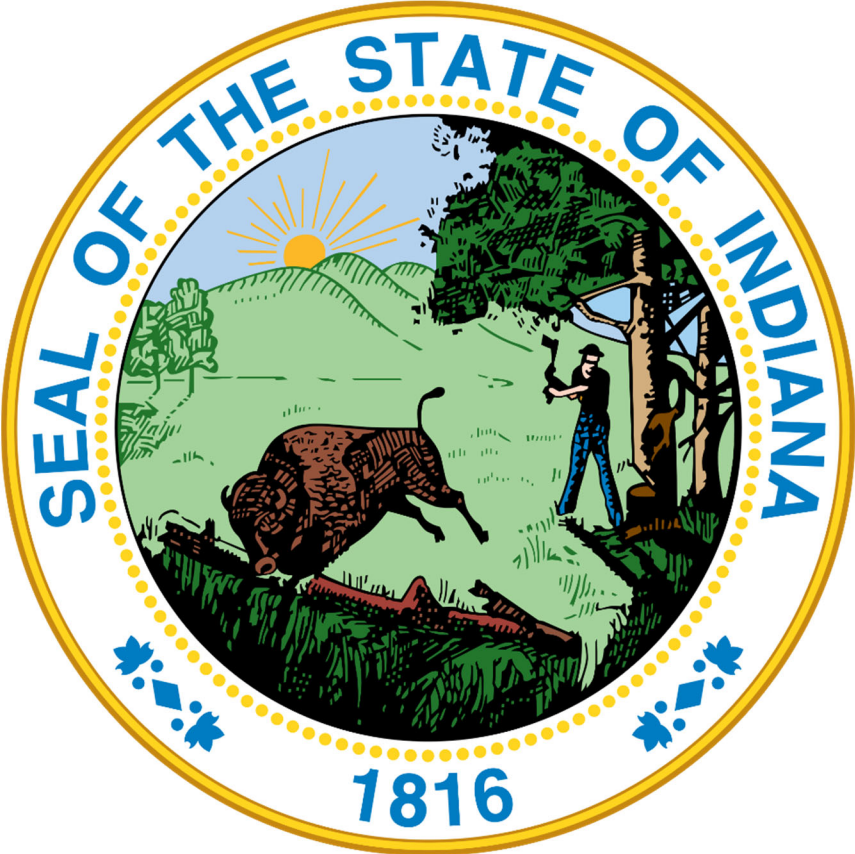
The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

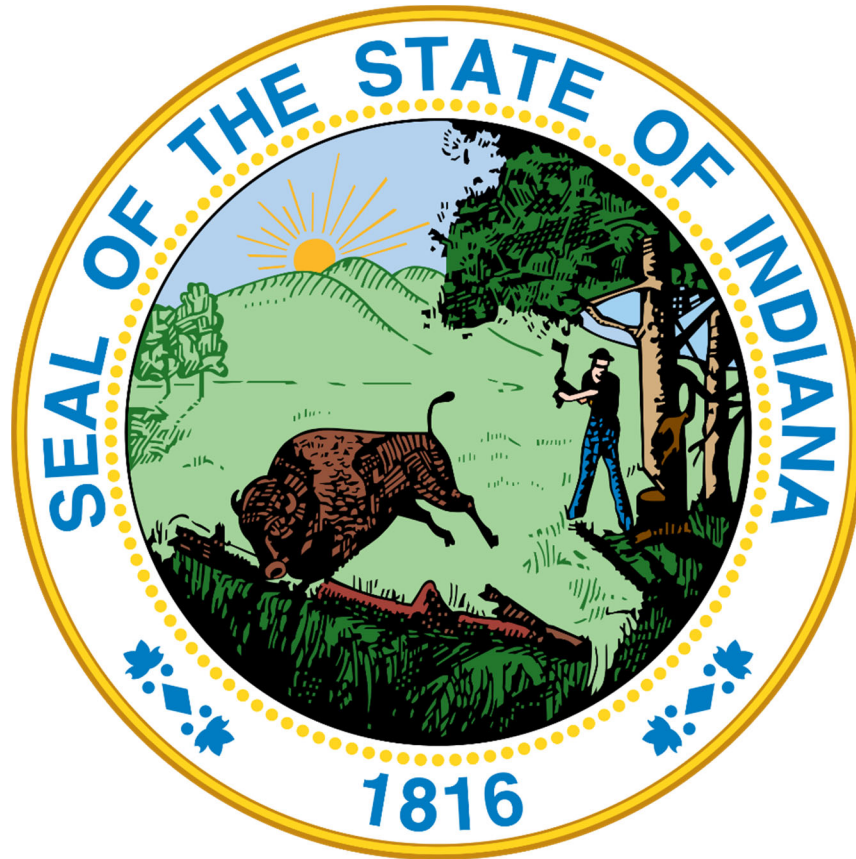
In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

December 18, 2019



MANAGEMENT'S DISCUSSION AND ANALYSIS



STATE OF INDIANA
Management's Discussion and Analysis
June 30, 2019

The following discussion and analysis of the State of Indiana's financial performance provides an overview of the state's financial activities for the fiscal year (FY) ended June 30, 2019. Please read it in conjunction with the transmittal letter at the front of this report and the state's financial statements, which follow this section. Because of prior period adjustments and reclassifications as described in Note IV(G) of the Notes to the Financial Statements, FY 2018 numbers have been restated.

Financial Highlights

- For FY 2019, on a government-wide basis, the assets and deferred outflows of the State of Indiana exceeded its liabilities and deferred inflows by \$15.5 billion. This compares with \$12.5 billion for FY 2018, as restated.
- At the end of the current FY, unassigned fund balance for the General Fund was \$1.0 billion, or 7.2% of the total General Fund expenditures.
- On a government-wide basis for the primary government, the state incurred expenses net of program revenue of \$15.5 billion, which are offset by general revenues totaling \$18.5 billion, giving an increase in net position of \$3.0 billion.
- General revenue for the primary government increased by \$1.0 billion, or 5.7%, from FY 2018. Income tax revenue increased \$501.4 million. Sales tax revenues increased by \$280.7 million. Income and sales tax revenue increased due to an increase in the median household income, increased tax compliance by remote sellers due to the 2018 Supreme Court ruling on Wayfair vs. Dakota, a stronger economy partially attributed to the federal Tax Cuts and Jobs Act of 2017, and a continued low unemployment rate. In addition, investment income increased \$110.9 million from FY 2018. This is attributed to higher interest rates and a larger investment portfolio.
- Combined budget balances for FY 2019 were \$2.3 billion. Those balances consisted of \$834.5 million in the General Fund, \$577.6 million in the Medicaid Contingency Reserve Fund, \$338.9 million in the Tuition Reserve Fund, and \$519.1 million in the Rainy Day Fund (which has grown from a \$0 balance at the end of FY 2010).
- \$2.3 billion is an historic high and represents 13.9% of the General Fund expenditures for FY 2019. These historically high reserve balances will protect the state's critical operations during the next economic downturn. Moody's Analytics released a Stress-Testing States report in October 2019 indicating that Indiana was one of only "28 states that have the funds they need for the next recession."
- Indiana is one of only thirteen states with the top bond rating from all three major credit rating agencies. According to the independent credit rating agency Fitch, the rating "reflects Indiana's historical pattern of low debt, balanced financial operations, and a commitment to funding reserves to provide a cushion in times of economic and revenue decline." Standard & Poor's (S&P) December 21, 2018 rating reflects "the state's proven commitment to and significant focus on strengthening the budget through extensive use of management controls that have led to maintenance of structural balance, growth in reserves, and continued funding of long-term liabilities."
- Indiana continues to position itself as one of the lowest debt-level states in the country. Net tax supported debt (NTSD) represents just \$295 per capita, the 6th lowest in the country.
- In 2019, Indiana received several accolades for its business environment. This includes ranking 1st in the Midwest and 5th in the nation in Chief Executive Magazine's annual "Best & Worst States" survey (May 2019), 1st in the Midwest and 10th overall in the Tax Foundation's State Business Tax Climate Index (2019), and 1st in Infrastructure according to CNBC's 2019 America's Top States for Business ranking (July 2019).

Key Economic Indicators

	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2017</u>	<u>% Change</u>
Total Labor Force	3,366,433	3,319,899	1.4%
Total Employed Labor Force	3,252,706	3,215,269	1.2%
Total Goods and Service Employment	3,182,200	3,160,200	0.7%
Service-Providing Employment	2,486,600	2,477,500	0.4%
Goods-Producing Employment	695,600	682,700	1.9%
Unemployment Rate	3.4%	3.2%	6.3%
Median Household Income	55,746	54,181	2.9%

Sources: Indiana Department of Workforce Development, Bureau of Labor Statistics, and U.S. Census Bureau.

Salaries and benefits for state employees represent approximately 8.0% of governmental fund expenditures. The following table shows a ten year history of the count of full time state employees.

**Full Time State Employees Paid
Through The Auditor of State's Office**

<u>Year</u>	<u>Governor's Authority</u>	<u>Judiciary</u>	<u>Other Elected Officials</u>	<u>On Disability Leave - In Pay Status</u>	<u>On Disability Leave - Not in Pay Status</u>	<u>Total</u>
2019	28,868	922	1,124	363	193	31,470
2018	28,634	908	1,095	370	220	31,227
2017	28,286	894	1,062	425	221	30,888
2016	28,315	886	1,107	419	250	30,977
2015	28,157	865	1,083	455	289	30,849
2014	28,279	845	1,065	471	312	30,972
2013	28,398	831	1,049	511	345	31,134
2012	28,485	835	1,049	545	349	31,263
2011	28,472	830	1,067	610	351	31,330
2010	29,911	846	1,056	647	341	32,801

For more information on personnel paid through the Auditor of State, please read the Statistical Section.

Overview of the Financial Statements

This Financial Section consists of four parts: management's discussion and analysis (this part), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the state. The first two statements are government-wide financial statements that provide both long-term and short-term information about the state's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the state government, reporting the state's operations in more detail than the government-wide statements.

- The governmental fund statements tell how general government services such as public safety, education, and welfare were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as the Unemployment Compensation Fund.
- Fiduciary fund statements provide information about the financial relationships in which the state acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong, such as the retirement plan for the state's employees.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* and *other supplementary information* that further explain and support the information in the financial statements.

Government-wide Financial Statements

The government-wide financial statements report information about the state as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the state's net position and how they have changed. Net position, which equals the state's assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, is one way to measure

the state's financial health, or position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the State of Indiana is improving or deteriorating. To assess the overall health of the state, additional non-financial factors should be considered, such as changes in the state's tax base, the condition of the state's roads and the state's student population. The government-wide financial statements of the state are divided into three categories:

- **Governmental activities.** Most of the state's basic services are included here, such as the state's roads and bridges, and health and environmental programs. State sales and income taxes and federal grants finance most of these activities.
- **Business-type activities.** The state provides goods and services through these activities that are financed or recovered primarily through fees and user charges. The Unemployment Compensation Fund, the Inns and Concessions Fund, and the Indiana Residual Malpractice Insurance Authority are included here.
- **Discretely Presented Component Units.** These are legally separate discretely presented entities for which the state is financially accountable. These include, among others, the Indiana Finance Authority, the State Lottery Commission of Indiana, the Indiana Bond Bank, the Indiana Housing and Community Development Authority, and colleges and universities that receive state funding.

Fund Financial Statements

The fund financial statements provide more detailed information about the state's most significant funds, not the state as a whole. Funds are accounting devices that the state uses to keep track of specific sources of funding and spending for particular purposes. The State of Indiana uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The state has three kinds of funds: governmental funds, proprietary funds, and fiduciary funds.

1. **Governmental funds.** Most of the state's basic services are included in governmental funds, which focus on (1) cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader

determine whether there are more or fewer financial resources that can be spent in the near future to finance the state's programs.

Relationship and Reconciliation. Because the information provided in the governmental funds statements does not encompass the additional long-term focus of the government-wide statements, reconciliation pages are provided. On the page following each governmental fund's financial statement, these reconciliations explain the differences between the government-wide and the fund financial statement. Government-wide statements use full accrual accounting. Revenues are recognized when they are earned and expenses are recognized as soon as the liability is incurred, regardless of the timing of related cash inflows and outflows. Governmental fund financial statements use the modified accrual basis of accounting. Revenues are recognized when earned so long as they are collectible within the current period or soon enough afterwards to pay liabilities of the current period. Specific accrued liabilities are recognized as expenditures when payment is due because that is when they are normally liquidated with expendable available financial resources.

Non-current assets such as infrastructure, land, and property, plant and equipment appear on the government-wide statements but not on the governmental fund statements where they are expensed as acquired rather than capitalized. Non-current liabilities such as capital lease payables and net pension liabilities also appear on the government-wide statements but not on the fund statements. Internal service funds are included as part of the governmental activities in

the government-wide statements but not the governmental fund financial statements because they provide services to the governmental funds.

- 2. Proprietary funds.** Services for which the state charges customers a fee are generally reported in proprietary funds. These funds use the economic resources measurement focus and the accrual basis of accounting. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. In fact, the state's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information such as cash flows. The state uses internal service funds (the other type of proprietary fund) to report activities that provide supplies and services for the state's other programs and activities. An example would be the State Employee Health Insurance Fund.
- 3. Fiduciary funds.** The state is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The state is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds use the economic resources measurement focus and the accrual basis of accounting. All of the state's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the state's government-wide financial statements, because the state cannot use these assets to finance its operations.

Financial Analysis of the State as a Whole

Net Position

The following is condensed from the Statement of Net Position:

State of Indiana Condensed Schedule of Net Position (in millions of dollars)						
Primary Government						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 13,209.5	\$ 12,650.7	\$ 1,104.3	\$ 864.6	\$ 14,313.8	\$ 13,515.3
Capital assets	17,258.6	16,889.3	0.4	0.2	17,259.0	16,889.5
Total assets	30,468.1	29,540.0	1,104.7	864.8	31,572.8	30,404.8
Deferred outflows of resources	1,459.7	1,574.7	-	-	1,459.7	1,574.7
Total deferred outflows of resources	1,459.7	1,574.7	-	-	1,459.7	1,574.7
Current liabilities	3,713.5	4,138.1	64.8	59.3	3,778.4	4,197.4
Long-term liabilities	13,490.8	15,169.4	24.2	25.3	13,514.9	15,194.7
Total liabilities	17,204.3	19,307.5	89.0	84.6	17,293.3	19,392.1
Deferred inflows of resources	226.0	79.1	-	-	226.0	79.1
Total deferred inflows of resources	226.0	79.1	-	-	226.0	79.1
Net position:						
Net investment in capital assets	16,353.6	15,907.5	0.4	0.2	16,354.0	15,907.7
Restricted	1,102.6	1,088.6	962.5	732.4	2,065.1	1,821.0
Unrestricted	(2,958.7)	(5,268.0)	52.8	47.6	(2,905.9)	(5,220.4)
Total net position	\$ 14,497.5	\$ 11,728.1	\$ 1,015.7	\$ 780.2	\$ 15,513.2	\$ 12,508.3

At the end of the current FY, net position for the primary government increased by \$3.0 billion.

Current and other assets increased by \$798.5 million due primarily to an increase in tax revenues which resulted in more cash, cash equivalents, and investments.

Capital assets increased by \$369.5 million. The principal reason for the increase in capital assets were increases in land, infrastructure, and construction in progress at the Indiana Department of Transportation primarily due to the continuation of the Next Level Agenda initiative, which focuses to maintain and build the state's infrastructure. Another contributor to the increase in capital assets was from new software in development for the Family and Social Services Administration's (FSSA) Indiana Eligibility Determination and Services System (IEDSS), an internal system to determine eligibility for benefits including healthcare, and at the Indiana

Department of Revenue (IDOR) for Project NextDOR, a modernization of the current tax system.

Total liabilities decreased \$2.1 billion due to the decreases in net pension liability of \$1.3 billion, net OPEB liability of \$266.7 million, and securities lending collateral of \$410.3 million. The net pension liability decreased due to contributions to the TRF 1996 plan and a change in actuarial assumptions for all pension plans. The OPEB liability decreased due to a change in benefit terms to the Indiana State Police OPEB plan. The securities lending decrease is attributed to less securities out on loan as of the FY end.

Deferred inflows of resources increased \$146.9 million due to deferrals related to pensions from changes to actuarial assumptions and other inputs of the PERF plan.

Changes in Net Position

The following is condensed from the Statement of Activities:

State of Indiana Condensed Schedule of Change in Net Position (in millions of dollars)						
	Primary Government					
	Governmental Activities		Business-type		Total Primary	
	Activities	Activities	Government	Government	Government	Government
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 3,450.6	\$ 2,783.6	\$ 484.5	\$ 529.3	\$ 3,935.1	\$ 3,312.9
Operating grants and contributions	13,263.9	12,275.7	-	-	13,263.9	12,275.7
Capital grants and contributions	1,132.6	1,067.6	-	-	1,132.6	1,067.6
General revenues:						
Income taxes	6,864.3	6,362.9	-	-	6,864.3	6,362.9
Sales taxes	8,085.7	7,804.9	-	-	8,085.7	7,804.9
Other	3,557.7	3,343.6	20.7	10.4	3,578.4	3,354.0
Total revenues	36,354.8	33,638.3	505.2	539.7	36,860.0	34,178.0
Program Expense						
General government	1,578.1	1,390.2	-	-	1,578.1	1,390.2
Public safety	1,516.4	1,573.4	-	-	1,516.4	1,573.4
Health	402.2	390.5	-	-	402.2	390.5
Welfare	16,136.2	14,923.6	-	-	16,136.2	14,923.6
Conservation, culture and development	554.0	588.2	-	-	554.0	588.2
Education	10,582.9	11,312.1	-	-	10,582.9	11,312.1
Transportation	2,772.1	2,820.0	-	-	2,772.1	2,820.0
Interest expense	45.5	45.5	-	-	45.5	45.5
Unemployment compensation fund	-	-	243.5	257.3	243.5	257.3
Other	-	-	24.2	25.1	24.2	25.1
Total expenses	33,587.4	33,043.5	267.7	282.4	33,855.1	33,325.9
Excess (deficiency) before transfers	2,767.4	594.8	237.5	257.3	3,004.9	852.1
Transfers	2.0	2.1	(2.0)	(2.1)	-	-
Change in net position	2,769.4	596.9	235.5	255.2	3,004.9	852.1
Beginning net position, as restated	11,728.1	11,131.2	780.2	525.0	12,508.3	11,656.2
Ending net position	\$ 14,497.5	\$ 11,728.1	\$ 1,015.7	\$ 780.2	\$ 15,513.2	\$ 12,508.3

Governmental Activities

Program expenses exceeded program revenues by \$15.7 billion. General revenues and transfers were \$18.5 billion. The increase in net position was \$2.8 billion, which is 7.6% of total revenues and 8.2% of total expenses.

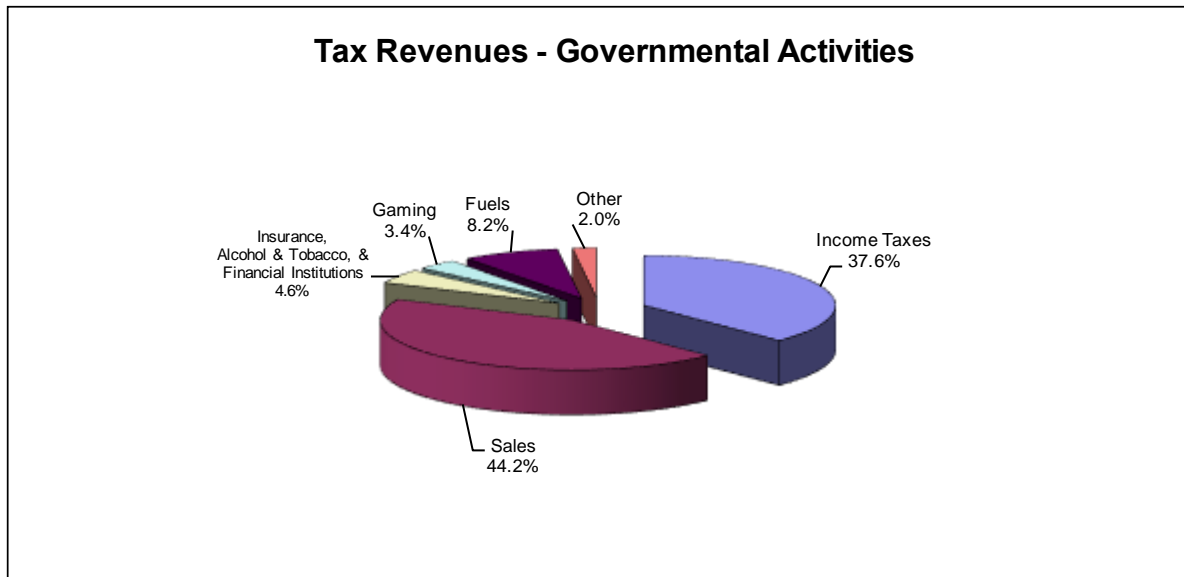
Excess (deficiency) before transfers increased \$2.2 billion from FY 2018 to FY2019.

Increased revenues were driven mainly by increased current service charges, operating grants and contributions, income tax revenue, sales tax revenue and investment income. Current service charge revenue increased \$667.0 million mostly from an amended and restated concession and lease agreement by and between the state and its toll road

vendor. Operating grants and contributions increased \$988.2 million from increases in federal funding related to the Medicaid program. Income tax revenue increased \$501.4 million, sales tax revenue increased \$280.7 million, and investment income increased \$100.7 million as explained in the financial highlights section.

Expenses increased \$543.9 million or 1.6%. Welfare expenses increased \$1.2 billion primarily due to increased spending of welfare programs. This was offset by a decrease in education expenses of \$729.2 million or 6.4%. The state's liability for the TRF Pre-1996 retirement plan was reduced as a result of changes in actuarial assumptions, reducing pension expenses for the plan.

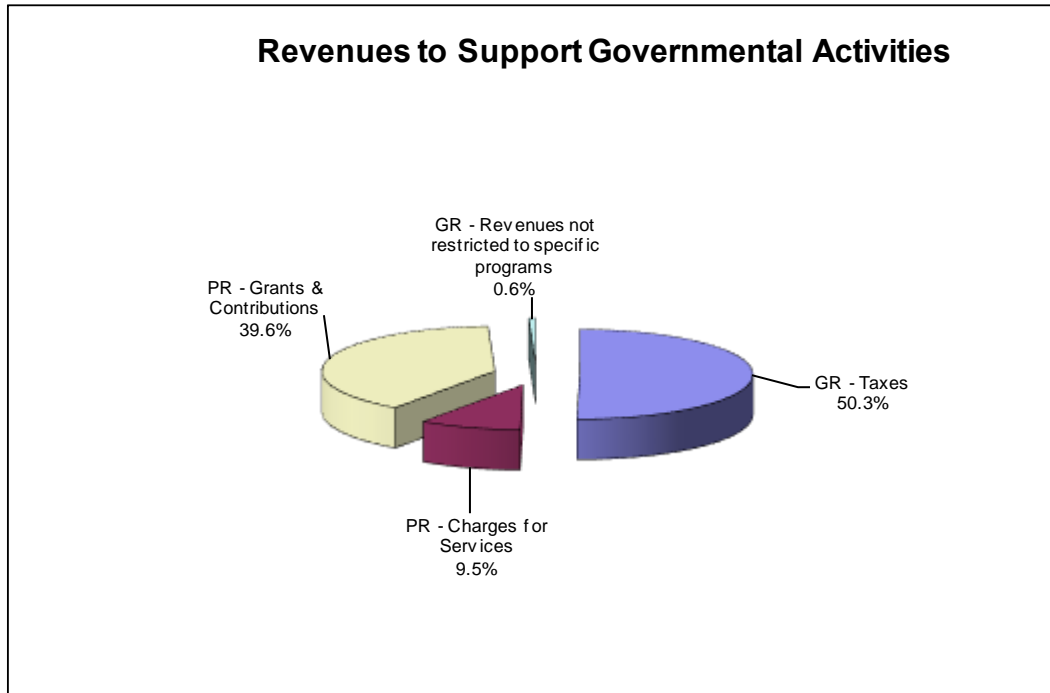
Tax revenues for governmental activities were broken down as follows:



Tax revenues of \$18.3 billion represent 50.3% of total revenues for governmental activities. This compares to \$17.4 billion or 51.7% of total revenues in FY 2018. Program revenues accounted for \$17.8 billion or 49.1% of total revenues. In FY 2018, program revenues accounted for \$16.1 billion or 47.9% of total revenues. General revenues other than tax revenues were \$232.6 million or 0.6% of total revenues. Of this,

\$190.0 million were investment earnings. This compares to 2018, when general revenues other than taxes were \$130.4 million or 0.4% of total revenues and \$89.2 million was investment earnings. Investment earnings increased by \$100.7 million from FY 2018 to FY 2019 or 112.8% due to higher interest rates and larger investment portfolio.

Total revenues for governmental activities were broken down as follows:



PR = program revenues
GR = general revenues

Total revenues were 108.2% of expenses which was a decrease from 101.8% in FY 2018. Total revenues increased 8.1% from \$33.6 billion in FY 2018 to \$36.4 billion in FY 2019. Expenses increased 1.6% from \$33.0 billion in FY 2018 to \$33.6 billion in FY 2019.

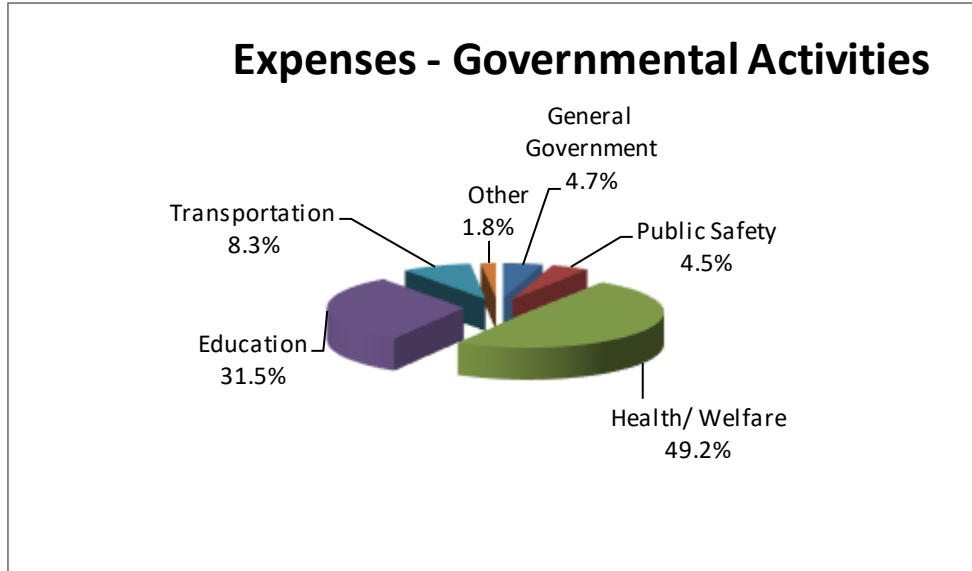
The largest portion of the state's expenses is for welfare, which is \$16.1 billion, or 48.0% of total expenses. This compares with \$14.9 billion, or 45.2% of total expenses in FY 2018. The change in welfare expenses was an increase of \$1.2 billion or 8.1%. \$3.7 billion of welfare expenses in FY 2019 were funded from general revenues.

Some of the major expenses were Medicaid Assistance, \$12.6 billion, the U.S. Department of Health and Human Services Fund, \$1.8 billion, and the federal food stamp program in the U.S. Department of Agriculture Fund, \$831.6 million.

Education comprises 31.5%, or \$10.6 billion of the state's expenses. In FY 2018, education accounted for 34.2%, or \$11.3 billion, of expenses. The change in education expenses was a decrease of \$729.2 million, or 6.4%. Some of the major expenses were tuition support of \$7.1 billion, General Fund appropriations for state colleges and universities, \$1.7 billion, Teachers' Retirement Pension, \$1.1 billion, federal grant programs from the U.S. Department of Education Fund, \$658.4 million, and federal grant programs from the U.S. Department of Agriculture Fund, \$432.7 million.

Transportation spending accounted for \$2.8 billion, or 8.3% of expenses. Transportation comprised \$2.8 billion or 8.5% of expenses in FY 2018. Transportation includes expenses related to the maintenance and construction of state infrastructure.

Total expenses for governmental activities were broken down as follows:



Business-type Activities

Business-type activities represent 1.4% of the Primary Government’s revenues and 0.8% of the expenses. The Unemployment Compensation Fund accounts for 94.5% of business-type activities’ operating revenues and 91.0% of operating expenses. The change in net position for business-type activities was an increase of \$235.5 million.

The Unemployment Compensation Fund collects employer taxes and the federal share of unemployment compensation. Benefits are paid to eligible individuals and the fund covers general and

administrative expenses. Revenue in the fund exceeded benefits and administrative expenses paid by \$230.1 million. This compares to FY 2018 when this fund’s revenues exceeded expenses by \$254.7 million. Employer contributions into the fund decreased by \$44.0 million, from \$501.7 million in FY 2018 to \$457.7 million in FY 2019. The increase in net position of \$230.1 million is due to a low number of claims for benefits against the fund, the UI Program’s strong anti-fraud and collections initiatives, a stout economy, and an increase in investment earnings.

The following schedule shows the net expense (revenue) attributable to each function of government. Each function of Indiana government is either self-supporting (a negative number) or requires additional general revenues to cover expenses (a positive number).

Net Cost of Primary Government (in millions of dollars)			
	June 30, 2019	June 30, 2018	% Change
Governmental Activities:			
General government	\$ 797.3	\$ 709.6	12.4%
Public safety	749.6	839.1	-10.7%
Health	(217.2)	(180.0)	20.7%
Welfare	3,696.9	3,553.5	4.0%
Conservation, culture, and developm	162.0	195.7	-17.2%
Education	9,501.0	10,164.8	-6.5%
Transportation	1,005.2	1,588.5	-36.7%
Interest expense	45.5	45.5	0.0%
Business-type Activities:			
Unemployment Compensation Fund	(214.2)	(244.4)	-12.4%
Malpractice Insurance Authority	0.4	1.1	-63.6%
Inns and Concessions	(2.9)	(3.6)	-19.4%
Total	\$ 15,523.6	\$ 16,669.8	-6.9%

Financial Analysis of the State's Funds

The following is an analysis of the state's major governmental funds. The transfers in and transfers out for these funds are explained in much greater detail in note IV(B) in the Notes to the Financial Statements.

General Fund

The General Fund is maintained to account for resources obtained and used for those services traditionally provided by state government which are not required to be accounted for in another fund. The fund balance of the General Fund at June 30, 2019 was \$4.3 billion, which is 63.1% of assets. This compares to a fund balance at June 30, 2018 of \$3.9 billion, which was 57.6% of assets. This indicates that the state's financial position in the General Fund increased from the prior year. The fund balance of \$4.3 billion is composed of restrictions of \$523.2 million, commitments of \$41.7 million, and assignments of \$2.6 billion, leaving an unassigned balance of \$1.0 billion. The restricted amount consists of the Rainy Day Fund, which is accounted for in the General Fund. For more information on the components of fund balance, see the chart in the Notes to the Financial Statements III(B).

The General Fund's revenues increased 5.8%, or \$897.3 million, from FY 2018, because of the increase in total tax revenue which included \$450.4 million (7.0%) in income tax and \$253.4 million (3.3%) increase in sales. The increase in tax revenues is explained by a combination of factors including higher Indiana household personal income and business activity.

General Fund expenditures increased \$447.9 million, or 3.2% from FY 2018. Distributions in education expenditures for state schools for teacher's retirement and tuition support increased \$267.6 million. State funding of higher education grant programs increased by \$67.0 million.

General Fund transfers in increased \$320.9 million or 26.4% from FY 2018. Transfers out were \$3.2 billion in FY 2019 as compared to \$2.8 billion in FY 2018. More detail on these transfers can be found in the Notes to the Financial Statements IV(B).

Overall, the net position of the General Fund increased \$368.8 million.

Public Welfare-Medicaid Assistance Fund

Medicaid is an insurance program for low-income individuals. It is jointly funded by the Federal government and the state. The Medicaid Assistance Fund received \$9.1 billion in federal revenue as compared to \$8.3 billion in FY 2018. State funding comes through transfers from the General Fund. Transfers in were \$2.8 billion in FY 2019 as compared to \$2.5 billion in FY 2018. Transfers out were \$452.0 million compared with \$250.4 million in FY 2018. The fund distributed \$12.6 billion in Medicaid Assistance during the year, which is an increase of \$1.2 billion over FY 2018. The change in fund balance decreased \$52.4 million from FY 2018 to FY 2019.

U.S. Department of Health and Human Services Fund

The U.S. Department of Health and Human Services Fund is a fund to account for federal grants that are used to carry out health and human services programs.

The US DHHS Fund received \$1.5 billion in federal grant revenues and expended \$1.8 billion. The US DHHS Fund received transfers in of \$360.9 million mostly from the General Fund for various health and human services programs. The change in fund balance from FY 2018 to FY 2019 was an increase of \$55.0 million.

General Fund Budgetary Highlights

Actual State General Fund forecasted revenue collections increased by \$834.9 million, or 5.4%, in FY 2019 while actual expenditure growth increased by 3.5%. This resulted in a \$410 million annual surplus in FY 2019. As noted above, at year-end, the State had \$2.3 billion in reserves, with \$834.5 million

residing in the general fund, \$577.6 million in the Medicaid Reserve Fund, \$338.9 million in the Tuition Reserve Fund, and \$519.1 million residing in the Rainy Day Fund.

Capital Asset and Debt Administration

Capital Assets

Capital assets were \$17.3 billion, which was 54.7% of total assets for the primary government. Related debt was \$.9 billion. Net investment in capital assets for the primary government was \$16.4 billion. Related debt was 5.2% of capital assets. Total capital assets increased \$369.3 million or 2.2% and is attributable to increases in the Indiana Department of Transportation's land, infrastructure, and construction in progress. The net increase in capital assets is primarily comprised of increases for infrastructure of

\$147.7 million, \$203.7 million in construction in progress, and \$64.6 million in land. INDOT's \$281.7 million increase is comprised of increases in land, \$54.9 million, and infrastructure consisting of interstate roads, non-interstate roads, and bridges, \$148.1 million, and CIP consisting of right of way and work in progress, \$78.7 million. More detailed information about the state's capital assets is presented in Note IV(D) to the Financial Statements.

The following table shows the percentage change from FY 2018 to FY 2019.

State of Indiana Capital Assets (in millions of dollars)							
	Governmental Activities		Business-type Activities		Total Primary Government		Total % Change
	2019	2018	2019	2018	2019	2018	
Land	\$ 2,439.1	\$ 2,374.5	\$ -	\$ -	\$ 2,439.1	\$ 2,374.5	2.7%
Infrastructure	12,752.7	12,605.0	-	-	12,752.7	12,605.0	1.2%
Construction in progress	888.5	684.8	-	0.1	888.5	684.9	29.7%
Property, plant and equipment	3,046.0	3,026.7	1.0	0.7	3,047.0	3,027.4	0.6%
Computer software	292.9	267.3	-	-	292.9	267.3	9.6%
Less accumulated depreciation	(2,160.6)	(2,069.0)	(0.6)	(0.6)	(2,161.2)	(2,069.6)	4.4%
Total	\$ 17,258.6	\$ 16,889.3	\$ 0.4	\$ 0.2	\$ 17,259.0	\$ 16,889.5	2.2%

Long-term Obligations

Major long-term obligations items are included in the following table. These items comprised 100% of total long-term liabilities and 78.2% of total liabilities.

The following table shows the percentage change from FY 2018 to FY 2019.

State of Indiana Long-term Liabilities (in millions of dollars)							
	Governmental Activities		Business-type Activities		Total Primary Government		Total % Change
	2019	2018	2019	2018	2019	2018	
Accrued liability for compensated absences	\$ 177.9	\$ 170.0	\$ 0.8	\$ 0.8	\$ 178.7	\$ 170.8	4.6%
Capital lease payable	904.8	974.3	-	-	904.8	974.3	-7.1%
Claims payable	-	-	23.4	24.5	23.4	24.5	-4.5%
Net pension liability	12,037.0	13,385.8	-	-	12,037.0	13,385.8	-10.1%
Other postemployment benefits	335.8	602.5	-	-	335.8	602.5	-44.3%
Pollution remediation	35.4	36.8	-	-	35.4	36.8	-3.8%
Total	<u>\$ 13,490.9</u>	<u>\$ 15,169.4</u>	<u>\$ 24.2</u>	<u>\$ 25.3</u>	<u>\$ 13,515.1</u>	<u>\$ 15,194.7</u>	<u>-11.1%</u>

Total long-term liabilities decreased by 11.1% or \$1.6 billion. The largest decreases were for the net pension liability of \$1.3 billion and for other postemployment benefits of \$266.7 million. Long-term liabilities related to capital leases also decreased by \$69.5 million. These decreases were offset by an increase to accrued liability for compensated absences of \$7.9 million.

Net investment income increases and changes in actuarial assumptions were the major contributing factors for the decrease to the net pension liability.

The decrease for other postemployment benefits was mainly due from actuarial valuation changes in

Infrastructure

As required by GASB Statement No. 34, the state has capitalized its infrastructure. This amounts to \$12.7 billion in roads and bridges using the modified approach, \$2 billion in right of way classified as land, and \$34.5 million in property (septic, sewer, and water systems; and streets/sidewalks/curbs) and dams being depreciated. In order to utilize the modified approach, the state is required to:

Maintain an asset management system that includes

benefit terms for the Indiana State Police Plan.

The Indiana Finance Authority did not issue any new highway revenue bonds, therefore capital lease payables decreased.

Claims payable for business activities decreased by \$1.1 million. This was the amount of decrease in claims payable for the Indiana Residual Malpractice Insurance Authority.

More detailed information about the state's long term obligations is presented in Note IV(F) to the Financial Statements.

an up-to-date inventory of eligible infrastructure assets.

Perform condition assessments of eligible assets and summarize the results using a measurement scale. Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the state.

Document that the assets are being preserved approximately at or above the established condition

level.

Under the modified approach, the state expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 11,202 centerline road miles of pavement along 241 routes and approximately 5,808 bridges that the state is responsible to maintain.

The state has consistently maintained the assessed conditions of roads over the past three years. It is the state's policy to maintain a network average International Roughness Index based on the right wheel path (IRI RWP) of no more than 101 for Interstate Roads, NHS Non-Interstate and Non-NHS Roads (a good rating is in the range of 80–114). The most recent condition assessment, completed for FY 2018, indicated that the average IRI RWP for roads was in an acceptable range.

The state has maintained the assessed conditions of bridges at levels which are above the established benchmarks. It is the state's policy to maintain Interstate bridges at an average sufficiency rating of 87%, NHS Non-Interstate bridges at an average sufficiency rating of 85%, and Non-NHS bridges at an average sufficiency rating of 83% (a good rating is

80% - 90%). The most recent condition assessment, completed in FY 2018, indicated that the average sufficiency rating for bridges exceeded the minimum acceptable standard.

Total actual maintenance and preservation costs for roads were lower than planned during fiscal 2019 in all road classes. Various factors contributed to these costs being less than planned including bids that come in under the original estimates, work volumes, lower fuel costs, and redefining the repairs needed and the methods used. The average IRI RWP for Interstate roads was in the excellent condition rating range and the two other road categories, NHS roads - Non-Interstate and Non-NHS roads, were in the good condition rating range. The state's standard of having less than 12.5% of all roads rated in poor condition was met.

Total actual maintenance and preservation costs were less than planned for bridges on all road classes. This was due to multiple factors including bids that come in under benchmark estimates, change of scope, and reprioritization to meet the agencies goals. Bridge sufficiency ratings were within the state's policy for the maintenance of bridges in all road classes.

Economic Factors

With a 2018 Gross State Product (GSP) of \$371.6 billion, Indiana's economy ranked 18th largest in the U.S. in terms of the value of goods and services. Indiana's largest contributor to real GSP growth was the durable goods manufacturing sector, which accounted for 39% of Indiana's GSP growth in 2018. The second largest contributor of Indiana's real GSP growth was trade, transportation, and utilities, which accounted for 33% of the total growth.

With the latest data as of December 2018, the manufacturing sector accounted for nearly 16% of the jobs in Indiana. The largest share of employment was in the trade, transportation, and utilities sector with 17.6% of employment. Per capita personal income was \$47,720, and the State's unemployment rate was 3.46% at the end of 2018.

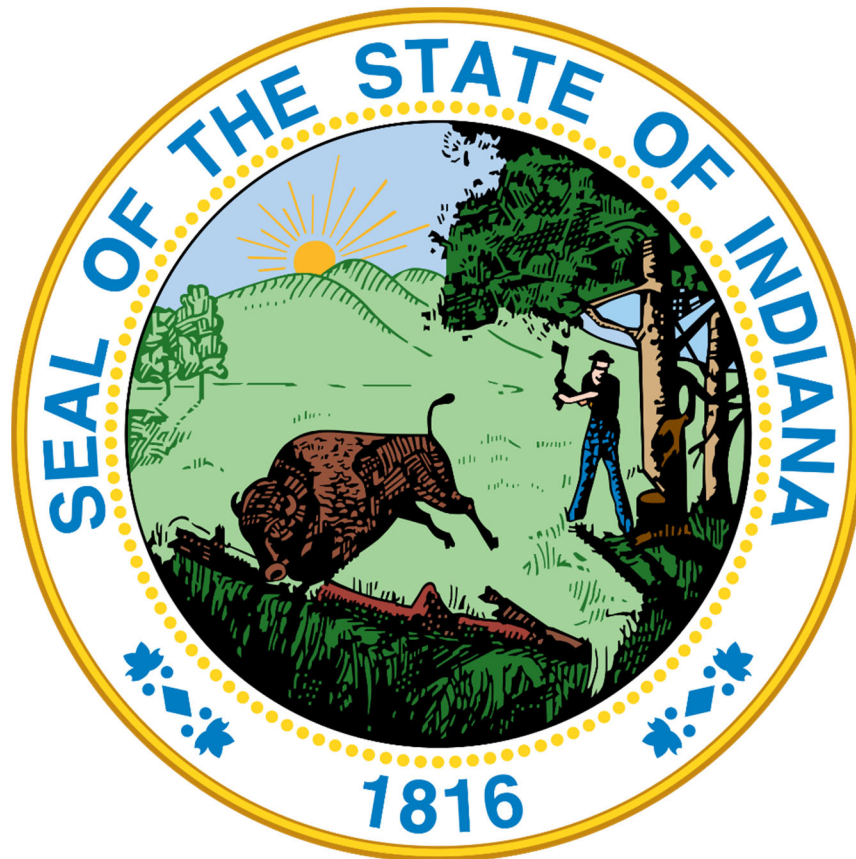
Contacting the Auditor of State

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the state's finances and to demonstrate the state's accountability for the money it receives. If you have

questions about this report or need additional financial information, contact

CAFR@auditor.in.gov or 317-232-3300.

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

22 - State of Indiana - Comprehensive Annual Financial Report

State of Indiana
Statement of Net Position
June 30, 2019
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash, cash equivalents and investments - unrestricted	\$ 7,630,640	\$ 81,402	\$ 7,712,042	\$ 6,101,086
Cash, cash equivalents and investments - restricted	526,161	852,828	1,378,989	8,108,658
Securities lending collateral	1,973,682	-	1,973,682	98,251
Receivables (net)	2,660,417	169,220	2,829,637	2,826,847
Due from primary government	-	-	-	22,744
Due from component unit	15,384	-	15,384	-
Inventory	4,146	720	4,866	14,107
Prepaid expenses	80,445	61	80,506	14,492
Loans	314,555	-	314,555	2,876,748
Investment in direct financing lease	-	-	-	1,973,671
OPEB assets	-	-	-	47,555
Other assets	4,039	25	4,064	357,687
Capital assets:				
Capital assets not being depreciated/amortized	16,045,837	-	16,045,837	2,702,937
Capital assets being depreciated/amortized	3,373,394	993	3,374,387	15,269,368
less accumulated depreciation/amortization	(2,160,614)	(588)	(2,161,202)	(7,169,094)
Total capital assets, net of depreciation/amortization	17,258,617	405	17,259,022	10,803,211
Total assets	30,468,086	1,104,661	31,572,747	33,245,057
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of hedging derivatives	-	-	-	111,161
Debt refunding loss	-	-	-	77,698
Related to pensions	1,421,075	-	1,421,075	60,041
Swap termination	-	-	-	60,592
Related to OPEB	38,583	-	38,583	99,897
Asset retirement obligations	-	-	-	2,500
Total deferred outflows of resources	1,459,658	-	1,459,658	411,889
LIABILITIES				
Accounts payable	1,467,882	59,863	1,527,745	602,719
Interest payable	-	-	-	111,704
Tax refunds payable	44,386	-	44,386	-
Payables to other governments	200,545	-	200,545	-
Due to component unit	22,744	-	22,744	-
Due to primary government	-	-	-	15,384
Unearned revenue	223	4,688	4,911	477,937
Advances from federal government	-	-	-	23,538
Securities lending collateral	1,973,682	-	1,973,682	98,251
Derivative instrument liability	-	-	-	111,669
Other liabilities	4,045	245	4,290	210,741
Long-term liabilities:				
Due within 1 year	162,959	1,907	164,866	1,174,403
Due in more than 1 year	13,327,810	22,250	13,350,060	9,982,542
Total liabilities	17,204,276	88,953	17,293,229	12,808,888
DEFERRED INFLOWS OF RESOURCES				
Advanced payment for service concession agreement	-	-	-	4,056,132
Service concession arrangement receipts	-	-	-	273,645
Related to pensions	173,279	-	173,279	54,448
Related to OPEB	52,223	-	52,223	54,436
Related to irrevocable split interest agreements	499	-	499	18,534
Total deferred inflows of resources	226,001	-	226,001	4,457,195
NET POSITION				
Net investment in capital assets	16,353,597	405	16,354,002	6,366,022
Restricted - nonexpendable:				
Grants/constitutional restrictions	150	-	150	2,942
Permanent funds	502,835	-	502,835	59,766
Instruction and research	-	-	-	1,157,313
Student aid	-	-	-	1,225,596
Other purposes	76,445	-	76,445	541,375
Restricted - expendable:				
Grants/constitutional restrictions	523,189	-	523,189	2,451,749
Future debt service	-	-	-	296,115
Instruction and research	-	-	-	788,001
Student aid	-	-	-	793,233
Endowments	-	-	-	565,804
Capital projects	-	-	-	490,337
Unemployment compensation	-	962,476	962,476	-
Other purposes	-	-	-	581,904
Unrestricted	(2,958,749)	52,827	(2,905,922)	1,070,706
Total net position	\$ 14,497,467	\$ 1,015,708	\$ 15,513,175	\$ 16,390,863

The notes to the financial statements are an integral part of this statement.

State of Indiana
Statement of Activities
For the Year Ended June 30, 2019
(amounts expressed in thousands)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						Component Units
	Program Revenues		Capital Grants and Contributions	Primary Government		Total	
	Charges for Services	Operating Grants and Contributions		Governmental Activities	Business-type Activities		
Primary government:							
Governmental activities:							
General government	\$ 1,578,147	\$ 93,916	\$ 1,456	\$ (797,348)	\$ -	\$ (797,348)	\$ -
Public safety	1,516,419	182,967	501	(749,579)	-	(749,579)	-
Health	402,195	275,593	-	217,159	-	217,159	-
Welfare	16,136,176	11,361,602	-	(3,696,913)	-	(3,696,913)	-
Conservation, culture and development	554,000	219,898	5	(161,990)	-	(161,990)	-
Education	10,582,851	1,079,399	-	(9,500,965)	-	(9,500,965)	-
Transportation	2,772,070	50,477	1,130,668	(1,005,175)	-	(1,005,175)	-
Interest expense	45,510	-	-	(45,510)	-	(45,510)	-
Total governmental activities	33,587,368	13,263,852	1,132,630	(15,740,321)	-	(15,740,321)	-
Business-type activities							
Unemployment Compensation Fund	243,486	-	-	-	214,217	214,217	-
Malpractice Insurance Authority	1,015	-	-	-	(360)	(360)	-
Inns and Concessions	23,210	26,122	-	-	2,912	2,912	-
Total business-type activities	267,711	26,122	-	-	216,769	216,769	-
Total primary government	\$ 33,855,079	\$ 13,263,852	\$ 1,132,630	(15,740,321)	216,769	(15,523,552)	-
Component units:							
Governmental	83,783	9,223	-	-	-	-	(74,560)
Proprietary	2,659,707	1,774,311	60,479	-	-	-	(370,097)
Colleges and universities	7,873,913	3,753,431	121,392	-	-	-	(1,948,651)
Total component units	\$ 10,617,403	\$ 5,527,742	\$ 181,871	-	-	-	(2,393,308)
General Revenues:							
Income tax				6,864,321		6,864,321	-
Sales tax				8,085,691		8,085,691	-
Fuels tax				1,494,946		1,494,946	-
Gaming tax				619,888		619,888	2,245
Alcohol & Tobacco tax				411,291		411,291	-
Insurance tax				256,292		256,292	-
Financial Institutions tax				173,995		173,995	-
Other tax				368,607		368,607	-
Total taxes				18,275,031		18,275,031	2,245
Revenue not restricted to specific programs:							
Investment earnings				189,909	20,582	210,491	629,208
Payments from State of Indiana				-	-	-	1,756,500
Other				42,730	162	42,892	414,423
Transfers within primary government				1,986	(1,986)	-	-
Total general revenues and transfers				18,509,656	18,758	18,528,414	2,802,376
Changes in net position				2,769,335	235,527	3,004,862	409,068
Net position - beginning, as restated				11,728,132	780,181	12,508,313	15,981,795
Net position - ending				\$ 14,497,467	\$ 1,015,708	\$ 15,513,175	\$ 16,390,863

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

State of Indiana
Balance Sheet
Governmental Funds
June 30, 2019
(amounts expressed in thousands)

	<u>General Fund</u>	<u>Public Welfare- Medicaid Assistance Fund</u>	<u>US Department of Health and Human Services</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
ASSETS					
Cash, cash equivalents and investments-unrestricted	\$ 2,356,700	\$ 458,827	\$ -	\$ 4,613,031	\$ 7,428,558
Cash, cash equivalents and investments-restricted	522,612	-	-	3,549	526,161
Securities lending collateral	1,973,677	-	-	5	1,973,682
Receivables:					
Taxes (net of allowance for uncollectible Accounts)	1,391,394	-	-	181,927	1,573,321
Grants	7,054	206,102	516	60,827	274,499
Interest	8	243,832	190,228	187,302	621,370
Interfund loans	12,192	-	-	1,415	13,607
Due from component unit	489,071	-	-	11,047	500,118
Prepaid expenditures	-	-	-	15,384	15,384
Loans	76,400	-	-	44	76,444
Other	50	-	-	314,505	314,555
Total assets	3,771	-	-	268	4,039
	<u>6,832,929</u>	<u>908,761</u>	<u>190,744</u>	<u>5,389,304</u>	<u>13,321,738</u>
Total assets and deferred outflow of resources	\$ 6,832,929	\$ 908,761	\$ 190,744	\$ 5,389,304	\$ 13,321,738
LIABILITIES					
Accounts payable	\$ 178,163	\$ 358,292	\$ 100,327	\$ 297,039	\$ 933,821
Salaries and benefits payable	48,965	-	7,645	25,205	81,815
Interfund loans	-	-	479,492	20,626	500,118
Interfunds services used	5,580	9	1,624	2,801	10,014
Intergovernmental payable	37,891	-	-	162,654	200,545
Due to component unit	2,744	-	-	-	2,744
Tax refunds payable	36,065	-	-	8,321	44,386
Accrued liability for compensated absences-current	3,270	-	579	1,849	5,698
Other payables	3,778	-	-	279	4,057
Securities lending collateral	1,973,677	-	-	5	1,973,682
Total liabilities	<u>2,290,133</u>	<u>358,301</u>	<u>589,667</u>	<u>518,779</u>	<u>3,756,880</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable revenue	231,119	-	17,909	71,086	320,114
Total deferred inflow of resources	<u>231,119</u>	<u>-</u>	<u>17,909</u>	<u>71,086</u>	<u>320,114</u>
FUND BALANCE					
Nonspendable	76,400	-	-	502,879	579,279
Restricted	523,189	-	-	3,549	526,738
Committed	41,724	-	-	903,612	945,336
Assigned	2,645,610	550,460	-	3,459,022	6,655,092
Unassigned	1,024,754	-	(416,832)	(69,623)	538,299
Total fund balance	<u>4,311,677</u>	<u>550,460</u>	<u>(416,832)</u>	<u>4,799,439</u>	<u>9,244,744</u>
Total liabilities, deferred inflow of resources, and fund balance	\$ 6,832,929	\$ 908,761	\$ 190,744	\$ 5,389,304	\$ 13,321,738

The notes to the financial statements are an integral part of this statement.

State of Indiana
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019
(amounts expressed in thousands)

Total fund balances-governmental funds **\$ 9,244,744**

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$ 2,439,123	
Infrastructure assets	12,718,166	
Construction in progress	888,549	
Property, plant, and equipment	2,967,736	
Computer software	292,898	
Accumulated depreciation	<u>(2,104,503)</u>	
Total capital assets, net of depreciation		17,201,969

Some of the state's receivables will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

Taxes receivable	241,891	
Accounts receivable	<u>219,582</u>	
Total receivables		461,473

Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Accounts payable	(343,916)	
Litigation liabilities	(49,159)	
Pollution remediation	<u>(21,626)</u>	
Total liabilities		(414,701)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

213,245

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Accrued liability for compensated absences	(166,367)	
Other postemployment benefits and related deferrals	(349,310)	
Loan from the Indiana Board for Depositories	(20,000)	
Capital lease payable	(904,809)	
Net pension liability and related deferrals	<u>(10,768,777)</u>	
Total long-term liabilities		<u>(12,209,263)</u>

Net position of governmental activities **\$ 14,497,467**

The notes to the financial statements are an integral part of this statement.

State of Indiana
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

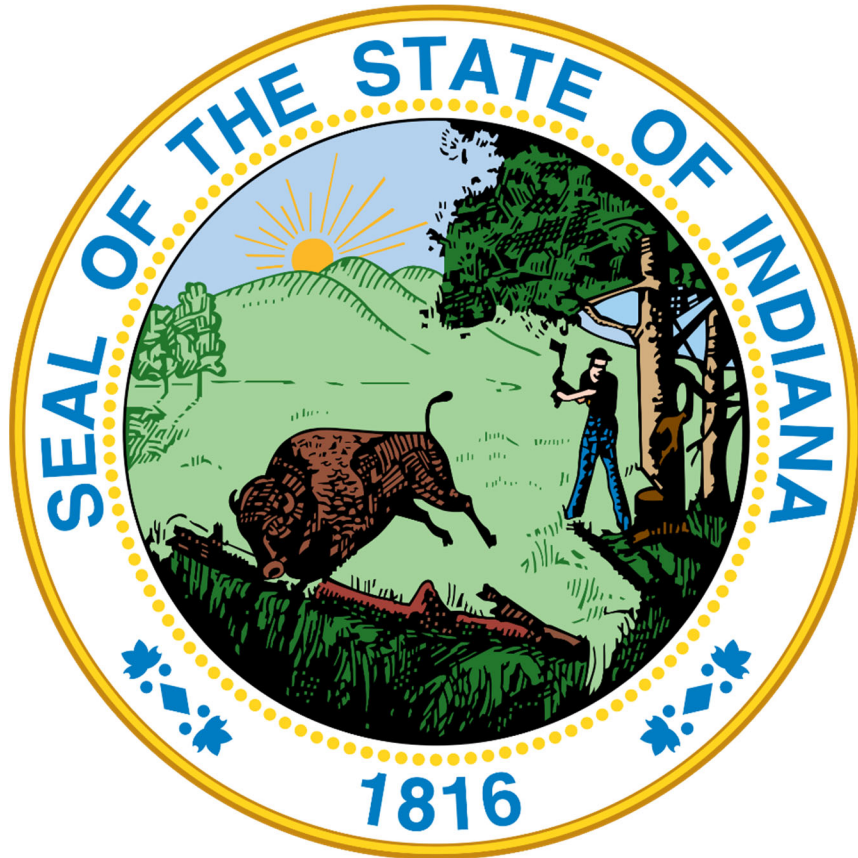
	General Fund	Public Welfare- Medicaid Assistance Fund	US Department of Health and Human Services Fund	Non-Major Governmental Funds	Total
Revenues:					
Taxes:					
Income	\$ 6,850,851	\$ -	\$ -	\$ -	\$ 6,850,851
Sales	8,009,760	-	-	77,560	8,087,320
Fuels	1,910	-	-	1,493,706	1,495,616
Gaming	47,246	-	-	572,641	619,887
Alcohol and tobacco	251,911	-	-	163,268	415,179
Insurance	251,413	-	-	4,880	256,293
Financial Institutions	-	-	-	173,518	173,518
Other	365,784	-	-	2,650	368,434
Total taxes	15,778,875	-	-	2,488,223	18,267,098
Current service charges	286,390	1,041,742	911	2,120,045	3,449,088
Investment income	189,905	-	-	73,331	263,236
Sales/rents	128	-	-	17,216	17,344
Grants	1,767	9,142,375	1,523,302	3,690,199	14,357,643
Other	42,602	-	68	72,846	115,516
Total revenues	16,299,667	10,184,117	1,524,281	8,461,860	36,469,925
Expenditures:					
Current:					
General government	1,198,677	-	25,535	362,581	1,586,793
Public safety	1,184,691	-	9,691	535,981	1,730,363
Health	47,350	-	160,302	199,958	407,610
Welfare	1,010,989	12,600,701	1,590,632	1,150,504	16,352,826
Conservation, culture and development	119,901	-	5,354	446,794	572,049
Education	10,538,581	-	9,766	1,126,394	11,674,741
Transportation	165,186	-	-	2,863,422	3,028,608
Debt service:					
Capital lease principal	2,081	-	56	68,675	70,812
Capital lease interest	281	-	1	45,228	45,510
Capital outlay	-	-	-	20,842	20,842
Total expenditures	14,267,737	12,600,701	1,801,337	6,820,379	35,490,154
Excess (deficiency) of revenues over (under) expenditures	2,031,930	(2,416,584)	(277,056)	1,641,481	979,771
Other financing sources (uses):					
Transfers in	1,537,453	2,816,204	360,935	2,126,664	6,841,256
Transfers (out)	(3,200,691)	(452,012)	(28,903)	(3,158,647)	(6,840,253)
Issuance of capital lease	84	-	-	5,849	5,933
Total other financing sources (uses)	(1,663,154)	2,364,192	332,032	(1,026,134)	6,936
Net change in fund balances	368,776	(52,392)	54,976	615,347	986,707
Fund Balance July 1, as restated	3,942,901	602,852	(471,808)	4,184,092	8,258,037
Fund Balance June 30	\$ 4,311,677	\$ 550,460	\$ (416,832)	\$ 4,799,439	\$ 9,244,744

The notes to the financial statements are an integral part of this statement.

State of Indiana
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2019
(amounts expressed in thousands)

Net change in fund balances-total governmental funds	\$ 986,707
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report net capital outlays for infrastructure as expenditures. However in the statement of activities these outlays are capitalized and under the modified approach not depreciated. This is the amount of the net capital outlays for infrastructure under the modified approach in the current period.	281,645
Governmental funds report net capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which net capital outlays (\$289,065) exceeds depreciation (\$139,173) in the current period.	149,892
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Tax revenue	8,310
Non-tax revenue	(169,796)
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds.	
Operating expenses	136,827
Statutory expenses	-
Amounts due to component units	-
Payment delays to colleges and universities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	-
The change in net pension liability does not provide or require the use of current financial resources:	
Increase in net pension liabilities	1,089,517
The change in other postemployment benefits do not provide or require the use of current financial resources.	264,109
Internal service funds are used by management to charge the costs of certain activities, such as insurance, data processing, telecommunications, fleet management, and printing, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.	22,124
Change in net position of governmental activities.	\$ 2,769,335

The notes to the financial statements are an integral part of this statement.



State of Indiana
Statement of Fund Net Position
Proprietary Funds
June 30, 2019

(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ -	\$ 81,402	\$ 81,402	\$ 201,794
Cash, cash equivalents and investments - restricted	852,828	-	852,828	-
Receivables:				
Accounts	35,455	470	35,925	22,557
Interest	4,572	270	4,842	-
Interfund services provided	-	-	-	10,014
Inventory	-	720	720	4,146
Prepaid expenses	-	61	61	4,000
Other assets	-	25	25	-
Total current assets	892,855	82,948	975,803	242,511
Noncurrent assets:				
Accounts receivable	128,453	-	128,453	-
Capital assets:				
Capital assets being depreciated/amortized	-	993	993	112,547
less accumulated depreciation/amortization	-	(588)	(588)	(56,111)
Total capital assets, net of depreciation/amortization	-	405	405	56,436
Total noncurrent assets	128,453	405	128,858	56,436
Total assets	1,021,308	83,353	1,104,661	298,947
Deferred Outflows of Resources				
Related to pensions	-	-	-	4,934
Related to OPEB	-	-	-	102
Total deferred outflows of resources	-	-	-	5,036
Liabilities				
Current liabilities:				
Accounts payable	58,832	519	59,351	57,040
Claims payable	-	1,689	1,689	-
Salaries and benefits payable	-	512	512	2,133
Accrued liability for compensated absences	-	218	218	2,839
Unearned revenue	-	4,688	4,688	223
Other liabilities	-	245	245	4
Total current liabilities	58,832	7,871	66,703	62,239
Noncurrent liabilities:				
Accrued liability for compensated absences	-	561	561	2,948
Claims payable	-	21,689	21,689	-
Net pension liability	-	-	-	21,720
Net OPEB Liability	-	-	-	51
Total noncurrent liabilities	-	22,250	22,250	24,719
Total liabilities	58,832	30,121	88,953	86,958
Deferred Inflows of Resources				
Related to pensions	-	-	-	3,641
Related to OPEB	-	-	-	139
Total deferred inflows of resources	-	-	-	3,780
Net position				
Net investment in capital assets	-	405	405	56,436
Restricted-expendable:				
Unemployment compensation	962,476	-	962,476	-
Unrestricted (deficit)	-	52,827	52,827	156,809
Total net position	\$ 962,476	\$ 53,232	\$ 1,015,708	\$ 213,245

The notes to the financial statements are an integral part of this statement.

State of Indiana
Statement of Revenues, Expenses and
Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Operating revenues:				
Sales/rents/premiums	\$ -	\$ 26,777	\$ 26,777	\$ 597,673
Employer contributions	457,703	-	457,703	-
Charges for services	-	-	-	11,552
Other	-	148	148	1,435
Total operating revenues	457,703	26,925	484,628	610,660
Cost of sales	-	5,399	5,399	19,851
Gross margin	457,703	21,526	479,229	590,809
Operating expenses:				
General and administrative expense	-	18,284	18,284	165,218
Claims expense	-	466	466	-
Health / disability benefit payments	-	-	-	395,098
Unemployment compensation benefits	243,486	-	243,486	-
Depreciation and amortization	-	57	57	13,575
Other	-	19	19	-
Total operating expenses	243,486	18,826	262,312	573,891
Operating income (loss)	214,217	2,700	216,917	16,918
Nonoperating revenues (expenses):				
Interest and other investment income	15,890	4,692	20,582	4
Gain (Loss) on disposition of assets	-	14	14	577
Contributions to other postemployment benefits	-	-	-	(13,980)
Other	-	-	-	14
Total nonoperating revenues (expenses)	15,890	4,706	20,596	(13,385)
Income before contributions and transfers	230,107	7,406	237,513	3,533
Capital contributions	-	-	-	17,608
Transfers in	-	-	-	1,749
Transfers (out)	-	(1,986)	(1,986)	(766)
Change in net position	230,107	5,420	235,527	22,124
Net position, July 1, as restated	732,369	47,812	780,181	191,121
Net position, June 30	\$ 962,476	\$ 53,232	\$ 1,015,708	\$ 213,245

The notes to the financial statements are an integral part of this statement.

State of Indiana
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 475,747	\$ 26,984	\$ 502,731	\$ 490,932
Cash received from interfund services provided	-	-	-	122,552
Cash paid for general and administrative	-	(18,365)	(18,365)	(168,211)
Cash paid for salary/health/disability benefit payments	(237,977)	-	(237,977)	(385,085)
Cash paid to suppliers	-	(5,425)	(5,425)	(20,888)
Cash paid for claims expense	-	(1,634)	(1,634)	-
Net cash provided (used) by operating activities	<u>237,770</u>	<u>1,560</u>	<u>239,330</u>	<u>39,300</u>
Cash flows from noncapital financing activities:				
Transfers in	-	-	-	1,748
Transfers out	-	(1,986)	(1,986)	(766)
Contributions to other postemployment benefits	-	-	-	(13,980)
Other	-	-	-	14
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(1,986)</u>	<u>(1,986)</u>	<u>(12,984)</u>
Cash flows from capital and related financing activities:				
Acquisition/construction of capital assets	-	(254)	(254)	(23,857)
Proceeds from sale of assets	-	-	-	1,298
Capital contributions	-	-	-	17,608
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(254)</u>	<u>(254)</u>	<u>(4,951)</u>
Cash flows from investing activities:				
Proceeds from sales of investments	-	6,500	6,500	-
Purchase of investments	-	(8,820)	(8,820)	-
Interest income (expense) on investments	14,218	1,175	15,393	4
Net cash provided (used) by investing activities	<u>14,218</u>	<u>(1,145)</u>	<u>13,073</u>	<u>4</u>
Net increase (decrease) in cash and cash equivalents	251,988	(1,825)	250,163	21,369
Cash and cash equivalents, July 1	600,840	17,093	617,933	180,425
Cash and cash equivalents, June 30	\$ 852,828	\$ 15,268	\$ 868,096	\$ 201,794
Reconciliation of cash , cash equivalents and investments:				
Cash and cash equivalents unrestricted at end of year	\$ -	\$ 15,268	\$ 15,268	\$ 201,794
Cash and cash equivalents restricted at end of year	852,828	-	852,828	-
Investments unrestricted	-	66,134	66,134	-
Cash, cash equivalents and investments per balance sheet	\$ 852,828	\$ 81,402	\$ 934,230	\$ 201,794
Noncash investing, capital and financing activities:				
Increase (Decrease) in fair value of investments	\$ -	\$ (1,520)	\$ (1,520)	\$ -

State of Indiana
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 214,217	\$ 2,700	\$ 216,917	\$ 16,918
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	-	57	57	13,576
(Increase) decrease in receivables	18,044	(19)	18,025	2,941
(Increase) decrease in interfund services provided	-	-	-	(339)
(Increase) decrease in inventory	-	(26)	(26)	(867)
(Increase) decrease in prepaid expenses	-	17	17	(4,000)
(Increase) decrease in deferred outflows	-	-	-	3,679
Increase (decrease) in claims payable	-	(1,168)	(1,168)	-
Increase (decrease) in accounts payable	5,509	(120)	5,389	10,690
Increase (decrease) in unearned revenue	-	81	81	10
Increase (decrease) in salaries payable	-	51	51	98
Increase (decrease) in compensated absences	-	16	16	428
Increase (decrease) in net pension liabilities	-	-	-	(7,216)
Increase (decrease) in net OPEB liabilities	-	-	-	(152)
Increase (decrease) in deferred inflows	-	-	-	3,534
Increase (decrease) in other payables	-	(29)	(29)	-
Net cash provided (used) by operating activities	<u>\$ 237,770</u>	<u>\$ 1,560</u>	<u>\$ 239,330</u>	<u>\$ 39,300</u>

The notes to the financial statements are an integral part of this statement.

State of Indiana
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019
(amounts expressed in thousands)

	Pension and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Investment Trust Fund	Agency Funds
Assets				
Cash, cash equivalents and non-pension investments	\$ 296,295	\$ 85,042	\$ 1,170,946	\$ 1,099,023
Securities lending collateral	102,422	-	-	-
Receivables:				
Taxes	-	-	-	19,262
Contributions	34,498	-	-	-
Interest	101,046	111	279	-
Securities lending	270	8	-	-
Member loans	73	-	-	-
Accounts	-	954	-	86
From investment sales	8,715,967	-	-	-
Total receivables	<u>8,851,854</u>	<u>1,073</u>	<u>279</u>	<u>19,348</u>
Pension and other employee benefit investments at fair value:				
Short term investments	1,792,549	-	-	-
Equity Securities	9,412,841	-	-	-
Debt Securities	13,737,839	-	-	-
Other	12,755,785	-	-	-
Total investments at fair value	<u>37,699,014</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other assets	201	-	-	-
Property, plant and equipment net of accumulated depreciation	4,926	-	-	-
Total assets	<u>46,954,712</u>	<u>86,115</u>	<u>1,171,225</u>	<u>\$ 1,118,371</u>
Liabilities				
Accounts/escrows payable	7,860	210	93	\$ 1,118,371
Salaries and benefits payable	-	95	-	-
Securities lending payable	270	8	-	-
Benefits payable	110,578	-	-	-
Investment purchases payable	8,969,896	-	-	-
Securities purchased payable	634,592	-	-	-
Securities lending collateral	102,422	-	-	-
Other	1,506	-	69	-
Total liabilities	<u>9,827,124</u>	<u>313</u>	<u>162</u>	<u>\$ 1,118,371</u>
Net Position				
Restricted for:				
Employees' pension benefits	36,544,413	-	-	
OPEB benefits	567,942	-	-	
Future death benefits	15,233	-	-	
Trust beneficiaries	-	85,802	-	
Investment pool participants	-	-	1,171,063	
Total net position	<u>\$ 37,127,588</u>	<u>\$ 85,802</u>	<u>\$ 1,171,063</u>	

The notes to the financial statements are an integral part of this statement.

State of Indiana
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019

(amounts expressed in thousands)

	Pension and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Investment Trust Fund
Additions:			
Member contributions	\$ 366,662	\$ 87	\$ 1,960,391
Employer contributions	1,255,772	-	-
Contributions from the State of Indiana	1,145,125	-	-
Net investment income (loss)	2,573,392	996	24,104
Less investment expense	(211,722)	-	-
Current service charges	-	9,898	-
Federal reimbursements	618	-	-
Donations/escheats	-	111,354	-
Reinvestment of distributions	-	-	22,871
Other	2,339	-	-
Total additions	5,132,186	122,335	2,007,366
Deductions:			
Pension and disability benefits	2,450,441	-	-
Retiree health benefits	28,194	-	-
Death benefits	2,001	-	-
Payments to participants/beneficiaries	-	107,569	22,927
Refunds of contributions and interest	447,121	-	1,875,985
Administrative	45,654	-	1,024
Pension relief distributions	212,239	-	-
Other	1,127	-	241
Total deductions	3,186,777	107,569	1,900,177
Net increase (decrease) in net position	1,945,409	14,766	107,189
Net position restricted, July 1, as restated	35,182,179	71,036	1,063,874
Net position restricted, June 30	\$ 37,127,588	\$ 85,802	\$ 1,171,063

The notes to the financial statements are an integral part of this statement.

State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2019
(amounts expressed in thousands)

	Governmental	Proprietary	Colleges and Universities	Total
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ 18,980	\$ 566,764	\$ 1,033,273	\$ 1,619,017
Cash, cash equivalents and investments - restricted	105,720	1,102,888	657,304	1,865,912
Securities lending collateral	-	-	98,251	98,251
Receivables (net)	1,528	1,019,661	585,673	1,606,862
Due from primary government	-	5,000	2,744	7,744
Inventory	-	171	13,936	14,107
Prepaid expenses	-	5,073	9,419	14,492
Loans	-	170,545	-	170,545
Investment in direct financing lease	-	81,496	131	81,627
Other assets	-	1,026	240,967	241,993
Total current assets	126,228	2,952,624	2,641,698	5,720,550
Noncurrent assets:				
Cash, cash equivalents and investments - unrestricted	-	429,678	4,052,391	4,482,069
Cash, cash equivalents and investments - restricted	-	643,039	5,599,707	6,242,746
Receivables (net)	-	578,864	641,121	1,219,985
Due from primary government	-	15,000	-	15,000
Loans	77,741	2,628,462	-	2,706,203
Investment in direct financing lease	-	1,887,150	4,894	1,892,044
OPEB assets	-	-	47,555	47,555
Other assets	-	111,123	4,571	115,694
Capital assets:				
Capital assets not being depreciated/amortized	-	1,753,464	949,473	2,702,937
Capital assets being depreciated/amortized	494	1,032,427	14,236,447	15,269,368
less accumulated depreciation/amortization	(214)	(483,313)	(6,685,567)	(7,169,094)
Total capital assets, net of depreciation/amortization	280	2,302,578	8,500,353	10,803,211
Total noncurrent assets	78,021	8,595,894	18,850,592	27,524,507
Total assets	204,249	11,548,518	21,492,290	33,245,057
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	-	110,258	903	111,161
Debt refunding loss	-	38,735	38,963	77,698
Related to pensions	1,312	3,473	55,256	60,041
Swap termination	-	60,459	133	60,592
Related to OPEB	-	-	99,897	99,897
Asset retirement obligations	-	-	2,500	2,500
Total deferred outflows of resources	1,312	212,925	197,652	411,889
Liabilities				
Current liabilities:				
Accounts payable	9,269	49,431	544,019	602,719
Interest payable	-	71,572	40,132	111,704
Due to primary government	-	15,384	-	15,384
Unearned revenue	2,480	141,246	259,618	403,344
Securities lending collateral	-	-	98,251	98,251
Accrued liability for compensated absences	508	215	97,938	98,661
Other liabilities	333	36,647	27,465	64,445
Current portion of long-term liabilities	-	670,229	406,021	1,076,250
Total current liabilities	12,590	984,724	1,473,444	2,470,758

State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2019
(amounts expressed in thousands)

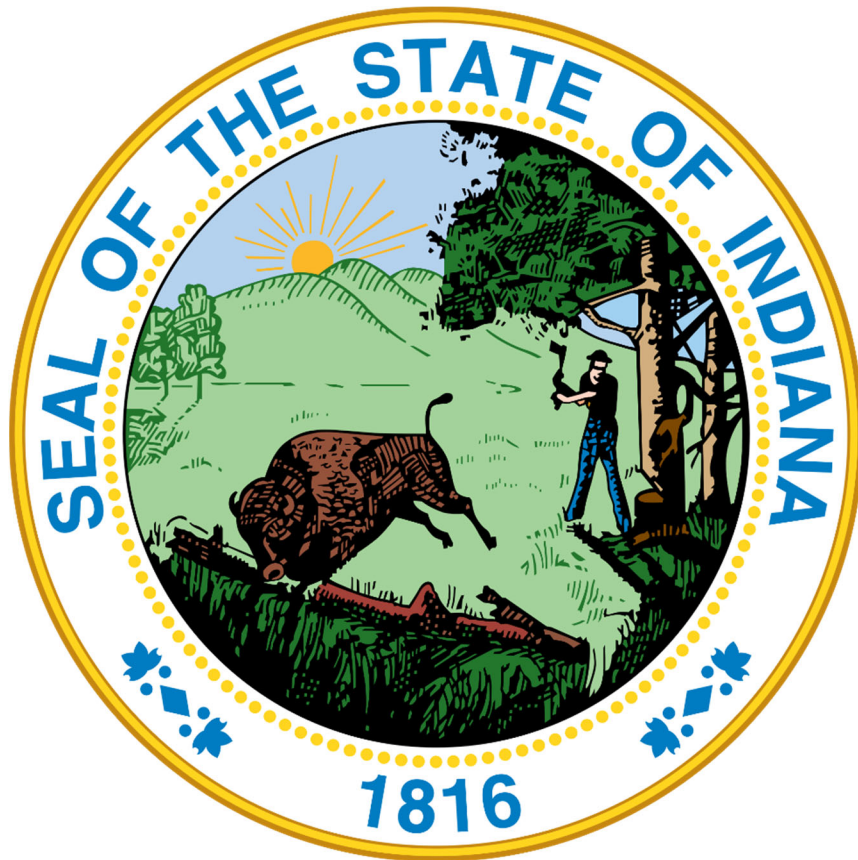
	Governmental	Proprietary	Colleges and Universities	Total
Noncurrent liabilities:				
Accrued liability for compensated absences	-	75	84,690	84,765
Accrued prize liabilities	-	84,263	-	84,263
Net pension and OPEB liabilities	4,006	16,164	594,655	614,825
Unearned revenue	-	11,231	63,362	74,593
Funds held in trust for others	-	-	275,996	275,996
Advances from federal government	-	-	23,538	23,538
Revenue bonds/notes payable	-	5,773,175	3,149,518	8,922,693
Derivative instrument liability	-	110,258	903	111,161
Other noncurrent liabilities	-	46,469	99,827	146,296
Total noncurrent liabilities	4,006	6,041,635	4,292,489	10,338,130
Total liabilities	16,596	7,026,359	5,765,933	12,808,888
Deferred Inflows of Resources				
Advanced payment for service concession agreement	-	4,054,395	1,737	4,056,132
Service concession arrangement receipts	-	273,645	-	273,645
Related to pensions	661	3,116	50,671	54,448
Related to OPEB	-	-	54,436	54,436
Related to irrevocable split interest agreements	-	119	18,415	18,534
Total deferred inflows of resources	661	4,331,275	125,259	4,457,195
Net Position				
Net investment in capital assets	280	995,279	5,370,463	6,366,022
Restricted - nonexpendable:				
Grants/constitutional restrictions	-	-	2,942	2,942
Permanent funds	-	782	58,984	59,766
Instruction and research	-	-	1,157,313	1,157,313
Student aid	-	-	1,225,596	1,225,596
Other purposes	-	-	541,375	541,375
Restricted - expendable:				
Grants/constitutional restrictions	180,592	2,240,868	30,289	2,451,749
Future debt service	-	268,758	27,357	296,115
Instruction and research	-	-	788,001	788,001
Student aid	-	2	793,231	793,233
Endowments	-	1,086	564,718	565,804
Capital projects	-	10,016	480,321	490,337
Other purposes	-	4	581,900	581,904
Unrestricted	7,432	(3,112,986)	4,176,260	1,070,706
Total net position	\$ 188,304	\$ 403,809	\$ 15,798,750	\$ 16,390,863

The notes to the financial statements are an integral part of this statement.

**State of Indiana
Combining Statement of Activities
Discretely Presented Component Units
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Proprietary	Colleges and Universities	Net (Expense) Revenue
Governmental	\$ 83,783	\$ -	\$ 9,223	\$ -	\$ (74,560)	\$ -	\$ -	\$ (74,560)
Proprietary	2,659,707	1,774,311	454,820	60,479	-	(370,097)	-	(370,097)
Colleges and universities	7,873,913	3,753,431	2,050,439	121,392	-	-	(1,948,651)	(1,948,651)
Total component units	\$ 10,617,403	\$ 5,527,742	\$ 2,514,482	\$ 181,871	(74,560)	(370,097)	(1,948,651)	(2,393,308)
General Revenues:								
		Gaming tax			2,245			2,245
		Total taxes			2,245			2,245
		Revenue not restricted to specific programs:						
		Investment earnings			450	50,291	578,467	629,208
		Payments from State of Indiana			68,140	33,462	1,654,898	1,756,500
		Other			-	1,831	412,592	414,423
		Total general revenues			70,835	85,584	2,645,957	2,802,376
		Change in net position			(3,725)	(284,513)	697,306	409,068
		Net position - beginning, as restated			192,029	688,322	15,101,444	15,981,795
		Net position - ending			\$ 188,304	\$ 403,809	\$ 15,798,750	\$ 16,390,863

The notes to the financial statements are an integral part of this statement.



State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units -
Proprietary Funds
June 30, 2019
(amounts expressed in thousands)

	Indiana Finance Authority	State Lottery Commission	Non-Major	IFA & ISCBA/IMC Elimination	Total Component Units
Assets					
Current assets:					
Cash, cash equivalents and investments - unrestricted	\$ 117,955	\$ 61,173	\$ 387,636	\$ -	\$ 566,764
Cash, cash equivalents and investments - restricted	829,846	-	273,042	-	1,102,888
Receivables (net)	663,379	124,646	247,172	(15,536)	1,019,661
Due from primary government	-	-	5,000	-	5,000
Inventory	-	-	171	-	171
Prepaid expenses	2,646	1,558	869	-	5,073
Loans	157,263	-	24,357	(11,075)	170,545
Investment in direct financing lease	70,421	-	14,690	(3,615)	81,496
Other assets	-	-	1,026	-	1,026
Total current assets	1,841,510	187,377	953,963	(30,226)	2,952,624
Noncurrent assets:					
Cash, cash equivalents and investments - unrestricted	-	94,547	335,131	-	429,678
Cash, cash equivalents and investments - restricted	105,493	9,594	527,952	-	643,039
Receivables (net)	-	-	578,864	-	578,864
Due from primary government	-	-	15,000	-	15,000
Loans	3,404,722	-	178,524	(954,784)	2,628,462
Investment in direct financing lease	957,516	-	1,008,154	(78,520)	1,887,150
Other assets	99,773	11,231	119	-	111,123
Capital assets:					
Capital assets not being depreciated/amortized	1,614,350	-	139,114	-	1,753,464
Capital assets being depreciated/amortized	668,991	3,138	360,298	-	1,032,427
less accumulated depreciation/amortization	(278,600)	(2,631)	(202,082)	-	(483,313)
Total capital assets, net of depreciation/amortization	2,004,741	507	297,330	-	2,302,578
Total noncurrent assets	6,572,245	115,879	2,941,074	(1,033,304)	8,595,894
Total assets	8,413,755	303,256	3,895,037	(1,063,530)	11,548,518
Deferred Outflows of Resources					
Accumulated decrease in fair value of hedging derivatives	107,033	-	110,258	(107,033)	110,258
Debt refunding loss	30,353	-	9,171	(789)	38,735
Related to pensions	393	417	2,663	-	3,473
Swap termination	60,459	-	60,459	(60,459)	60,459
Total deferred outflows of resources	198,238	417	182,551	(168,281)	212,925
Liabilities					
Current liabilities:					
Accounts payable	9,883	24,392	15,156	-	49,431
Interest payable	57,063	-	30,045	(15,536)	71,572
Due to primary government	-	15,384	-	-	15,384
Unearned revenue	79,971	1,999	59,276	-	141,246
Accrued liability for compensated absences	-	-	215	-	215
Other liabilities	2,138	459	34,050	-	36,647
Current portion of long-term liabilities	260,570	149,145	275,204	(14,690)	670,229
Total current liabilities	409,625	191,379	413,946	(30,226)	984,724

State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units -
Proprietary Funds

June 30, 2019

(amounts expressed in thousands)

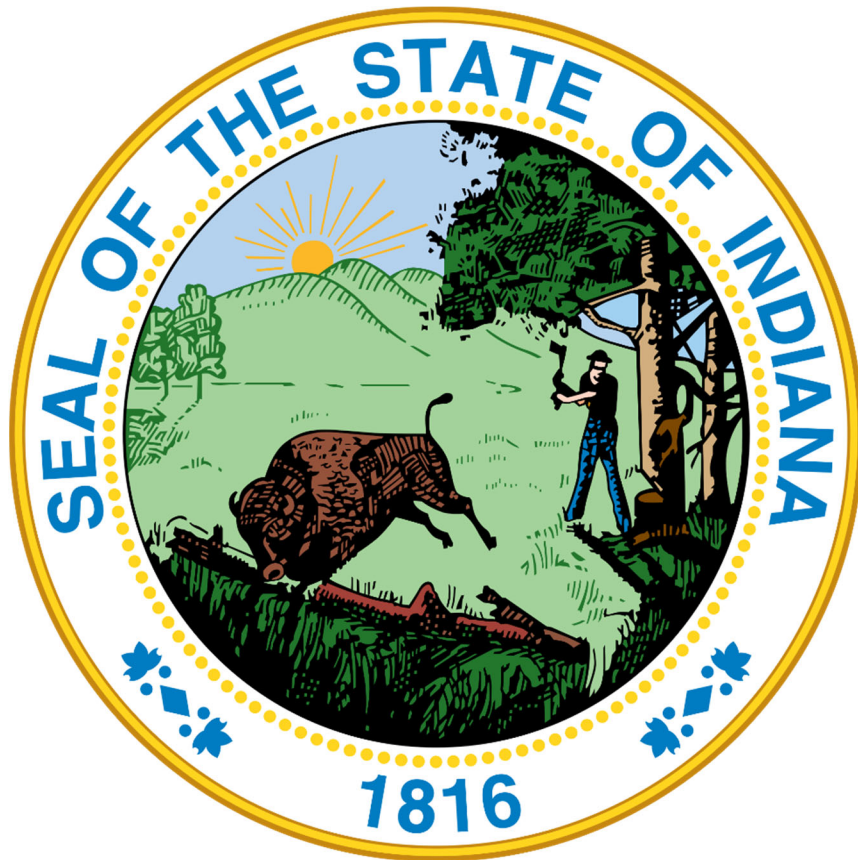
	Indiana Finance Authority	State Lottery Commission	Non-Major	IFA & ISCBA/IMC Elimination	Total Component Units
Noncurrent liabilities:					
Accrued liability for compensated absences	-	-	75	-	75
Accrued prize liabilities	-	84,263	-	-	84,263
Net pension and OPEB liabilities	1,659	2,139	12,366	-	16,164
Unearned revenue	-	11,231	-	-	11,231
Revenue bonds/notes payable	4,653,165	-	2,214,562	(1,094,552)	5,773,175
Derivative instrument liability	107,033	-	110,258	(107,033)	110,258
Other noncurrent liabilities	-	-	46,469	-	46,469
Total noncurrent liabilities	4,761,857	97,633	2,383,730	(1,201,585)	6,041,635
Total liabilities	5,171,482	289,012	2,797,676	(1,231,811)	7,026,359
Deferred Inflows of Resources					
Advanced payment for service concession agreement	4,050,741	-	3,654	-	4,054,395
Service concession arrangement receipts	273,645	-	-	-	273,645
Related to pensions	279	376	2,461	-	3,116
Related to irrevocable split interest agreements	-	-	119	-	119
Total deferred inflows of resources	4,324,665	376	6,234	-	4,331,275
NET POSITION					
Net investment in capital assets	745,350	506	249,423	-	995,279
Restricted - nonexpendable:					
Permanent funds	-	-	782	-	782
Restricted - expendable:					
Grants/constitutional restrictions	2,051,968	-	188,900	-	2,240,868
Future debt service	197,441	-	71,317	-	268,758
Student aid	-	-	2	-	2
Endowments	-	-	1,086	-	1,086
Capital projects	-	-	10,016	-	10,016
Other purposes	-	-	4	-	4
Unrestricted	(3,878,913)	13,779	752,148	-	(3,112,986)
Total net position	\$ (884,154)	\$ 14,285	\$ 1,273,678	\$ -	\$ 403,809

The notes to the financial statements are an integral part of this statement.

State of Indiana
Combining Statement of Activities
Discretely Presented Component Units -
Proprietary Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

	Program Revenues			Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Indiana Finance Authority	State Lottery Commission	Non-Major	IFA & ISCBA Interfund Eliminations	Net (Expense) Revenue
Indiana Finance Authority (IFA)	\$ 767,589	\$ 359,495	\$ -	\$ 59,597	\$ (348,497)	\$ -	\$ -	\$ -	\$ (348,497)
State Lottery Commission	1,350,453	1,347,757	-	-	-	(2,696)	-	-	(2,696)
Non-Major Proprietary	596,916	118,163	458,967	882	-	-	(18,904)	-	(18,904)
IFA & ISCBA/IMC Interfund Eliminations	(55,251)	(51,104)	(4,147)	-	-	-	-	-	-
Total component units	\$ 2,659,707	\$ 1,774,311	\$ 454,820	\$ 60,479	(348,497)	(2,696)	(18,904)	-	(370,097)
General revenues:									
Investment earnings					26,479	5,590	18,222	-	50,291
Payments from State of Indiana					-	-	33,462	-	33,462
Other					-	1,609	222	-	1,831
Total general revenues					26,479	7,199	51,906	-	85,584
Change in net position					(322,018)	4,503	33,002	-	(284,513)
Net position - beginning, as restated					(562,136)	9,782	1,240,676	-	688,322
Net position - ending					(884,154)	14,285	1,273,678	-	403,809

The notes to the financial statements are an integral part of this statement.



State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units -
Colleges and Universities
June 30, 2019
(amounts expressed in thousands)

	Indiana University	Purdue University	Non-Major Colleges and Universities	Totals
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ 75,818	\$ 445,327	\$ 512,128	\$ 1,033,273
Cash, cash equivalents and investments - restricted	304,911	200,276	152,117	657,304
Securities lending collateral	98,251	-	-	98,251
Receivables (net)	253,671	202,668	129,334	585,673
Due from primary government	157	-	2,587	2,744
Inventory	9,621	-	4,315	13,936
Prepaid expenses	-	2	9,417	9,419
Investment in direct financing lease	-	-	131	131
Other assets	55,729	75,953	109,285	240,967
Total current assets	798,158	924,226	919,314	2,641,698
Noncurrent assets:				
Cash, cash equivalents and investments - unrestricted	1,617,306	1,411,782	1,023,303	4,052,391
Cash, cash equivalents and investments - restricted	2,528,295	2,635,550	435,862	5,599,707
Receivables (net)	281,774	327,569	31,778	641,121
Investment in direct financing lease	-	-	4,894	4,894
OPEB assets	-	-	47,555	47,555
Other assets	-	2	4,569	4,571
Capital assets:				
Capital assets not being depreciated/amortized	353,089	202,955	393,429	949,473
Capital assets being depreciated/amortized	5,651,782	4,879,015	3,705,650	14,236,447
less accumulated depreciation/amortization	(2,591,557)	(2,494,332)	(1,599,678)	(6,685,567)
Total capital assets, net of depreciation/amortization	3,413,314	2,587,638	2,499,401	8,500,353
Total noncurrent assets	7,840,689	6,962,541	4,047,362	18,850,592
Total assets	8,638,847	7,886,767	4,966,676	21,492,290
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	-	-	903	903
Debt refunding loss	16,270	22,069	624	38,963
Related to pensions	18,411	15,342	21,503	55,256
Deferred swap termination	-	-	133	133
Related to OPEB	53,655	2,283	43,959	99,897
Related to asset retirement obligations	-	2,500	-	2,500
Total deferred outflows of resources	88,336	42,194	67,122	197,652
Liabilities				
Current liabilities:				
Accounts payable	227,282	186,795	129,942	544,019
Interest payable	7,965	20,507	11,660	40,132
Unearned revenue	94,460	139,484	25,674	259,618
Securities lending collateral	98,251	-	-	98,251
Accrued liability for compensated absences	48,464	30,084	19,390	97,938
Other liabilities	-	1,892	25,573	27,465
Current portion of long-term liabilities	130,486	186,361	89,174	406,021
Total current liabilities	606,908	565,123	301,413	1,473,444
Noncurrent liabilities:				
Accrued liability for compensated absences	30,195	41,584	12,911	84,690
Net pension and OPEB liabilities	323,205	102,138	169,312	594,655
Unearned revenue	47,156	16,206	-	63,362
Funds held in trust for others	116,346	96,974	62,676	275,996
Advances from federal government	-	15,211	8,327	23,538
Revenue bonds/notes payable	929,958	1,047,770	1,171,790	3,149,518
Derivative instrument liability	-	-	903	903
Other noncurrent liabilities	44,811	22,608	32,408	99,827
Total noncurrent liabilities	1,491,671	1,342,491	1,458,327	4,292,489
Total liabilities	2,098,579	1,907,614	1,759,740	5,765,933

State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units -
Colleges and Universities
June 30, 2019

(amounts expressed in thousands)

	Indiana University	Purdue University	Non-Major Colleges and Universities	Totals
Deferred Inflows of Resources				
Advanced payment for service concession agreement	-	-	1,737	1,737
Related to pensions	14,708	12,158	23,805	50,671
Related to OPEB	12,478	2,044	39,914	54,436
Related to Irrevocable Split-Interest Agreements	-	18,415	-	18,415
Total deferred inflows of resources	27,186	32,617	65,456	125,259
Net Position				
Net investment in capital assets	2,391,112	1,610,376	1,368,975	5,370,463
Restricted - nonexpendable:				
Grants/constitutional restrictions	-	-	2,942	2,942
Permanent funds	58,984	-	-	58,984
Instruction and research	668,022	468,358	20,933	1,157,313
Student aid	620,421	428,809	176,366	1,225,596
Other purposes	368,831	45,161	127,383	541,375
Restricted - expendable:				
Grants/constitutional restrictions	-	-	30,289	30,289
Future debt service	16,972	-	10,385	27,357
Instruction and research	316,380	437,627	33,994	788,001
Student aid	202,284	482,271	108,676	793,231
Endowments	-	547,107	17,611	564,718
Capital projects	213,751	68,702	197,868	480,321
Other purposes	443,494	84,543	53,863	581,900
Unrestricted	1,301,167	1,815,776	1,059,317	4,176,260
Total net position	\$ 6,601,418	\$ 5,988,730	\$ 3,208,602	\$ 15,798,750

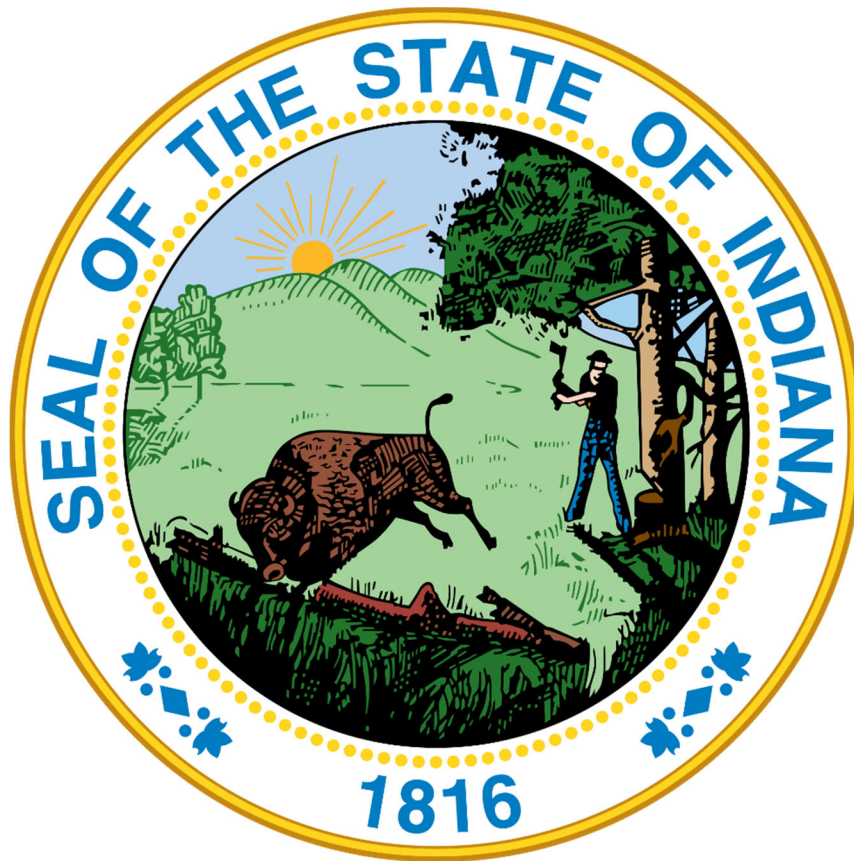
The notes to the financial statements are an integral part of this statement.

**State of Indiana
Combining Statement of Activities
Discretely Presented Component Units -
Colleges and Universities
For the Year Ended June 30, 2019**
(amounts expressed in thousands)

	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Indiana University	Purdue University	Non-Major Colleges and Universities	Net (Expense) Revenue
Indiana University	\$ 3,425,606	\$ 1,606,497	\$ 841,190	\$ 32,289	\$ (945,630)	\$ -	\$ -	\$ (945,630)
Purdue University	2,751,656	1,554,194	733,000	46,879	-	(417,583)	-	(417,583)
Non-Major Colleges and Universities	1,696,651	592,740	476,249	42,224	-	-	(585,438)	(585,438)
Total component units	<u>\$ 7,873,913</u>	<u>\$ 3,753,431</u>	<u>\$ 2,050,439</u>	<u>\$ 121,392</u>	<u>(945,630)</u>	<u>(417,583)</u>	<u>(585,438)</u>	<u>(1,948,651)</u>
General revenues:								
Investment earnings					248,234	247,735	82,498	578,467
Payments from State of Indiana					582,403	405,921	666,574	1,654,898
Other					353,372	4,629	54,591	412,592
Total general revenues					<u>1,184,009</u>	<u>658,285</u>	<u>803,663</u>	<u>2,645,957</u>
Change in net position					238,379	240,702	218,225	697,306
Net position - beginning					6,363,039	5,748,028	2,990,377	15,101,444
Net position - ending					<u>\$ 6,601,418</u>	<u>\$ 5,988,730</u>	<u>\$ 3,208,602</u>	<u>\$ 15,798,750</u>

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS



STATE OF INDIANA

Notes to the Financial Statements
June 30, 2019

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STATE OF INDIANA
Notes to the Financial Statements
June 30, 2019
(schedule amounts are expressed in thousands)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

As required by generally accepted accounting principles, these financial statements present the government (State of Indiana) and its component units. Blended component units, although legally separate entities, are in substance part of the government's operations; data from these units are combined with data of the primary government. Discretely presented component units are reported in one column in the government-wide financial statements. This column contains the governmental fund types, proprietary fund types, and colleges and universities. This is to emphasize that, as well as being legally separate from the government; they also provide services to and benefit local governments and/or the citizens of the State of Indiana. Of the component units, the Indiana Housing and Community Development Authority, Ports of Indiana, Indiana State Fair Commission, Indiana Comprehensive Health Insurance Association, and the Indiana Political Subdivision Risk Management Commission have a December 31, 2018, fiscal year-end.

Blended Component Units

The following component units are reported under the blended method as the primary government appoints a voting majority of the board and is able to impose its will. These units, although legally separate from the State, are reported as part of the State because they provide services entirely or almost entirely to the State.

The Bureau of Motor Vehicle Commission (BMVC) was established per Indiana Code 9-14-9 to develop and update Bureau of Motor Vehicles (BMV) policy, establish standards for the operation and maintenance of license branches, and submit budget proposals for the BMVC, BMV, and license branches. The BMVC has significant interrelated operations with the BMV and license branches. The BMV is responsible for the accurate and timely distribution of the fees and taxes (excise and wheel) collected at the license branches for driver licenses, auto and watercraft registrations, and license plates.

The BMVC consists of four individuals appointed by the governor and the chairperson who is the commissioner of the BMV. No more than three of the members may be of the same political party. The BMVC is reported as a non-major governmental fund

The Indiana Homeland Security Foundation was established per Indiana Code 10-15-2-1 to assist the Indiana Department of Homeland Security (IDHS) in developing projects that benefit public safety in local communities. The foundation administers the Indiana Homeland Security fund which funds these IDHS projects. The foundation has significant interrelated operations with the IDHS. Foundation funds are aligned with the Indiana Strategy for Homeland Security of the IDHS. The Indiana Homeland Security Foundation is reported as a non-major governmental fund.

The Indiana Natural Resources Foundation was established per Indiana Code 14-12-1 to promote, support, assist, sustain and encourage charitable, educational and scientific programs, projects and policies of the Indiana Department of Natural Resources. The Indiana Natural Resources Foundation is reported as a non-major governmental fund.

The Healthy Hoosiers Foundation was established per Indiana Code 16-19-3-30 to support the purposes and programs of the Indiana State Department of Health, which may include programs intended to reduce infant mortality, increase childhood immunizations, reduce obesity, and reduce smoking rates. The Healthy Hoosiers Foundation is reported as a non-major governmental fund.

The Indiana War Memorials Foundation was established per Indiana Code 10-18-1 for the benefit of, to perform the functions of, and to carry out the purposes of the Indiana War Memorials Commission. The Foundation provides cultural and recreational services. The Indiana War Memorials Foundation is reported as a non-major governmental fund.

The Indiana State Library Foundation was established per Indiana Code 4-23-7.1-42 to support the programs of the State Library and libraries in the state. The Indiana State Library Foundation is reported as a non-major governmental fund.

Discretely Presented Component Units

The following are discretely presented component units of the State of Indiana. The component units that are included in the State's reporting entity because the primary government appoints a voting majority of their governing bodies and is able to impose its will on each organization are: Indiana Economic Development Corporation, Indiana Finance Authority, State Lottery Commission of Indiana, Indiana Stadium Convention and Building Authority, Indiana Bond Bank, Indiana Housing and Community Development Authority, Indiana Secondary Market for Education Loans, Inc., White River State Park Development Commission, Ports of Indiana, Indiana Comprehensive Health Insurance Association, Indiana Political Subdivision Risk Management Commission, Indiana State Museum and Historic Sites Corporation, Indiana Motorsports Commission, and each of the seven colleges and universities. The following component units are included in the State's reporting entity because the primary government appoints a voting majority of their governing bodies and is financially accountable for each organization: Indiana Board for Depositories, Indiana State Fair Commission, and the Indiana Public Retirement System.

The Indiana Economic Development Corporation (IEDC) was created per Indiana Code 5-28-3 to improve the quality of life for the citizens of Indiana by encouraging the diversification of Indiana's economy and the orderly economic development and growth of Indiana, the creation of new jobs, the retention of existing jobs, the growth and modernization of existing industry, and the promotion of Indiana. The IEDC leads the state of Indiana's economic development efforts, helping businesses launch, grow, and locate in the state. The IEDC manages many initiatives, including performance-based tax credits, workforce training grants, innovation and entrepreneurship resources, public infrastructure assistance, and talent attraction and retention efforts. The IEDC Board of Directors is composed of 12 members, consisting of the Governor and 11 individuals appointed by the Governor. At least five members of the board must belong to the same political party as the Governor, and at least three members must belong to another major political party, but none may be members of the general assembly. The

IEDC is reported as a non-major discretely presented governmental component unit. The separately issued audited financial statements may be obtained by writing the Indiana Economic Development Corporation, One North Capital Avenue, Suite 700, Indianapolis, IN 46204.

The Indiana Finance Authority (IFA) was created per Indiana Code 5-1.2-3-1 as a body both corporate and politic, and though separate from the State of Indiana (State); the exercise by the IFA of its powers constitutes an essential governmental function. Indiana's constitution restricts State incurrence of debt. As a result, the General Assembly created the IFA and authorized it to issue revenue bonds and other obligations to finance projects for lease to the State

The IFA finances and refines state hospitals, state office buildings, state garages, correctional facilities, recreational facilities, highways, bridges, airport facilities, and other related facilities for the benefit of the State. The IFA also provides low interest loans to Indiana communities for environmental improvements. It also promotes business and employment opportunities by issuing tax-exempt financing for industrial development projects, rural development projects, childcare financing, and educational facility projects.

The IFA's revenue bonds and notes are special and limited obligations of the IFA, payable from lease rental revenue, bond or note proceeds and investment income. The IFA's revenue bonds are not general obligations of the IFA nor are they State debt within the meaning of any constitutional provision or limitation. The IFA cannot compel the General Assembly to make appropriations to pay lease rentals. The authority is composed of five members, consisting of the budget director or their designee, who serves as chairman, the Treasurer of State or their designee, and three members appointed by the governor of which no more than two may be from the same political party. The Authority is reported as a major discretely presented proprietary component unit. IFA's separately issued audited financial statements may be obtained by writing the Indiana Finance Authority, One North Capital Avenue, Suite 900, Indianapolis, IN 46204

The State Lottery Commission of Indiana, created per Indiana Code 4-30-3, is composed of five members appointed by the Governor. Net proceeds from the Lottery are distributed to the State to be used to supplement teachers' retirement, local police and firefighters' pensions, and the Build Indiana Fund. A portion of the Build Indiana Fund

is then used to supplement the Motor Vehicle Excise Tax Replacement Fund. The Commission is reported as a major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the State Lottery Commission of Indiana, 1302 North Meridian Street, Indianapolis, IN 46202

The Indiana Stadium and Convention Building Authority was established per Indiana Code 5-1-17, as an entity of the State to finance, design, construct, and own the new Indiana Stadium in Indianapolis and the expansion of the adjacent Indiana Convention Center. The Building Authority is governed by a seven member board, comprised of four appointments by the Governor, two appointments by the Mayor of the City of Indianapolis and one appointment by the Governor following nomination from one of the counties surrounding Marion County. The Authority is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana Stadium and Convention Building Authority, One North Capitol Avenue, Suite 900, Indianapolis, IN 46204.

The Indiana Bond Bank, created per Indiana Code 5-1.5-2, is controlled by a board composed of the Treasurer of State, Director of Public Finance and five appointees of the Governor. The Bond Bank issues debt obligations and invests the proceeds in various projects of State and local governments. The Bond Bank is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana Bond Bank, 10 West Market Street, Suite 2410, Indianapolis, IN 46204

The Indiana Housing and Community Development Authority was created per Indiana Code 5-20-1-3 for the purpose of financing residential housing for persons and families of low and moderate incomes. The Authority's board consists of the Public Finance Director of the Indiana Finance Authority, the Lieutenant Governor, the State Treasurer and four persons appointed by the Governor. The Lieutenant Governor chairs the board. The Authority is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana Housing and Community Development Authority, 30 South Meridian Street, Suite 1000, Indianapolis, IN 46204.

The Indiana Board for Depositories was established per Indiana Code 5-13-12 to ensure the

safekeeping and prompt payment of all public funds deposited in Indiana banks. The Board, consisting of the Governor, Treasurer of State, Auditor of State, Chairman of the Commission for Financial Institutions, State Examiner of the State Board of Accounts and four members appointed by the Governor, provides insurance on public funds in excess of the Federal Deposit Insurance Corporation limit. The Board is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana Board for Depositories, One North Capitol Avenue, Suite 900, Indianapolis, IN 46204 or at www.in.gov/tos/deposit/2374.htm.

The Indiana Secondary Market for Education Loans, Inc. (ISM), d/b/a INvestEd, was created per Indiana Code 21-16-5 to purchase education loans in the secondary market, lend money for the origination of education loans, and originate loans to consolidate education debt. The Governor appointed the original Board of Directors. ISM provides in its articles of incorporation that changes in the composition of its directors or in its bylaws are subject to the approval of the Governor. ISM is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana Secondary Market for Education Loans, Inc., d/b/a INvestEd, 11595 North Meridian Street, Suite 200, Carmel, IN 46032

The White River State Park Development Commission created per Indiana Code 14-13-1-5 has the responsibility to design and implement a plan for the establishment and development of park, exposition, educational, athletic, and recreational projects to be located within one mile from the banks of the Indiana White River in a consolidated first-class city and county, and is authorized to acquire additional land and property. The Commission has 10 voting members which consist of the director or their designee, the executive of the city of Indianapolis or their designee, the president of Indiana University or their designee, and seven members appointed by the governor. The Commission is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana White River State Park Development Commission, 801 West Washington Street, Indianapolis, IN 46204

The Ports of Indiana is a body both corporate and politic created per Indiana Code 8-10-1-3 to construct, maintain, and operate public ports with terminal facilities and traffic exchange points for all

forms of transportation on Lake Michigan and the Ohio and Wabash Rivers. The Ports of Indiana Commission consists of seven members appointed by the governor. The Commission is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Ports of Indiana, 150 West Market Street, Suite 100, Indianapolis, IN 46204.

The State Fair Commission was established per Indiana Code 15-13-2 as the trustee for and on behalf of the people of the State of Indiana to administer the State Fairgrounds as trust property of the State of Indiana. The Commission is responsible for holding the annual Indiana State Fair in August, as well as providing accessible, cost-effective, secure, and modern facilities for the variety of events held at the Fairgrounds and other properties it owns. The Commission consists of eight members; five of which are appointed by the governor, and three are ex officio members. The Commission is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana State Fair Commission, 1202 East 38th Street, Indianapolis, IN 46205.

The Indiana Comprehensive Health Insurance Association was created per Indiana Code 27-8-10-2.1 to assure that health insurance is made available throughout the year to each eligible Indiana resident applying to the Association for coverage. The board of directors of the Association consists of nine members whose principal residence is in Indiana. Four members are appointed by the insurance commissioner from the members of the Association, one of which must be a representative of a health maintenance organization. Two members are appointed by the commissioner and shall be consumers representing policyholders. Other members are the state budget director or designee and the commissioner of the department of insurance or designee. One member appointed by the commissioner must be a representative of health care providers. The Association is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana Comprehensive Health Insurance Association, 9465 Counselors Row, Suite 200, Indianapolis, IN 46240

The Indiana Political Subdivision Risk Management Commission was created per Indiana Code 27-1-29 to administer the Political Subdivision Risk Management Fund (Basic fund) and the Political

Subdivision Catastrophic Liability Fund (Catastrophic fund). These funds aid political subdivisions in protecting themselves against liabilities. The Commission consists of eleven members appointed by the governor. The Commission is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana Political Subdivision Risk Management Commission, c/o Indiana Department of Insurance, 311 West Washington Street, Suite 300, Indianapolis, IN 46204.

The Indiana State Museum and Historic Sites Corporation was created per Indiana Code 4-37 and is responsible for operating and administering the Indiana State Museum and eleven Historic Sites across the State. The eleven Historic Sites include Angel Mounds, Corydon Capitol, Culbertson Mansion, J.F.D. Lanier Mansion, Levi Coffin, Limberlost, New Harmony, T.C. Steele, Gene Stratton-Porter, Vincennes, and the Whitewater Canal. The Corporation is governed by a thirty member board of trustees of which twenty-five are voting members and five are non-voting members. Of the twenty-five voting members, thirteen persons are appointed by the governor and twelve are appointed by the board. The five non-voting members include the chief executive officer, the governor or governor's designee, one member of the House of Representatives, one member of the Senate, and the director of the Department of Natural Resources or the director's designee. The Corporation is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana State Museum and Historic Sites Corporation, 650 West Washington Street, Indianapolis, IN 46204.

The Indiana Motorsports Commission was established per Indiana Code 5-1-17.5-15 as a separate body corporate and politic, as an instrumentality of the state, to finance and lease real and personal property improvements for the benefit of an owner of a qualified motorsports facility within a motorsports investment district. The commission is governed by a board of directors composed of five directors of which one is the budget director, or the budget director's designee, and four directors appointed by the governor. The commission is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana Motorsports Commission, One North Capital Avenue, Suite 900, Indianapolis, IN 46204.

Each of the seven colleges and universities included in this report was established by individual legislation to provide higher education opportunities to the citizens of Indiana. The authority to administer the operations of each institution is granted to a separate board of trustees for each of the seven institutions. The number and makeup of the board of trustees of each college and university is prescribed by legislation specific for that institution. Four universities have nine member boards; two have ten member boards; and Ivy Tech Community College has a fourteen-member board of trustees. Appointments to the boards of trustees are made by the Governor and by election of the alumni of the respective universities. Indiana University and Purdue University are reported as a major discretely presented component unit. The separately issued audited financial statements for the colleges and universities may be obtained by writing to: Indiana University, Poplars Room 500, 400 E. 7th St., Bloomington, IN 47405-3001; Purdue University, Kurz Purdue Technology Center, 1281 Win Hentschel Blvd., Ste. 1100, West Lafayette, IN 47906-4182; Ball State University, Administration Bldg., 301, 2000 West University Avenue, Muncie, IN 47306; Indiana State University, Office of the Controller, 200 N. 7th Street, Terre Haute, IN 47809; Ivy Tech Community College, Attn: Chief Accounting Operations Officer, 50 West Fall Creek Parkway, North Drive, Indianapolis, IN 46208-5752; University of Southern Indiana, 8600 University Boulevard, Evansville, IN 47712; and Vincennes University, 1002 North 1st Street, Vincennes, IN 47591.

Fiduciary in Nature Component Unit

The Indiana Public Retirement System (INPRS) was established per Indiana Code 5-10.5-2-1 as an independent body corporate and politic. INPRS is not a department or agency for the State, but is an independent instrumentality exercising essential government functions. The INPRS board is composed of nine trustees appointed by the Governor which includes the director of the budget agency or the director's designee as an ex officio voting member of the board. The board of trustees administers the following plans: Public Employees' Retirement Fund, Teachers' Retirement Fund, Judges' Retirement System, State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan, the 1977 Police Officers' and Firefighters' Pension and Disability Fund, the Legislators' Retirement System Defined Benefit Plan, the

Legislators' Retirement System Defined Contribution Plan, the Prosecuting Attorneys' Retirement Fund, the Pension Relief Fund, and one death benefit fund. For more information on the plans see Note V(E) Employee Retirement Systems and Plans. All of these funds have been aggregated for presentation from INPRS' financial statements. INPRS is included as a component unit because the primary government appoints a voting majority of its governing body and has financial accountability. The Indiana Public Retirement System was determined to be significant for note disclosure purposes involving the fiduciary in nature component units. The separately issued audited financial statements may be obtained by writing the Indiana Public Retirement System, One North Capitol Avenue, Suite 001, Indianapolis, IN 46204.

Related Organizations

The primary government appoints a voting majority of the board of the Indiana Education Savings Authority (IESA) created per Indiana Code 21-9. The IESA serves as the governing board of Indiana's tax-advantaged CollegeChoice 529 Savings Plans which are CollegeChoice Direct, CollegeChoice Advisor, and CollegeChoice CD. The primary government's accountability for IESA does not extend beyond making the appointments to the board. The primary government is not able to impose its will on IESA nor is it financially accountable for IESA. The State had no related party transactions with IESA during fiscal year 2019.

The primary government appoints a voting majority of the board of the Achieving a Better Life Experience (ABLE) Authority created per Indiana Code 12-11-14-09. The authority serves as the governing board of Indiana's tax-advantaged ABLE Savings Plan, INvestABLE Indiana. The primary government's accountability for ABLE does not extend beyond making the appointments to the board. The primary government is not able to impose its will on ABLE nor is it financially accountable for IESA. ABLE expended \$246.1 thousand of state appropriations for operating expenses during fiscal year 2019.

The primary government's officials are also responsible for appointing the members of the boards of other organizations, but the primary government's accountability for these organizations does not extend beyond making the appointment.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information about the overall government. They exclude information about fiduciary activities, including component units, which are fiduciary in nature, such as the public employee retirement systems. They distinguish between the primary government and its discretely presented component units as disclosed in Note 1.A. They also distinguish between governmental activities and business-type activities of the State. Governmental activities rely on taxes and intergovernmental revenues for their support. Business-type activities, on the other hand, rely on fees and charges for services provided for their support.

The statement of activities matches the State's direct functional expense with the functional program revenue to identify the relative financial burden of each of the State's functions. This format identifies the extent to which each function of the government draws from the general revenues of the government or is self-financing through fees and intergovernmental aid. Certain indirect costs are included in the program expense reported for individual functions of government. Program revenues derive directly from the program itself or from parties outside the State's taxpayers, as a whole. They reduce the net cost of the function to be financed from the general revenues. Program revenues include charges for services, program-specific operating grants and contributions, and program-specific capital grants and contributions. Revenues that do not meet the criteria of program revenues are general revenues. These include all taxes; even those levied for a specific purpose and are reported by type of tax. Investment income is considered general revenue in the general fund.

Separate financial statements are presented for the State's governmental, proprietary and fiduciary funds. Governmental fund financial statements are the balance sheet and the statement of revenues, expenditures, and changes in fund balances. Major governmental funds are presented in separate columns and non-major funds are aggregated in a separate column. Proprietary and fiduciary funds are reported using the statement of net position and the statement of changes in net position. In addition proprietary funds include a statement of cash flows.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement Focus and Basis of Accounting

The government-wide statements and the proprietary and fiduciary fund statements use the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities, and deferrals resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Government-mandated nonexchange revenues and voluntary nonexchange revenues, including federal government mandates on the State, certain grants and entitlements, and most donations, are recognized in the period when all applicable eligibility requirements have been met.

Governmental funds are used to account for the government's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For the State of Indiana, "available" means collectible within one month of the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences and related liabilities, and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Individual and corporate income tax, sales tax, cigarette tax, alcoholic beverage tax, motor fuel tax, fines, and penalties are accrued using one month's revenues.

Gaming taxes are accrued based on the gaming day. Vehicle licenses are received daily via electronic funds transfer with a one to three working day delay, so revenues for the first several working days in July are reviewed for materiality and accrued accordingly.

Financial Statement Presentation

A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in

demonstrating compliance with finance-related legal and contractual provisions.

Governmental funds are used to account for the government's general government activities. Governmental funds include the general fund, special revenue funds, capital projects funds, debt service funds and permanent funds.

The *General Fund* is the State's primary operating fund. It is maintained to account for resources obtained and used for those services traditionally provided by State government, which are not required to be accounted for in another fund. The General Fund is a major fund.

The *special revenue* funds account for specific revenue sources that are legally restricted or committed to expenditure for specific purposes except for major capital projects.

The following special revenue funds are presented as major.

- The *Public Welfare-Medicaid Assistance Fund* receives federal grants and State appropriations which are used to administer the Medicaid program. Federal grant revenues, hospital assessment fees, quality assessment fees, Intermediate Care Facility for Individuals with Disabilities fees, and other resources disclosed under interfund transfers in Note IV (B) are reported in this fund.
- The *U.S. Department of Health and Human Services Fund* receives federal grants that are used to carry out health and human services programs. Federal grant revenues, vital record fees, child support annual fees, and other resources disclosed under interfund transfers in Note IV(B) are reported in this fund.

The *capital projects funds* account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or fiduciary funds. There are no major capital project funds.

The *permanent funds* are used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for the benefit of the government or its citizens. There are no major permanent funds.

Proprietary funds focus on the determination of operating income, changes in net position, financial position and cash flows. Operating revenues and expenses are the revenues and expenses that pertain to the fund's principal operations. Nonoperating revenues and expenses are those revenues and expenses resulting from secondary or auxiliary activities of the fund. Nonoperating items include investment revenue and expense. Proprietary funds include both enterprise funds and internal service funds.

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where it has been decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The State reports the following major enterprise fund:

- The *Unemployment Compensation Fund* collects employer taxes and the federal share of unemployment compensation. Benefits are paid to eligible individuals.

Internal service funds account for operations that provide goods and services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The goods and services provided include fleet management, information technology and communication, aviation, printing, products of correctional industries, self-insurance, and centralized accounting. Major fund reporting requirements do not apply to internal service funds. Combined totals for all internal service funds are reported as a separate column on the face of the proprietary fund financial statements.

Fiduciary funds account for assets held by or on behalf of the government in a trustee capacity or as an agent on behalf of others. They cannot be used to support the State's own programs. Fiduciary funds include pension (and other employee benefit) trust funds, private-purpose trust funds, investment trust funds, and agency funds.

Pension (and other employee benefit) trust funds are used to report resources held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution pension plans, and other postemployment benefit plans. Pension and other employee benefits trust funds include the Indiana Public Retirement System, State Police Pension Fund, State Employee Retiree Health Benefit Trust Fund – DB, and the State Employee Retiree Health Benefit Trust Fund – DC.

Private-purpose trust funds are used to account for trust arrangements in which both the principal and interest may be spent for the benefit of individuals, private organizations or other governments. Private Purpose funds include the Abandoned Property Fund and the Private Purpose Trust Fund.

Investment trust funds are used to report the external portion of investment pools operated by a sponsoring government. The Treasurer of State, local units of government, and quasi-governmental units in Indiana have the opportunity to invest in a common pool of investments that preserves the principal of the public's funds, remains highly-liquid, and maximizes the return on the investment of public funds. The State's investment trust fund is TrustIndiana operated by the state treasurer. The amounts reported represent the external portion of the pool.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the government holds for others in an agency capacity. Agency Funds include Employee Payroll Withholding and Benefits, Local Distributions, Child Support and Department of Insurance.

D. Eliminating Internal Activity

Interfund activity including those from cash overdrafts in funds, interfund services provided or used, interfund loans and prepaid expenditures of internal service funds are eliminated as internal balances in the government-wide statement of net position. This is to minimize the "grossing-up" effect on assets and liabilities within the governmental and business-type activities columns of the primary government. As a result, interfund loans and interfund services provided and/or used reported in the governmental funds balance sheet has been eliminated in the government-wide statement of net position.

Eliminations were made in the statement of activities to remove the "doubling-up" effect of internal service fund activity. The effect of similar internal events that are, in effect, allocations of overhead expenses from one function to another or within the same function have also been eliminated, so that the allocated expenses are reported only by the function to which they were allocated. The effect of interfund services provided and used between functions has not been eliminated in the statement of activities since to do so would misstate both the expenses of the purchasing function and the program revenues of the selling function.

E. Assets, Liabilities and Equity

1. Deposits, Investments and Securities Lending

For purposes of reporting cash flows, cash and cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity (generally three months or less from the date of acquisition).

Cash balances of most State funds are commingled in general checking accounts and several special purpose banking accounts. The available cash balance not necessary beyond immediate need is pooled and invested. Interest earned from investments purchased with pooled cash is deposited in the general fund, except as otherwise provided by statute.

Investments and secured lending transactions are stated at fair value. Money market investments and participating interest-earning investment contracts that mature within one year of purchase are reported at cost, which approximates fair value. Fair value is determined by quoted market prices which approximates fair value. Investments that do not have an established market are reported at estimated fair value.

Indiana Code 5-13-9 and 5-13-10.5 authorizes the Treasurer to invest in deposit accounts issued or offered by a designated depository; securities backed by the full faith and credit of the United States Treasury; securities issued by any U.S. government agency; AAA money market mutual funds with a portfolio limited to direct obligations of the U.S., obligations of any federal agency, and/or repurchase agreements fully collateralized with U.S. government obligations or U.S. agency obligations; highest rated commercial paper, highest rated supranational issues, and repurchase agreements that are fully collateralized, as determined by the current market value computed on the day the agreement is effective, by interest-bearing obligations that are issued, fully insured or guaranteed by the United States or any U.S. government agency.

The Treasurer of State is authorized by statute to accept as collateral safekeeping receipts for securities from: (1) a duly designated depository or (2) a financial institution located either in or out of Indiana, having physical custody of securities, with a combined capital and surplus of at least \$10 million, according to the last statement of condition filed by the financial institution with its governmental supervisory body. The Treasurer may not deposit

aggregate funds in deposit accounts in any one designated depository in an amount aggregating at any one time more than 50% of the combined capital, surplus and undivided profits of that depository as determined by the last published statement.

The Indiana Public Retirement System (INPRS) Board of Trustees administers fourteen pension trust funds including eight Defined Benefit retirement plans and four Defined Contribution retirement plans, one other employment benefit fund, and one custodial fund. Indiana law requires the Board to establish investment guidelines and limits on all types of investments and take other actions necessary to fulfill its duty as fiduciary for all assets under its control. The INPRS Board of Trustees is required to diversify investments in accordance with the prudent investor standards. At June 30, 2019, cash and investments of the funds were held by banks or trust companies under custodial agreements with INPRS. The INPRS Board of Trustees contracts with investment counsel, trust companies or banks to assist INPRS in its investment program. The Investment Policy Statement adopted by the INPRS Board of Trustees and the asset allocation approved by the Board of Trustees contains target allocations and allowable ranges that are expected to meet target rates of return over a long period of time while minimizing risk. The investments of INPRS are subject to the provisions of IC 5-10.3-5-3(a) and IC 5-10.4-3-10(a). See Note IV(A)(3) for more information.

Investments which are authorized for the State Police Retirement fund include: U.S. Treasury and Agency obligations, State and municipal obligations, domestic corporate bonds/notes, common stock and equity securities, foreign stocks and bonds, mortgage pool investments, and repurchase agreements. The investments of the State Police Retirement fund are subject to the provisions of IC 10-12-2-2. See Note IV(A)(2) for more information.

2. Receivables and Payables

In the government-wide and proprietary fund financial statements, revenues are recognized on the flow of economic resources measurement focus. Material receivables are recognized as follows. Uncollected taxes due in the following periods are subject to accrual:

- Individual income tax – Individual withholding tax is due from employers by the 20th day after the end of the month collected. Estimated payments are due from individuals by the 15th of the month

immediately following each quarter or the calendar year.

- Corporate income tax - Due quarterly on the 20th day of April, June, September, and December with the last payment due on April 15th for a calendar year taxpayer.
- Sales tax – Due by the 20th day after the end of the month collected.
- Fuel tax – Gasoline tax is due the 20th day after the end of the month collected. Special fuel tax, depending on the status of the taxpayer, is due by the 15th day after the end of the month collected or the 15th day after the end of the quarter collected. Motor carrier surtax is due at the end of the month following the end of the quarter.
- Financial institutions tax – same laws as corporate income taxes (see above) for making payments.
- Alcohol and tobacco taxes – Cigarette distributors must purchase tax stamps within 6 days after they accept delivery of the cigarettes. Cigarette tax is due within 30 days of the issuance of the tax stamp. Alcoholic beverage tax is due by the 20th day after the end of the month collected.

In the governmental fund financial statements, revenue is recognized on the flow of current financial resources. Material receivables are subject to accrual for receipts collected in the month of July. The State of Indiana does not collect property tax, which is collected by local units of government.

Unavailable revenue is the liability for the full accrual income taxes receivable net of the allowance for doubtful accounts and the portion of federal grants receivable not available in the current reporting period and is reported under deferred inflows of resources.

3. Interfund Transactions and Balances

The State has the following types of interfund transactions in the governmental fund and proprietary financial statements:

- Interfund services provided and used (reciprocal interfund activity) – Charges for goods or services rendered by one fund to another are treated as revenues of the recipient fund and expenditures/expenses of the disbursing fund.

- Interfund Transfers (non-reciprocal interfund activity) – Legally authorized transfers whereby the two parties do not receive equivalent cash, goods or services are reported as transfers.

The types of assets and liabilities resulting from these transactions are:

- Interfund loans – These are balances arising from the short-term and long-term portion of interfund transactions.
- Interfund services provided/used – These are balances arising in connection with reciprocal interfund activity or reimbursements. Balances relating to discretely presented component units are presented as 'Due from/to component units'.
- Interfund services provided and interfund loans are eliminated in the government-wide statements because they are provided by one governmental activity on behalf of another or by one business-type activity on behalf of another.

4. *Inventories and Prepaid Items*

Inventories for the Inns & Concessions, Institutional Industries and Administrative Services Revolving funds are valued at cost. The costs of governmental fund-type inventories are recorded as expenditures when purchased. The first in/first out (FIFO) method is used for valuation of inventories.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The consumption rather than the purchases method is used for prepaids as expenditures or expenses are recorded for the cost of prepaid items when consumed rather than when purchased.

5. *Restricted Net Position*

Certain net positions are classified as restricted net position because their use is completely restricted by bond indentures, contracts, grantors, contributors, laws or regulations of other governments, or through constitutional provisions or enabling legislation. Net position restricted by enabling legislation for governmental activities totals \$1.1 billion, of which \$0.5 billion is permanent funds principal, \$0.5 billion is for the Economic Stabilization Fund as discussed in Note V (D), and \$0.1 billion is prepaid expenses.

6. *Capital Assets*

Capital outlays are reported as expenditures in the governmental funds and as assets in the government-wide statements to the extent the State's \$20,000 capitalization threshold for external financial reporting is met.

The Indiana Department of Transportation (INDOT) uses the modified approach for reporting its infrastructure. The Department of Natural Resources (DNR) uses the depreciation approach for reporting its infrastructure.

Under the modified approach, the State has determined that the condition level for INDOT infrastructure assets to be maintained is:

- a network average International Roughness Index based on the right wheel path (IRI RWP) of no more than 101 and no more than 12.5% of all pavements in the unacceptable range for Interstates, National Highway System (NHS) Non-Interstate roads, and Non-NHS roads,
- an average sufficiency rating of 87% for interstate bridges,
- an average sufficiency rating of 85% for NHS Non-Interstate bridges, and
- an average sufficiency rating of 83% for Non-NHS bridges.

The Bridge Division, Program Engineering, and Road Inventory Division of INDOT are responsible for determining the appropriate condition level of the infrastructure assets.

No amounts are capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential.

INDOT projects are capitalized based on capitalization and preservation percentages assigned to three hundred eighty-six (386) work types. For example, the cost for constructing a new bridge would likely be 100% capitalized; whereas, the cost for adding travel lanes to a road would likely be assigned a work type code resulting in capitalization at 50% and preservation at 50%.

The State maintains an inventory of these infrastructure assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained. Road pavement condition assessments are

performed annually on all INDOT state routes, including interstates. Condition assessments of all bridges are determined on a bi-annual basis. Sufficiency ratings of all bridges are determined on an annual basis by the Federal Highway Administration based on annual submittal of bridge condition data.

The State makes annual estimates of the amounts that must be expended to preserve and maintain these infrastructure assets at the predetermined condition levels.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation. Capital assets are depreciated in the proprietary and similar trust funds using the straight-line method on both the fund basis and the government-wide basis. Both the government-wide statements and proprietary and similar trust funds use the following estimated useful lives:

Assets	Months
Buildings and other structures including improvements to buildings and other structures	240-480
Computer software	36
Infrastructure (not using modified approach)	240-720
Furniture, machinery and equipment	12-168
Motor pool vehicles	96-168

The State of Indiana maintains several collections of works of art, historical treasures, and similar assets that are not capitalized. While the collections are maintained by different agencies, each collection is:

- Held for public exhibition, education, or research in furtherance of public service, rather than financial gain.
- Protected, kept unencumbered, cared for, and preserved.
- Subject to an organizational policy that either prohibits sale or requires the proceeds from sales of collection items to be used to acquire other items for collections.

The State's major collections are:

- The Commission on Public Records, State Archives Collection consists of historical and legal documents that are generated on: paper or paper substitutes; photographic or chemically based media; magnetic or machine readable media; or any other materials,

regardless of form or characteristics.

- The State Library has two collections, the Manuscript Collection and the Indiana History Collection. These collections include historical documents and works of art, most of it of Indiana origin.

Other collections include the Historical Bureau's Indiana Governors' Portrait Collection, the Department of Administration's Statehouse Collection, and the Indiana Arts Commission's Collection. These collections consist primarily of art objects.

7. Compensated Absences

Full-time employees of the State of Indiana are permitted to accumulate earned but unused vacation and sick pay benefits. Vacation leave accumulates at the rate of one day per month and sick leave at the rate of one day every two months plus an extra day every four months. Bonus vacation days are awarded upon completion of five, ten and twenty years of employment.

Personal leave days are earned at the rate of one day every four months; any personal leave accumulated in excess of three days automatically becomes part of the sick leave balance. Upon separation of service, in good standing, employees will be paid for a maximum of thirty (30) unused vacation leave days. In addition, qualifying retiring employees are paid an additional payment up to a maximum of \$5,000, which is made up of unused vacation leave over 30 days, unused personal leave, and unused sick leave.

The legislative and judicial branches may elect to participate in a leave conversion program which allows their employees to convert a portion of accrued but unused vacation and sick leave into the deferred compensation plan. An employee must have at least 300 hours of vacation or sick leave accrued in order to participate in this plan. There is a sliding scale which determines how many hours are converted from those hours the employee has accrued. The hours converted are deposited into the deferred compensation program's 401(a) plan at 60% of the employee's hourly rate. The legislative branch participated in this program in FY 2019 for their employees and the legislative branch has elected to participate in this program for FY 2020 for their employees.

Matured vacation and personal leave and salary-related payments that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the

governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported as long term liabilities in the government-wide, proprietary, and fiduciary fund financial statements.

8. Long-Term Obligations

Long-term debt and other obligations are reported in the government-wide statements and the proprietary funds statements as liabilities in the applicable governmental activities, business-type activities, or proprietary fund.

9. Fund Balance

In the fund financial statements, fund balances are categorized as nonspendable, restricted, committed, assigned, or unassigned. A brief description of each category is as follows:

Nonspendable – represents amounts that are either not in spendable form, such as prepaid expenditures, and activity that is legally or contractually required to be maintained intact, such as a principal balance in a permanent fund.

Restricted – represents amounts restricted to specific purposes because of constraints placed on their use that are either externally imposed such as by grantors or imposed by law through constitutional provisions or enabling legislation.

Committed – represents amounts that can only be used for a specific purpose pursuant to constraints imposed by the government's highest level of decision making authority. The State of Indiana's highest level of decision making authority is the General Assembly. The formal action necessary would be the enactment of a State law that specifically establishes, modifies, or rescinds a fund balance commitment.

Assigned – represents amounts that are constrained by the government's intent to be used for specific purposes as expressed by the governing body itself or the official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The State Budget Agency has the authority per the biennial budget bill to make assignments of fund balances for specific purposes except for those restricted by law. The State Board of Finance comprised of the Governor, Auditor of State and Treasurer of State is empowered to make assignments of funds except for trust funds per I.C. 4-9.1-1-7.

Unassigned – represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Only the general fund may report a positive unassigned fund balance; whereas, other governmental funds may need to report a negative unassigned fund balance if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

Funds on the State's accounting system are assigned one of the five fund balance classifications. If a fund has resources that are both restricted and unrestricted, then expenditures are applied first to restricted fund balance and then unrestricted amounts. A fund's unrestricted fund balance would have committed amounts reduced first, assigned amounts second, and unassigned amounts third when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The allowance for doubtful accounts for taxes receivable, the estimate of claims payable for the Medicaid fund, the estimate of additions for the Local Distributions fund, and the estimated useful lives of capital assets are among the most sensitive accounting estimates affecting the financial statements.

The additions for the Local Distributions fund, an agency fund, are estimated using the most recent actual known local option income tax collections which are for the calendar year two years prior to the current fiscal year. Adjustments to the estimate are made for units of local government that have changed their local income tax rates during the following two calendar years, for actual collections during the six months prior to the end of the current fiscal year, and for interest earned. The economy, any rate changes that are made in the current calendar year after preparation of the financial statements, and any unknown errors can impact the

estimation process and cause actual results to differ.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

As described in Note I, Summary of Significant Accounting Policies, differences exist between the government-wide and the governmental fund financial statements. These differences are summarized in the reconciliations that follow the governmental fund financial statements.

A. Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

In the government-wide financial statements, capital assets are considered economic resources and are capitalized at cost or estimated historical cost at time of acquisition. Where applicable these costs are offset by accumulated depreciation or amortization.

The government-wide statements use the flow of economic resources and accrue receivables that are not available soon enough in the subsequent period to pay for the current period's expenditures. Also under the flow of economic resources, expenses reported in the statement of activities do not require the use of current financial resources. Both these receivables and payables are accrued in the government-wide statements, but not in the fund financial statements.

Internal service funds are used by management to charge the costs of certain activities to individual funds. In the government-wide financial statements, the assets and liabilities of internal service funds are included in governmental activities in the statement of net position. In the proprietary fund financial statements, internal service fund balances are segregated and reported as their own fund type.

B. Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

In the government-wide financial statements, the cost for capital outlays, except for governmental infrastructure, is allocated over the assets' useful lives and is reported as depreciation or amortization expense.

The government-wide statements use the flow of economic resources and therefore do not report revenues and expenses dependent on the availability of financial resources, as is reported in the fund financial statements. Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund financial statements. Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the fund financial statements. Net pension liabilities and other postemployment benefits do not require the use of current financial resources and are not reported as expenditures in the fund financial statements.

Internal service funds are used by management to charge the costs of certain activities to individual funds. In the government-wide financial statements, the expenses of internal service funds are included in governmental activities in the statement of activities. In the proprietary fund financial statements, internal service fund balances are segregated and reported as their own fund type.

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Equity

At June 30, 2019, various funds had a deficit fund balance caused by overdrafts from pooled cash and investments and the posting of accruals to the

balance sheet. Temporary cash overdrafts are reported as interfund loans from the general fund.

Fund	Overdraft from pooled cash	Accrual deficits
Governmental Funds		
US Department of Health & Human Services	\$ (479,492)	\$ 62,660
US Department of Labor	(9,579)	2,401
US Department of Education	-	(62,445)

B. Fund Balance

The State of Indiana reports its fund balances for governmental funds as nonspendable, restricted, committed, assigned, and unassigned. The detail

of the fund balance classifications at June 30, 2019 is as follows:

	General Fund	Public Welfare - Medicaid Assistance Fund	US Department of Health and Human Services	Non-Major Funds
Fund Balances:				
Nonspendable:				
Permanent fund principal	-	-	-	502,835
Prepaid expense	76,400	-	-	44
Restricted:				
Administration	523,189	-	-	-
Natural Resources	-	-	-	150
Other Purposes	-	-	-	3,399
Committed:				
Administration	70	-	-	2,662
Public Health	-	-	-	193,458
Economic Development	765	-	-	8,954
Environmental	-	-	-	355
Natural Resources	-	-	-	16,146
Higher Education	-	-	-	29
Secondary Education	-	-	-	589,220
Roads & Bridges	40,889	-	-	75,910
Other Purposes	-	-	-	16,878
Assigned:				
Administration	87,972	-	-	213,818
Corrections	390,131	-	-	21,191
Police & Protection	20,701	-	-	386,088
Mental Health	162,847	-	-	25,600
Public Health	13,071	550,460	-	317,575
Child Services	1,049,106	-	-	78,798
Disability & Aging	24,989	-	-	10,860
Economic Development	5,236	-	-	28,373
Environmental	25,387	-	-	99,354
Natural Resources	462	-	-	141,550
Higher Education	45,873	-	-	16,108
Secondary Education	404,072	-	-	20,555
Roads & Bridges	130,208	-	-	1,894,509
Capital Outlay	177,352	-	-	93,272
Other Purposes	108,203	-	-	111,371
Unassigned:	<u>1,024,754</u>	<u>-</u>	<u>(416,832)</u>	<u>(69,623)</u>
Total	<u>\$ 4,311,677</u>	<u>\$ 550,460</u>	<u>\$ (416,832)</u>	<u>\$ 4,799,439</u>

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits, Investments and Securities Lending

1. Primary Government – Other than Major Moves Construction Fund and Next Level/Generation Indiana Trust Fund, Investment Trust Funds, and Pension and Other Employee Benefit Trust Funds.

Investment Policy

Indiana Code, Title 5, Article 13, Chapters 9, 10, and 10.5, establishes the investment powers and guidelines regarding the State of Indiana investments. However, the Major Moves Construction Fund and the Next Level/Generation Indiana Trust Fund have separate investment authority as established under Indiana Code 8-14-14 and Indiana Code 8-14-15, respectively. The Treasurer of State shall invest these funds in the same manner as the public employees' retirement fund under Indiana Code 5-10.3-5 with the exception that monies may not be invested in equity securities. For more information, please see the PERF policy in note IV (A) 3. There are no formal deposit investment policies for the investment of these funds other than compliance to State statute. State statute does not establish any parameters or guidelines related to the concentration of investment risk, investment credit risk, nor interest rate risk.

Indiana Code 5-13-9 and Indiana Code 5-13-10.5 authorizes the Treasurer to invest in deposit accounts issued or offered by a designated depository; municipal securities issued by an

Indiana local governmental entity if the issuer has not defaulted on any obligation within the twenty years preceding the date of the purchase; AAA rated money market mutual funds with a portfolio made up of direct obligations of the United States, obligations issued by any federal agency, instrumentality, or federal government sponsored enterprise or repurchase agreements fully collateralized by the same obligations allowed to be owned within the money market mutual fund; commercial paper rated in the highest rating category by one nationally recognized rating service with a stated final maturity of 270 days; securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States; obligations issued by United States agencies and instrumentalities, or federal government sponsored enterprises; supranational issuers having the highest investment credit rating by at least two nationally recognized credit rating agencies; repurchase agreements that are fully collateralized, as determined by the current market value computed on the day the agreement is effective, by interest bearing obligations that are issued, fully insured or guaranteed by the United States or any U.S. government agency; and the State's local government investment pool.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statute does not establish any parameters or guidelines related to interest rate risk.

The following is a summary of the Interest Rate Risk Disclosure as of June 30, 2019:

Investment Type	Fair Value Totals	Investment Maturities (in Years)		
		Less than 1	1 - 5	6 - 10
U.S. Treasuries	\$ 2,830,807	\$ 2,188,437	\$ 642,370	\$ -
U.S. Agencies	1,818,046	856,257	961,789	-
Supranationals	1,144,000	1,088,938	55,061	\$ -
Municipal Bonds	76,949	49,149	18,634	9,166
Local Govt Investment Pool	355,000	355,000	-	-
Non-U.S. Fixed Income	65,000	25,000	40,000	-
Certificate of Deposits	298,868	298,768	100	-
Money Market Mutual Funds	565,000	565,000	-	-
Total	\$ 7,153,670	\$ 5,426,549	\$ 1,717,954	\$ 9,166

Custodial Credit Risk

Deposits – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At June 30, 2019, the balance of the State of Indiana’s deposits was covered in full by federal depository insurance or by the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

Investment Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty’s trust department or agent, but not in the name of the State of Indiana. The Treasurer of State is authorized by statute (IC 5-13-10.5-5) to accept safekeeping receipts or other reporting for securities from: (1) a duly designated depository as prescribed in this article; or (2) a financial institution located either in or out of Indiana having physical custody of securities with a combined capital and surplus of at least ten million dollars (\$10,000,000) according to the last statement of condition filed by the financial institution with its governmental supervisory body. None of the State’s investments are exposed to custodial credit risk because they are held in the name of the State of Indiana. Additionally, the Treasurer of State requires all custodians to indemnify the State against all out-of-pocket expenses or losses incurred as a result of (i) the custodian’s operational failure, (ii) custodians failure to carry out the credit analysis, (iii) custodian’s failure to maintain proper collateral for each loan, or (iv) failure of an approved counterparty to comply with its obligations under the applicable securities lending agreement.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Indiana Code 5-13-9, IC 5-13-10, and IC 5-13-10.5 authorizes the State Treasurer to invest or reinvest in securities fully guaranteed and issued by (1) the United States Treasury, (2) a federal agency, (3) a federal instrumentality, or (4) a federal government sponsored enterprise, as well

as, other securities that are AAA rated or insured through the Public Deposit Insurance Fund or the FDIC. The allowable investments are noted above under the Investment Policy Statement section in more detail. The State Treasurer recognizes credit (quality) risk as a market and strategic risk factor in all investments.

The following table provides information on the credit quality ratings for investments in debt securities as well as investments in external investment pools, and money market funds, as of June 30, 2019. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. The following table reflects the greatest risk rating (the credit rating reflecting the greatest degree of risk) as set by three nationally recognized rating organizations (S&P, Moody, and Fitch) for each type of investment, not exempt from disclosure:

<u>Investment Type</u>	<u>Greatest Risk Rating</u>	<u>Fair Value</u>
U.S. Agencies	AAA	\$ 33,298
	AA	1,784,748
Supranationals	AAA	1,144,000
Certificate of Deposits	NR	298,868
Municipal Bonds	NR	76,949
Non-US Fixed Income Bonds	A	65,000
Local Govt Investment Pool	NR	355,000
Money Market Mutual Funds	AAA	565,000
Total		\$ 4,322,863

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. Indiana Code 5-13-10-3 states that the State Treasurer may not deposit aggregate funds in deposit accounts in any one designated depository in an amount aggregating at any one time more than fifty percent (50%) of the combined capital, surplus, and undivided profits of that depository as determined by its last published statement of condition filed with the State Board for Depositories.

At June 30, 2019, investments in any one issuer, not exempt from disclosure, that represent 5% or more of the total investments (in thousands) were:

FHLB	13.55%	\$1,138,211
IFC	9.89%	\$830,644

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of

an investment or a deposit. As of June 30, 2019, there were no deposits or investments denominated in foreign currencies, thus there was no foreign currency risk.

Securities Lending

The Treasurer of State is authorized by Indiana Code 5-13-10.5-13 to lend securities, to broker-dealers and other entities (borrowers), for collateral with a simultaneous agreement to return the collateral for the same securities in the future. Securities may be lent under this section only if the agreement under which the securities are lent is collateralized by: (1) cash; or (2) non-cash collateral; in excess of the total market value of the loaned securities.

The State's custodial banks manage the securities lending programs and receive cash or securities as collateral. The types of securities lent during the year may include U.S. Treasury and agency obligations, corporate bonds/notes, and foreign bonds. Collateral securities and cash are initially pledged at 102% of the market value of the securities lent. Cash received as collateral is reported as an asset and a liability on the balance sheet. Securities received as non-cash collateral are not reported on the balance sheet, because the State does not have the ability to pledge or sell them without a borrower default. Generally, there are no restrictions on the amount of assets that can be lent at one time, except for the Public Employees' Retirement Fund and the State Teachers' Retirement Fund (discretely presented component units), which allow no more than 40% to be lent at one time.

Cash collateral received is invested by the custodian banks. Cash collateral is generally invested in securities of a longer term with the mismatch of maturities generally 0-35 days. The weighted average maturity gap at June 30, 2019, was 2.85 days.

At year end, the State had no credit risk exposure to any borrowers because the amount the State owes the borrowers exceeds the amounts the borrowers owe the State. The contracts with the State's custodian requires them to indemnify the funds if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the funds for income distributions by the securities' issuers while the securities are on loan.

As of June 30, 2019, the fair values of the underlying securities on loan were:

Security Type	Fair Value
U.S. Governments	\$2,004,728
U.S. Agencies	501
Private Placement	5
Total	\$2,005,234

The fair values of the collateral received for each investment type were:

Security Type	Fair Value
U.S. Governments	\$2,048,744
U.S. Agencies	512
Private Placement	5
Total	\$2,049,261

The percentage of collateral received for underlying securities on loan was 102.20%.

The fair values of the cash and non-cash collateral received were:

Collateral Type	Fair Value
Non-cash collateral	\$ 75,579
Cash collateral (liability to borrowers)	1,973,682
Total	\$2,049,261

Events of the market crisis of late 2008 negatively impacted the value of the State's securities lending cash collateral reinvestment pool. Since that time, the State, with the agreement of its' custodial bank, has been injecting capital into the pool using securities lending revenues to restore the value of the cash collateral reinvestment pool. As of June 30, 2019, the fair value of the cash collateral reinvestment pool was 97.91% of the fair value of the cash collateral received from the borrowers.

Fair Value of reinvested cash collateral by type:

Collateral Type	Fair Value
Commercial Paper	\$ 42,834
Repurchase agreements	292,758
Asset backed securities	279,156
Floating rate notes	1,314,483
MMMF's	80
Receivable	3,074
Total	\$1,932,385

The quality rating of the reinvested cash collateral investments as described by Standard and Poor's at June 30, 2019, is as follows:

S&P Rating	Fair Value of Cash Collateral	% of Portfolio
AAA	\$ 272,860	14.1
AA	507,255	26.3
A	852,559	44.1
CC	5,932	0.3
NR	293,779	15.2
Total	\$ 1,932,385	100.0

Fair Value Measurement – Primary Government

The Primary Government categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy prioritizes valuation inputs used to measure the fair value of the asset or liability into three broad categories. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Levels 1, 2, and 3 (lowest priority level) of the fair value hierarchy are defined as follows:

Level 1 Inputs using unadjusted quoted prices in active markets or exchanges for identical assets or liabilities.

Level 2 Significant other observable inputs, which may include, quoted prices for similar assets or liabilities in active markets, quoted prices for

identical or similar assets or liabilities in non-active markets; and inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.

Level 3 Valuations for which one or more significant inputs are unobservable and may include situations where there is minimal, if any, market activity for the asset or liability.

US Treasury securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. The U.S. Agencies' securities, Supranationals' securities, and municipal bonds classified in Level 2 of the fair value hierarchy are valued using other observable inputs other than quoted prices in an active market. The certificate of deposits are valued at cost-based measures and are classified as Level 2. The Non-US Government Bonds and municipal bonds classified in Level 3 have no observable inputs and there is no market activity regarding those investments, so they have been valued using cost-based measures. The local government investment pool is valued using the fair value valuation methodology and is marked to market daily using the most recent market bid price as obtained from one or more market makers and is thus classified in Level 2 of the fair value hierarchy. The money market mutual funds are valued at the daily closing price as reported by the funds and are deemed to be actively traded and are classified in Level 1 of the fair value hierarchy.

The following table summarizes the valuation of the investments by the fair value hierarchy levels as of June 30, 2019:

Investment Type	June 30, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 2,830,807	\$ 2,730,528	\$ 100,279	\$ -
U.S. Agencies	1,818,046	-	1,818,046	-
Supranationals	1,144,000	-	1,144,000	-
Municipal Bonds	76,949	-	-	76,949
Non-US Govt Bonds	65,000	-	-	65,000
Corporate Asset Backed	-	-	-	-
Local Govt Investment Pool	355,000	-	355,000	-
Certificate of Deposits	298,868	-	298,868	-
Money Market Mutual Funds	565,000	-	565,000	-
Total Fixed Income Securities	\$ 7,153,670	\$ 2,730,528	\$ 4,281,193	\$ 141,949

Major Moves Construction Fund/Next Level/Generation Indiana Trust Fund

Investment Policy

Indiana Code, Title 5, Article 13, Chapters 9, 10, and 10.5, establishes the investment powers and guidelines regarding the State of Indiana investments. However, the Major Moves Construction Fund and the Next Level/Generation Indiana Trust Fund have separate investment authority as established under Indiana Code 8-14-14 and Indiana Code 8-14-15.1, respectively. The Treasurer of State shall invest the funds in the Major Moves Construction Fund in the same manner as the public employees' retirement fund under Indiana Code 5-10.3-5, except the funds may not be invested in equity securities. The Next Level/Generation Indiana Trust Fund allows for investment of not more than 50% of the money in the trust, \$250,000,000, to be invested in investments that: (a) maximize risk appropriate returns, which may include the purchase of equity or debt securities; and (b) make significant investments in Indiana funds and companies. At least 50% of the money in the trust, \$250,000,000 or greater, may be invested by the Treasurer of State in the same manner as the public employees' retirement fund, excluding investment in equity securities. An Investment Policy Statement for the Major Moves Construction Fund for the investment of this fund has been adopted by the Treasurer of State. An Investment Policy Statement for the Next Level/Generation Indiana Trust Fund for the investment of these funds has been adopted by the

Next Level/Generation Indiana Trust Fund Investment Board. The Investment Policy Statements are written in conformity with the applicable investment statutes and in accordance with prudent investor standards. There is no formal deposit policy other than compliance to State Statute. State statute does not establish any parameters or guidelines related to the concentration of investment risk, investment credit risk, nor interest rate risk. The Investment Policy Statements establish asset allocations and investment structures for both funds. These asset allocations and investment structures were established with consideration given to each Fund's objectives, time horizons, risk tolerances, performance expectations, and liquidity requirements.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investments. The fund's policy for controlling its exposure to interest rate fluctuations should be viewed with the appropriate perspective. The MMCF manager's long-term strategy was employed to achieve the fund's objectives, but there was consideration given to the short-term liquidity needs to meet disbursements required by the fund. The asset allocation and investment manager structure was designed to tolerate some interim fluctuations in market value while maintaining a long-term return objective of 5.25%.

The following table provides the interest rate risk disclosure for the Major Moves/Next Level/Generation Indiana Trust Fund as of June 30, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6- 10	More than 10
U.S Treasuries	\$ 162,681	\$ 21,959	\$ 119,978	\$ 6,727	\$ 14,017
U.S. Agencies	154,481	149,985	4,496	-	-
Government Asset and Mortgage Backed Collateralized Mortgage Obligations	54,036	20,918	1,754	986	30,378
Government CMOs	9,885	3,894	962	1,699	3,330
Corp CMOs	11,757	8,017	112	-	3,628
Corporate Bonds	323,085	99,054	182,550	27,678	13,803
Corporate Asset Backed	65,054	20,441	27,296	3,126	14,191
Private Placements	124,279	37,041	50,685	21,403	15,150
Municipal Bonds	11,633	1,520	7,749	2,164	200
TrustIndiana	2,500	2,500	-	-	-
Non US Government/Corp Bonds	38,895	2,294	15,572	8,649	12,380
Supernationals	4,475	1,907	1,576	992	-
Mutual Funds	100,057	100,057	-	-	-
Total	\$ 1,062,818	\$ 469,587	\$ 412,730	\$ 73,424	\$ 107,077

Custodial Credit Risk

Deposits – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At June 30, 2019, the balance of the State of Indiana’s deposits was covered in full by federal depository insurance or by the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

Investment Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty’s trust department or agent, but not in the name of the State of Indiana. None of the State’s investments are exposed to custodial credit risk because they are held in the name of the State of Indiana. Additionally, the Treasurer of State requires all custodians to indemnify the State against all out-of-pocket expenses or losses incurred as a result of (i) the custodian’s operational failure, (ii) custodians failure to carry out the credit analysis, (iii) custodian’s failure to maintain proper collateral for each loan, or (iv) failure of an approved counterparty to comply with its obligations under the applicable securities lending agreement.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

All investment managers must adhere to the following guideline related to the specific limitation on holdings:

The purchase of securities in the maximum amount invested in any single issuer of a non-agency mortgage-backed, asset-backed, or corporate security shall be limited to an initial cost of 2.5% of the market value of an Investment Manager’s portfolio. This limit shall not apply to U.S. Government securities, or mortgage-back securities

that are issued by an agency of the U.S. Government. Through capital appreciation, no such holding should exceed 3.5% of the market value of the total holdings of such Investment Manager’s portfolio.

The following table provides information on the credit quality ratings for investments in debt securities, short-term money market funds, bond mutual funds and bond commingled funds, municipal securities, asset-backed, and mortgage-backed securities as of June 30, 2019. The following table below reflects the “greatest risk” rating (the credit rating reflecting the greatest degree of risk) as set by three nationally recognized rating organizations (S&P, Moody, and Fitch) for each type of investment, not exempt from disclosure, in the Major Moves/Next Level/Generation Indiana Trust Fund.

Investment Type	Greatest Risk	
	Ratings	Fair Value
U.S. Agencies	AA	\$ 154,481
Government Asset And Mortgage Backed	AAA	4,122
	AA	29,176
	NR	20,737
Collateralized Mortgage Obligations		
Government CMO's	AAA	1,494
	AA	7,898
	A	240
	B	252
Corporate CMO's	AAA	80
	AA	1,040
	A	198
	BBB	527
	BB	712
	B	613
	CCC&Below	7,036
NR	1,552	
Non US Gov/Corp Bonds		
	A	4,400
	BBB	12,541
	BB	7,667
	B	8,856
	CCC&Below	802
NR	4,630	
Corporate Bonds		
	AAA	3,277
	AA	15,024
	A	114,134
	BBB	155,780
	BB	20,403
	B	9,712
CCC&Below	3,845	
NR	910	
Corporate Asset and Mortgage Backed		
	AAA	42,701
	AA	4,935
	A	1,689
	BBB	811
	BB	1,778
	B	966
CCC&Below	12,173	
Private Placements		
	AAA	30,041
	AA	17,153
	A	19,097
	BBB	26,591
	BB	6,837
	B	14,256
CCC&Below	8,172	
NR	2,133	
TrustIndiana	NR	2,500
Municipal Bonds		
	AA	6,734
	A	3,374
	BBB	1,257
	BB	198
	CCC&Below	67
NR	3	
Supernationals	AAA	4,475
Money Market Mutual Funds	NR	100,057
Total		\$ 900,137

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer representing 5% or more of the total investments. The only exemptions from disclosures are US Government Debt, US Government Guaranteed Investments, Mutual Funds, or External Investment Pools. For Intermediate and Core Fixed Income Managers, securities in any one issuer should be limited to not more than 5% of the investment manager's portion of the Fund portfolio measured at market value. For Core Plus Fixed Income Managers, the exposure of each manager's portfolio should be limited to not more than 10% of the manager's portion of the Fund portfolio measured at market value.

As of June 30, 2019, there were no investments in any one issuer that represent 5% or more of the total investments.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Major Moves/Next Level/Generation Trust Fund's foreign currency exposure is focused primarily in fixed income securities. The exposure to foreign currency fluctuation is as follows:

Currency	Fair Value	% of Total Fair Value
Argentina	\$ 2,335	0.22%
Australia	(911)	-0.09%
Brazil	5,887	0.56%
Canada	3,917	0.37%
Chinese Yuan HK	(375)	-0.04%
Chinese Yuan Renminbi	(1,224)	-0.12%
Columbian Peso	1,120	0.11%
Dominican Republic Peso	410	0.04%
Euro	(4,581)	-0.43%
India	1,477	0.14%
Indonesia	1,599	0.15%
Japan	(745)	-0.07%
Malaysia	538	0.05%
Mexico Peso	5,386	0.51%
New Taiwan Dollar	(752)	-0.07%
Nigerian Naira	603	0.06%
Peruvian Sol	1,762	0.17%
Philippines Peso	(1,047)	-0.10%
Polish Zloty	928	0.09%
Pound Sterling	95	0.01%
Russian Ruble	3,931	0.37%
Singapore Dollar	(790)	-0.07%
South African Rand	1,751	0.17%
Thailand Baht	1,463	0.14%
Turkish Lira	723	0.07%
Uruguayan Peso	313	0.03%
Subtotal	23,813	2.26%
United States	1,030,424	97.74%
Total Fair Value	\$ 1,054,237	100.00%

Securities Lending

The Treasurer of State is authorized by Indiana Code 5-13-10.5-13 to lend securities. Securities may be lent only if the agreement under which the securities are lent is collateralized by (1) cash or (2) interest bearing obligations that are issued by, fully insured by, or guaranteed by the United States, an agency of the United States, a federal instrumentality, or a federal government sponsored enterprise, in excess of the total market value of the loaned securities.

At year end, there were no securities on loan and therefore, no credit risk exposure.

Fair Value Measurement

The Major Moves Construction Fund and Next Level/Generation Indiana Trust Fund categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy prioritizes valuation inputs used to measure the fair value of the asset or liability into three broad categories. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Levels 1, 2, and 3 (lowest priority level) of the fair value hierarchy are defined as follows:

Level 1 Inputs using unadjusted quoted prices in active markets or exchanges for identical assets or liabilities.

Level 2 Significant other observable inputs, which may include, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in non-active markets; and inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.

Level 3 Valuations for which one or more significant inputs are unobservable and may include situations where there is minimal, if any, market activity for the asset or liability.

US Treasury securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. The U.S. agencies' securities, supranationals' securities, and municipal bonds, corporate bonds, and other debt securities classified in Level 2 of the fair value hierarchy are valued using other observable inputs other than quoted prices in an active market. The local government investment pool is valued using the fair value valuation methodology and is marked

to market daily using the most recent market bid price as obtained from one or more market makers and is thus classified in Level 2 of the fair value hierarchy. Those money market mutual funds that are valued at the daily closing price as reported by the funds and are deemed to be actively traded and

are classified in Level 1 of the fair value hierarchy. The international commingled mutual fund was not priced in an active market and had no observable inputs thus was classified in Level 3.

The following table summarizes the valuation of the investments by the fair value hierarchy levels as of June 30, 2019:

Investment Type	June 30, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 162,681	\$ 162,681	\$ -	\$ -
U.S. Agencies	154,481	-	154,481	-
Govt Asset and Mortgage Backed	54,036	-	54,036	-
Supranationals	4,475	-	4,475	-
Collateralized Mortgage Obligations				
Govt CMO's	9,885	-	9,885	-
Corporate CMO's	11,757	-	11,757	-
Corporate Bonds	323,085	-	321,904	1,181
Corporate Asset Backed	65,054	-	65,054	-
Private Placements	124,279	-	124,279	-
Local Government Investment Pool	2,500	-	2,500	-
Non US Govt/Corp Bonds	38,895	-	38,895	-
Municipal Bonds	11,633	-	11,633	-
Mutual/Commingled Funds	100,057	13,341	(5,916)	92,632
Total Fixed Income Securities	\$ 1,062,818	\$ 176,022	\$ 792,983	\$ 93,813

TrustIndiana, Local Government Investment Pool (Investment Trust Funds)

Investment Policy

Indiana Code 5-13-9-11, established the local government investment pool within the office and custody of the Treasurer of State. The Treasurer of State shall invest the funds in the same manner, in the same type of instruments, and subject to the same limitations provided for the deposit and investment of state funds by the Treasurer of State under Indiana Code 5-13-10.5. State statute does not establish any parameters or guidelines related to the concentration of investment risk, investment credit risk, nor interest rate risk. However, pursuant to IC 5-13-9-11(g)(7), no less than fifty percent of funds available for investment shall be deposited in banks qualified to hold deposits of participating local government entities. Investment criteria have been established to create the principles and procedures by which the funds shall be invested and to comply with state statute relating to the investment and deposit of public funds.

Valuation of Investments

Securities, other than repurchase agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities. Repurchase agreements are recorded at cost, which approximates fair value. The underlying investments of the Pool are marked-to-market on a daily basis.

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The following is a summary of the Interest Rate Risk Disclosure as of June 30, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	
Fixed Income Securities			
Commercial Paper	\$ 374,404	\$	374,404
Certificates of Deposit	3,388		3,388
Money Market Mutual Funds	104,117		104,117
Total	\$ 481,909	\$	481,909

Custodial Credit Risk

Deposits – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At June 30, 2019, the balance of all bank deposits were covered in full by federal depository insurance or by the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

Investment Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty’s trust department or agent, but not in the name of the State of Indiana. None of the State’s investments are exposed to custodial credit risk because they are held in the name of the State of Indiana. Additionally, the Treasurer of State requires all custodians to indemnify the State against all out-of-pocket expenses or losses incurred as a result of (i) the custodian’s operational failure, (ii) custodians failure to carry out the credit analysis, (iii) custodian’s failure to maintain proper collateral for each loan, or (iv) failure of an approved counterparty to comply with its obligations under the applicable securities lending agreement.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. TrustIndiana limits its investments in any one issuer to the highest rating category issued by one nationally recognized statistical rating organization.

The following table provides information on the credit quality ratings for investments in TrustIndiana as of June 30, 2019. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. The following table reflects the greatest risk rating (the credit rating reflecting the greatest degree of risk) as set by three nationally recognized rating organizations for each type of investment, not exempt from disclosure, in TrustIndiana.

Investment Type	Greatest Risk	
	Ratings	Fair Value
Certificates of Deposits	NR	\$ 3,388
Commercial Paper	A1	317,309
	NR	57,095
Money Market Mutual Funds	AAA	104,117
Total		\$ 481,909

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer representing 5% or more of the total investments. As noted above, TrustIndiana is required to be comprised of no less than 50% of deposits in banks from an approved list maintained by the State of Indiana. In addition, TrustIndiana limits its investments in any one issuer of commercial paper to a maximum of 5% of assets per commercial paper issuer and 10% of assets per ultimate commercial paper issuer. The only exemptions from disclosures are US Government Debt, US Government Guaranteed Investments, Mutual Funds, or External Investment Pools.

At June 30, 2019, there were no investments in any one issuer, not exempt from disclosure that represents 5% or more of the total investments.

Securities Lending

The Treasurer of State is authorized by Indiana Code 5-13-10.5-13 to lend securities. Securities may be lent under an agreement which requires the loaned securities to be collateralized in the form of (1) cash or (2) interest bearing obligations that are issued by, fully insured by, or guaranteed by the United States, an agency of the United States, a federal instrumentality, or a federal government sponsored enterprise, in an amount at least equal to 102% of the current market value of the loaned securities. The net income earned through securities lending is recorded as additional income to the Pool. As of June 30, 2019, there were no securities on loan and therefore, no credit risk exposure.

Fair Value Measurement

TrustIndiana categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair Value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy prioritizes valuation inputs used to measure the fair value of the asset or liability into three broad categories. The inputs or methodology used for

valuing securities are not necessarily an indication of the risk associated with investing in those securities. Levels 1, 2, and 3 (lowest priority level) of the fair value hierarchy are defined as follows:

Level 1 Inputs using unadjusted quoted prices in active markets or exchanges for identical assets or liabilities.

Level 2 Significant other observable inputs, which may include, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in non-active markets; and inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.

Level 3 Valuations for which one or more significant inputs are unobservable and may include situations where there is minimal, if any, market activity for the asset or liability.

The bank deposits are valued on the rates directly negotiated with each financial institution and are quoted in an active market, thus classified as Level 1. The commercial paper classified in Level 2 of the fair value hierarchy are valued using other observable inputs other than quoted prices in an active market.

The following table summarizes the valuation of the TrustIndiana's investments by the fair value hierarchy levels as of June 30, 2019:

Investment Type	June 30, 2019	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Commercial Paper	\$ 374,404	\$ -	\$ 374,404
Certificates of Deposit	3,388	-	3,388
Money Market Mutual Funds	104,117	104,117	-
Total	\$ 481,909	\$ 104,117	\$ 377,792

2. Pension and Other Employee Benefit Trust Funds – Primary Government

State Police Pension Fund*Investment Policy*

The Indiana State Police Pension Trust was established in 1937 to provide pension, death, survivor, and other benefits to present and former employees of the department and their beneficiaries who meet the statutory requirement for such benefits.

Indiana Code 10-1-2-2(c), established the prudent

investor standard as the primary statutory provision governing the investment of the Trust's assets. IC 10-1-2-2 (c) reads as follows:

The trust fund may not be commingled with any other funds and shall be invested only in accordance with Indiana laws for the investment of trust funds, together with such other investments as are specifically designated in the pension trust. Subject to the terms of the pension trust, the Trustee, with the approval of the Department and the Pension Advisory Board, may establish investment guidelines and limits on all types of investments (including, but not limited to, stocks and bonds) and take other action necessary to fulfill

its duty as a fiduciary for the trust fund. However, the Trustee shall invest the trust fund assets with the same care, skill, prudence, and diligence, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. The Trustee shall also diversify such investments in accordance with prudent investment standards.

There is no formal deposit policy other than compliance to State statute. The following was the SPPT's adopted asset allocation policy as of June 30, 2019:

Asset Class	Target Allocation (%)
Broad domestic equity	29.0
Global ex U.S. equity	13.0
Short duration fixed income	4.0
Domestic fixed income	17.0
High yield fixed income	5.0
Hedge funds - alternatives	25.0
Real estate	5.0
Cash and equivalents	2.0
Total	100.0

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

The following table provides information on the credit quality ratings for investments in debt securities, short term money market funds, bond mutual/commingled funds, municipal securities, asset-backed, and mortgage backed securities for the State Police Pension Trust. The table reflects the "greatest risk" rating (the credit rating reflecting the greatest degree of risk) as set by three nationally recognized rating organizations (S&P, Moody, and Fitch) for each investment type, not exempt from disclosure, in State Police Pension Trust.

Investment Type	Greatest Risk	
	Ratings	Fair Value
U.S. Government Mortgage Backed	AA	\$ 5,523
	NR	7
Collateralized Mortgage Obligations	NR	276
Corporate Mortgage Backed	AAA	1,810
Corporate Bonds	AAA	1,379
	AA	5,273
	A	2,053
	BBB	16,045
	BB	1,708
	B	447
	CCC & Below	217
	NR	101
Corporate Asset Backed	AAA	1,556
Private Placements	AA	252
	A	96
	BBB	507
Municipal Bonds	AAA	1,147
	AA	1,143
	A	661
	BBB	578
	BB	83
Mutual/Commingled Funds	NR	80,923
Total		\$ 121,785

Custodial Credit Risk

Deposits – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At June 30, 2019, the balance of the State Police Pension Trust deposits was covered in full by federal depository insurance or by the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

Investment Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty's trust department or agent, but not in the name of the customer. None of the Indiana State Police Pension Trust's investments are exposed to custodial credit risk because they are held in the name of the Indiana State Police Pension Trust. Additionally, the Treasurer of State requires all custodians to indemnify the State against all out-of-pocket expenses or losses incurred as a result of (i) the custodian's operational failure, (ii) custodians failure to carry out the credit analysis, (iii) custodian's failure to maintain proper collateral for each loan, or (iv) failure of an approved counterparty to comply with its obligations under the applicable securities lending agreement.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Fair value for the majority of fixed income securities is determined by using quoted market prices by independent pricing services. Investments that do not have an established market are reported at estimated fair value, these include commingled funds, private equity funds and hedge funds. The alternative investments are valued using current estimates of fair value obtained from the general partner or investment manager. Holdings are generally valued by a general partner or investment manager on a quarterly basis. Valuation assumptions are based upon the nature of the investment and the underlying business. Additionally, valuation techniques will vary by investment type and involve a certain degree of judgement.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Indiana State Police Trust has thirty different investments

managers. Each investment manager is retained by the Trust to implement a specific investment style and strategy and shall adhere to the specific limitations on holdings outlined in each investment manager's securities guidelines. The securities guidelines for each investment manager is negotiated and agreed upon in writing on a case-by-case basis and referenced in Appendix D of the Investment Policy Statement.

At June 30, 2019, there were no investments in any one issuer that represents 5% or more of the total investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investments. The Fund's policy for controlling its exposure to interest rate fluctuations should be viewed with the appropriate perspective. A long-term strategy was employed to achieve the Fund's objectives, but there was consideration given to the short-term liquidity needs to meet disbursements required by the Fund. The asset allocation and investment manager structure was designed to tolerate some interim fluctuations in market value while maintaining a long-term return objective to exceed the actuarial assumed interest rate of 6.75%.

The following table provides the interest rate risk disclosure for the Indiana State Police Pension Fund:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6- 10	More than 10
U.S. Treasuries	\$ 8,530	\$ 70	\$ 3,426	\$ 2,608	\$ 2,426
U.S. Government Mortgage Backed	5,530	-	76	389	5,065
Collateralized Mortgage Obligations	276	-	-	276	-
Corporate Bonds	27,223	861	11,287	12,882	2,193
Corporate Asset Backed	1,556	-	1,386	170	-
Municipal Bonds	3,612	100	1,521	1,708	283
Corporate Mortgage Backed	1,810	-	-	-	1,810
Private Placements	855	-	252	603	-
Commingled fixed income funds	80,923	80,923	-	-	-
Total	\$ 130,315	\$ 81,954	\$ 17,948	\$ 18,636	\$ 11,777

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.97%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The State Police Pension Trust's foreign currency exposure is focused primarily in international and global equity holdings. The exposure to foreign currency fluctuation is as follows:

Currency	Fair Value	% of Total Fair Value
Australia	\$ 2,174	0.44%
Denmark	1,170	0.24%
Euro	2,815	0.58%
Hong Kong	2,982	0.61%
Japan	3,095	0.63%
Sweden	1,929	0.39%
Switzerland	1,468	0.30%
Sterling Pound	1,741	0.36%
Total Foreign Currency	17,374	3.55%
United States	471,983	96.45%
Total Fair Value:	\$ 489,357	100.00%

Securities Lending

The Treasurer of State is authorized by Indiana Code 5-13-10.5-13 to lend securities. Securities may be lent only if the agreement under which the securities are lent is collateralized by (1) cash or (2) non-cash collateral if the State is indemnified by the custodian holding the non-cash collateral, in excess of the total market value of the loaned securities. The market value of the required collateral must be in an amount at least equal to 102% of the current market value of the loaned securities.

As of June 30, 2019, the State Police Pension Trust did not have any securities on loan and therefore, no credit risk exposure.

Fair Value Measurement

The Trust categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy prioritizes valuation inputs used to measure the fair value of the asset or liability into three broad categories. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Levels 1, 2 and 3 (lowest priority level) of the fair value hierarchy are defined as follows:

Level 1 Inputs using unadjusted quoted prices in active markets or exchanges for identical assets or liabilities.

Level 2 Significant other observable inputs, which may include, quoted prices for similar assets or liabilities in active markets, quoted prices for

identical or similar assets or liabilities in non-active markets; and inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.

Level 3 Valuations for which one or more significant inputs are unobservable and may include situations where there is minimal, if any, market activity for the asset or liability.

If the fair value is measured using inputs from different levels in the fair value hierarchy, the measurement should be categorized based on the lowest priority level input that is significant to the valuation. The Trust's assessment of significance of a particular input to the fair value measurement in its entirety required judgment, and considers factors specific to the investment. Investments measured at fair value using net asset value per share (or equivalent) as a practical expedient to fair value are not classified in the fair value hierarchy; however, separate disclosures for these investments are required.

Fixed income and equity investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for identical investments, to the extent these securities are traded.

Fixed income investments classified in Level 2 of the fair value hierarchy are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors. Valuation estimates from service providers' internal models use observable inputs such as interest rates, yield curves, credit/risk spreads and default rates. Matrix pricing techniques value securities based on their relationship to benchmark quoted prices.

Fixed income investments classified in Level 3 include valuations using significant unobservable inputs, valuations using proprietary information, inputs that cannot be corroborated by observable market data and securities valued with last trade date due to limited trading volume.

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The following table summarizes the valuation of the investments in the Trust by the fair value hierarchy levels as of June 30, 2019:

Investment Type	June 30, 2019	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Fixed Income Investments			
U.S. Treasuries	\$ 8,529	\$ 8,529	\$ -
U.S. Government Mortgage Backed	5,530	-	5,530
Collateralized Mortgage Obligations	276	-	276
Corporate Bonds	27,224	-	27,224
Corporate Asset Backed	1,556	-	1,556
Municipal Bonds	3,612	-	3,612
Corporate Mortgage Backed	1,810	-	1,810
Private Placements	854	-	854
Total Fixed Income Securities	49,391	8,529	40,862
Equity Investments			
Domestic Equity	48,258	48,258	-
International Equity	25,333	25,333	-
Mutual Funds	138,304	138,304	-
Total Equity Funds	211,895	211,895	-
Total Investments by Fair Value	261,286	\$ 220,424	\$ 40,862
Investment measured at the Net Asset Value (NAV)			
Commingled Fixed Income Funds	80,923		
Multi-Strategy Hedge Funds	61,141		
Private Equity	55,186		
Total Investments measured at NAV	197,250		
Total Investments measured by Fair Value	\$ 458,536		

The valuation methods for investments measured at the NAV per share (or its equivalent) are described below:

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Significant Unobservable Inputs (Level 3)	Redemption Notice Period
Commingled Fixed Income Funds	\$ 80,923	\$ -	Daily		1 day
Multi-strategy Hedge Funds	61,141	10,707	Semi-Annually		95 days
Private Equity	55,186	7,317	N/A		N/A
Total investments measured at the NAV	\$ 197,250				

Commingled Fixed Income – There are 3 fixed income funds considered to be commingled in nature. Each are valued at the net asset value of the units held at the end of the period based upon fair value of the underlying securities.

Private Equity - Consisting of 11 private equity funds, this strategy invests across a range of strategies, geographies, and industries. These underlying portfolio company investments cannot

be redeemed with the funds, but rather the funds will make distributions of capital to the Trust as the funds sell the underlying portfolio company investments.

Multi-Strategy Hedge Funds – Consisting of 16 hedge funds that are comprised of investments across hedge fund strategies. Four broad categories are, equity hedge, event driven, macro, and relative value. “Multi” references the multiple

underlying sub-strategies within each category.

State Employee Retiree Health Benefit Trust Fund-DB

Investment Policy

The State Retiree Health Benefit Trust Fund – DB fund is comprised of the State Police Retiree Health Benefit Trust Fund (ISPP), the State Personnel Plan Trust Fund (SPP), and the Conservation and Excise Police Trust Fund (CEPP).

The ISPP consists of sections 401(h) and 115 established pursuant to the Internal Revenue Service that are separate accounts established within the State Police Pension Fund for the purpose of paying benefits for sickness, accident, hospitalization, and medical expenses. The assets in this account may be commingled for investment purposes only with the other accounts of the Indiana State Police Pension Fund. The investment authority for these funds, is established under Indiana Code IC 5-10-8-6(d)(2).and 10-12-2-2(c). There is no formal deposit policy other than compliance to State statute. In compliance to State statute, the asset allocation is 100% in fixed income investments.

IC 10-12-2-2(c) reads as follows:

The trust fund shall be invested only in accordance with Indiana laws for the investment of trust funds, together with such other investments as are specifically designated in the pension trust. Subject to the terms of the pension trust, the Trustee, with the approval of the Department and the Pension Advisory Board, may establish investment guidelines and limits on all types of investments (including, but not limited to, stocks and bonds) and take other action necessary to fulfill its duty as a fiduciary for the trust fund. However, the Trustee shall invest the trust fund assets with the same care, skill, prudence, and diligence, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. The Trustee shall also diversify such investments in accordance with prudent investment standards.

IC 5-10-8-6(d)(2) reads as follows:

The treasurer of state shall invest the money in these trust funds not currently needed to meet the obligations of the trust fund in the same manner as other public money may be invested.

Indiana Code, Title 5, Article 13, Chapters 9, 10,

10.5, establishes the investment powers and guidelines regarding the State of Indiana investments.

The SPP and CEPP were established pursuant to HEA 1123 of the 2012 Indiana General Assembly. The State Personnel Department administers the SPP. The CEPP is administered by the Indiana Alcohol and Tobacco Commission and the Indiana Department of Natural Resources. These trust funds were created to provide for the prefunding of annual required contributions and for covering the OPEB liability of covered individuals. The investment authority for the CEPP is established under IC 5-10-8-6(d)(2). The investment authority for the SPP is established under IC 5-10-8-7(i)(2). Both of these codes sites state: The Treasurer of State shall invest monies in these trust funds not currently needed to meet the obligations of the trust funds in the same manner as other public money may be invested. Indiana Code, Title 5, Article13, Chapters 9, 10, and 10.5, establishes the investment powers and guidelines regarding the State of Indiana investments. There are no formal deposit and investment policies for the investment of these funds other than compliance to State statute. In compliance to State statute, the asset allocation is 100% in fixed income investments. State statute does not establish any parameters or guidelines related to the concentration of investment risk, investment credit risk, nor interest rate risk.

Effective July 1, 2017, the statutory investment authority changed for all of the State Retiree Health Benefit Trust Fund – DB funds. The new investment authority, under IC 5-10-8-6(d)(2), for the ISPP and the CEPP, and the new investment authority, under IC 5-10-8-7(i)(2), for the SPP, both state, notwithstanding IC 5-13, the treasurer of state shall invest the money in these trust funds in the same manner as money may be invested by the public employees' retirement fund under IC 5-10-35-5. However, the trustee may not invest the money in the trust in equity securities. Another change to the investment authority, effective July 1, 2019, will allow for the purchase of equities. The trustee shall also comply with the prudent investor rule set forth in IC 30-4-3.5.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

The following table provides information on the credit quality ratings for investments in the State Retiree Health Benefit Trust Fund - DB:

Investment Type	Greatest Risk	
	Ratings	Fair Value
U.S. Agencies	AA+	77,824
Total		\$ 77,824

Custodial Credit Risk

Deposits – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At June 30, 2019, the balance of any bank deposits was covered in full by federal depository insurance or by the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

Investment Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty’s trust department or agent, but not in the name of the State of Indiana. None of the State’s investments are exposed to custodial credit risk because they are held in the name of the State of Indiana. Additionally, the Treasurer of State requires all custodians to indemnify the State against all out-of-pocket expenses or losses incurred as a result of (i) the custodian’s operational failure, (ii) custodians failure to carry out the credit analysis, (iii) custodian’s failure to maintain proper collateral for each loan, or (iv) failure of an approved counterparty to comply with its obligations under the applicable securities lending agreement.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer representing 5% or more of the total investments. The only exemptions from disclosures are US Government Debt, US Government Guaranteed Investments, Mutual Funds, or External Investment Pools.

Investments in any one issuer, not exempt from disclosure, that represent 5% or more of the total

investments (in thousands) were:

FHLB 37.48% \$77,824

Rate of Return - For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, for the three OPEB plans administered through trusts was:

SPP	ISPP	CEPP
2.2%	2.4%	2.3%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. There was no foreign currency risk.

Securities Lending

The Treasurer of State is authorized by Indiana Code 5-13-10.5-13 to lend securities. Securities may be lent only if the agreement under which the securities are lent is collateralized by (1) cash or (2) non-cash collateral if the State is indemnified by the custodian holding the non-cash collateral, in excess of the total market value of the loaned securities..

At year end, there were no securities on loan and therefore, no credit risk exposure.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment

The following is a summary of the Interest Rate Risk Disclosure as of June 30, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)
		Less than 1
U.S. Treasuries	\$ 92,893	\$ 92,893
U.S. Agencies	77,824	77,824
Total Fixed Income Securities	\$ 170,717	\$ 170,717

Fair Value Measurement

The State Retiree Health Benefit Trust – DB funds categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy prioritizes valuation inputs used to measure the fair value of the asset or liability into three broad categories. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Levels 1, 2, and 3 (lowest priority level) of the fair value hierarchy are defined as follows:

Level 1 Inputs using unadjusted quoted prices in active markets or exchanges for identical assets or liabilities.

Level 2 Significant other observable inputs, which

may include, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in non-active markets; and inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.

Level 3 Valuations for which one or more significant inputs are unobservable and may include situations where there is minimal, if any, market activity for the asset or liability.

US Treasury securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. The debt securities classified in Level 2 of the fair value hierarchy are valued using other observable inputs other than quoted prices in an active market.

The following table summarizes the valuation of the investments by the fair value hierarchy levels as of June 30, 2019:

Investment Type	June 30, 2019	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
U.S. Treasuries	\$ 92,893	\$ 92,893	\$ -
U.S. Agencies	77,824	-	77,824
Total Fixed Income Securities	\$ 170,717	\$ 92,893	\$ 77,824

State Employee Retiree Health Benefit Trust Fund-DC

Investment Policy

Indiana Code, Title 5, Article 13, Chapters 9, 10, and 10.5, establishes the investment powers and guidelines regarding the State of Indiana investments. However, the Retiree Health Benefit Trust Fund has separate investment authority as established under Indiana Code 5-10-8-8.5 (c). The Treasurer of State shall invest the money in the trust fund not currently needed to meet the obligations of the trust fund in the same manner as other public money may be invested. There are no formal deposit and investment policies for the investment of these funds other than compliance to State statute. State statute does not establish any parameters or guidelines related to the concentration of investment risk, investment credit risk, nor interest rate risk. Effective 7/1/19, the Retiree Health Benefit Trust Fund shall be administered by the Indiana Public Retirement

System (INPRS) and invested by INPRS in the same manner and with the same limitations described in IC 5-10.5-4-1 and IC 5-10.5-5-1.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

The following table provides information on the credit quality ratings for investments, not exempt from disclosure, in the State Retiree Health Benefit Trust Fund:

Investment Type	Greatest Risk	
	Ratings	Fair Value
U.S. Agencies	AA	46,913
Total		\$ 46,913

Custodial Credit Risk

Deposits – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At June 30, 2019, the balance of any bank deposits was covered in full by federal depository insurance or by the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

Investment Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty's trust department or agent, but not in the name of the State of Indiana. None of the State's investments are exposed to custodial credit risk because they are held in the name of the State of Indiana. Additionally, the Treasurer of State requires all custodians to indemnify the State against all out-of-pocket expenses or losses incurred as a result of (i) the custodian's operational failure, (ii) custodians failure to carry out the credit analysis, (iii) custodian's failure to maintain proper collateral for each loan, or (iv) failure of an approved counterparty to comply with its obligations under the applicable securities lending agreement.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer representing 5% or more of the total investments. The only exemptions from disclosures are US Government Debt, US Government Guaranteed Investments, Mutual Funds, or External Investment Pools.

Investments in any one issuer, not exempt from disclosure, that represent 5% or more of the total investments were:

Federal Farm Credit Bank 7.56% \$26,950,689

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of

an investment or a deposit. There was no foreign currency risk.

Securities Lending

The Treasurer of State is authorized by Indiana Code 5-13-10.5-13 to lend securities. Securities may be lent only if the agreement under which the securities are lent is collateralized by (1) cash or (2) non-cash collateral if the State is indemnified by the custodian holding the non-cash collateral, in excess of the total market value of the loaned securities.

At year end, there were no securities on loan and therefore, no credit risk exposure.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The following is a summary of the Interest Rate Risk Disclosure as of June 30, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1 - 5
U.S. Treasuries	\$ 84,128	\$ 84,128	\$ -
U.S. Agencies	46,914	31,998	14,916
Total Fixed Income Securities	\$ 131,042	\$ 116,126	\$ 14,916

Fair Value Measurement

The State Retiree Health Benefit Trust – DC fund categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy prioritizes valuation inputs used to measure the fair value of the asset or liability into three broad categories. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Levels 1, 2, and 3 (lowest priority level) of the fair value hierarchy are defined as follows:

Level 1 Inputs using unadjusted quoted prices in active markets or exchanges for identical assets or liabilities.

Level 2 Significant other observable inputs, which may include, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in non-active markets; and inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.

Level 3 Valuations for which one or more significant

inputs are unobservable and may include situations where there is minimal, if any, market activity for the asset or liability.

US Treasury securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. US Agency Debt securities classified in Level 2 of the fair value

hierarchy are valued using other observable inputs other than quoted prices in an active market. The local government investment pool is valued using the fair value valuation methodology and is marked to market daily using the most recent market bid price as obtained from one or more market makers and is thus classified in Level 2 of the fair value hierarchy.

The following table summarizes the valuation of the investments by the fair value hierarchy levels as of June 30, 2019:

Investment Type	June 30, 2019	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
U.S. Treasuries	\$ 84,128	\$ 84,128	\$ -
U.S. Agencies	46,913	-	46,913
Total Fixed Income Securities	\$ 131,041	\$ 84,128	\$ 46,913

3. Pension Trust Funds – Fiduciary in Nature Component Unit

Indiana Public Retirement System

Investment Guidelines and Limitations

Oversight of INPRS assets is the fiduciary responsibility of the INPRS Board. As stated in IC 5-10.3-5-3 (a) and IC 5-10.4-3-10 (a) “The Board shall invest its assets with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims.” Accordingly, the INPRS Board must sufficiently diversify the portfolio to minimize the risk of large losses unless, under the circumstances, it is clearly prudent not to do so. Primary risk measures are volatility in the plan’s assets, funded status, and the contribution rates.

Indiana law permits the INPRS Board to establish investment guidelines and limits on all types of investments and take other actions necessary to fulfill its duty as a fiduciary for all assets under its control. One June 30, 2019, cash and investments were held by banks or trust companies under custodial agreements with INPRS. The Investment Policy Statement, adopted by the Board, includes target asset allocations and allowable ranges that are expected to meet rates of return over a period while minimizing risk.

The following global asset classes, target allocations, and target ranges were approved by the INPRS Board on October 23, 2015 for defined benefit funds, based on a formal asset-liability study and shall remain in place until revised by the INPRS Board. An asset-liability study is conducted every five years.

Global Asset Classes	Target Allocation - %	Target Range - %
Public Equity	22	19.5-24.5
Private Markets	14	10-18
Fixed Income - Ex Inflation - Linked	20	17-23
Fixed Income - Inflation - Linked	7	4-10
Commodities	8	6-10
Real Estate	7	3.5-10.5
Absolute Return	10	6-14
Risk Parity	12	7-17

The defined contribution plans are structured to provide members with a choice of diverse investment options that offer a range of risk and return characteristics appropriate for members. Members can self-direct their investment options or leave their contributions invested in the default target date retirement fund. The offered investment options undergo periodic reviews by the INPRS Board.

The Local Public Safety Pension Relief Fund is invested 100 percent in high-quality, short-term money market instruments. The State Death Benefit Fund is 100 percent invested in intermediate fixed income investments in a commingled fund.

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts invested. For the year ended June 30, 2019, the annual money-weighted rate of return on defined benefit pension trust fund investments, net of pension plan investment expenses is as follows:

Defined Benefit Pension Trust Funds	Annual Money Weighted Rate of Return
Public Employees' Retirement Fund - DB	7.32%
Teachers' Retirement Fund Pre-1996 - DB	7.61%
Teachers' Retirement Fund 1996 - DB	7.47%
1977 Police Officers' and Firefighters' Pension and Disability Fund	7.34%
Judges' Retirement System	7.31%
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan	7.40%
Prosecuting Attorneys' Retirement Fund	7.30%
Legislators' Defined Benefit Plan	7.19%

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, INPRS's deposits may not be returned. Deposits are exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are uncollateralized or collateralized with securities held by the pledging financial institution. At June 30, 2019, \$198 million of cash deposits were uninsured and uncollateralized and therefore exposed to credit risk. The following table shows cash deposits and short-term investments as of June 30, 2019

Cash Deposits	Total
Demand Deposit Account – Bank Balances (Insured by FDIC up to \$250 thousand per financial institution)	\$ 2,935
Held with Custodian Bank (Uncollateralized)	192,767
Short-term Investment Funds held at Bank (Collateralized)	1,285,534
Total	\$ 1,481,236

Custodial Credit Risk for Investments

Custodial credit risk for investments is a risk if the securities are uninsured, are not registered in the name of INPRS, and are held by either the counterparty or the counterparty's trust department or agent, but not in the name of INPRS. INPRS's custody agreement with the custodian requires the custodian to segregate the securities on the custodian's books and records from the custodian's property. In addition, investment managers are not allowed, under any circumstances, to take possession, custody, title, or ownership of any managed assets.

Method Used to Value Investments

Public Equity investments are comprised of domestic and international stocks as well as commingled equity instruments. Equity securities traded on a national or international exchange are valued at the official closing price or last reported sales price of the instrument. International equities are then adjusted to reflect the exchange rate as of June 30, 2019 of the underlying currency. Commingled equities are not traded on a national security exchange and are valued at the net asset value of the units held at June 30, 2019 based on the fair value of the underlying securities.

Private Market investments are valued using current estimates of fair value obtained from the general partner or investment manager. Holdings are generally valued by a general partner or investment manager on a quarterly or semi-annual basis. Investments in private markets are generally considered illiquid long-term investments. Due to the inherent uncertainty that exists in the valuation of alternative investments, the realized value upon sale of an asset may differ significantly from the fair value.

Fixed income securities are comprised of U.S. government, U.S. government-sponsored agencies, publicly traded debt and commingled investment

debt instruments. Securities traded on a national and international exchanges are valued based on published market prices and quotations.

Securities that are not traded on a national security exchange are valued using a matrix pricing approach. Commingled securities are valued at the net asset value of the units held as of June 30, 2019 based on the fair value of the securities.

Commodities including derivative instruments are reported at fair value and involve, to varying degrees, elements of market risk to the extent of future market movements in excess of amounts recognized in the financial statements. Derivative instruments are considered investments and not hedges for accounting purposes. The fair value of all derivative financial instruments is reported in the Statement of Fiduciary Net Position. The change in the fair value is recorded in the Statement of Changes in Fiduciary Net Position as Net Investment Income/(Loss). Gains and losses arising from this activity are recognized in the Statement of Changes in Fiduciary Net Position as incurred.

Real Estate, Absolute Return, and Risk Parity investments are valued by the manager or independent appraiser based on reported net asset values, cash flow analysis, purchases and sales of

similar investments, new financings, economic conditions, other practices used with the industry, or other information provided by the underlying investment advisors. Due to the inherent uncertainty in privately held securities, the fair value may differ from the values that would have been used if a ready market for such securities existed, and the differences can be material.

INPRS relies on third party resources to verify the methodology and calculation used for investment valuation and performance metric reported by the custodian.

Interest Rate Risk

Interest rate risk is the risk changes in interest rates adversely affect the fair value of the investments. Duration is a measure of interest rate risk. The longer a fixed-income investment is to maturity, the more susceptible the value of the fixed-income investment is to market interest rate changes. The Investment Policy Statement recognizes interest rate risk as a market risk factor. While INPRS does not have a formal stated policy regarding interest rate risk, it is monitored regularly at the Plan level, and within the fixed income asset classes, as part of achieving the long-term actuarial rate of return.

As of June 30, 2019 the duration of the fixed income portfolio is as follows. The \$1.62 billion, for which no duration was available, is primarily made up of cash and commingled debt funds:

Debt Security Type	Fair Vale	% of All Debt Securities	Portfolio Weighted Average Effective Duration (Years)
Short Term Investments			
Short Term Investments	\$ 1,285,534	10.3	0.08
Corporate Bonds	6,271	0.1	0.57
Commercial Paper	3,897	0.0	0.03
Certificate of Deposits	-	0.0	-
U.S. Treasury Obligations	293,560	2.3	0.32
Non-U.S. Government	4,662	0.0	0.21
Duration Not Available	192,767	1.5	N/A
Subtotal	<u>1,786,691</u>	<u>14.2</u>	
Fixed Income Investments			
U.S. Governments	4,151,468	33.1	11.98
U.S. Agencies	326,325	2.6	5.01
Non-U.S. Government	3,377,699	26.9	8.51
Corporate Bonds	1,242,629	9.9	7.45
Asset-Backed Securities	238,087	1.9	2.63
Duration Not Available	1,423,017	11.4	N/A
Subtotal	<u>10,759,225</u>	<u>85.8</u>	
Total	<u>\$ 12,545,916</u>	<u>100.0</u>	

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In accordance with the Investment Policy Statement, when building the most diversified investment portfolio, emphasis is laid on risk allocation, not capital allocation. As a result, INPRS regularly monitors success in achieving the

targeted risk diversification that is inherent in the approved asset allocation.

Credit ratings, obtained from several industry rating services for Fixed Income Securities and Short-Term Investments are shown in the table below. The most conservative rating of Standard and Poor's, Moody's, and Fitch are utilized in the schedule below.

Credit Rating	Short-Term Investments	Fixed Income Securities	Total	Percentage of All Debt Securities
AAA	\$ -	\$ 778,383	\$ 778,383	6.2
U.S. Government Guaranteed	-	4,477,749	4,477,749	35.7
AA	293,559	1,295,742	1,589,301	12.7
A	-	899,033	899,033	7.1
BBB	3,897	997,124	1,001,021	8.0
BB	-	272,407	272,407	2.2
B	-	279,264	279,264	2.2
Below B	-	201,937	201,937	1.6
Unrated	1,489,235	1,557,586	3,046,821	24.3
Total	\$ 1,786,691	\$ 10,759,225	\$ 12,545,916	100.0

The above table does not include cash with custodian of \$193 million.

The \$3.05 billion unrated primarily consists of the following security types: money market sweep vehicles, private placement, term loans and asset-backed securities, commercial mortgages, CMO/REMIC's and commingled debt funds.

Concentration of credit risk is the risk of loss which may arise in the event of default by a single issuer. The INPRS Investment Policy Statement recognizes issuer risk as a strategic risk factor that is monitored on an absolute and relative basis. At June 30, 2019, single issuer exposure in the portfolio did not exceed 5 percent of the Fiduciary Net Position.

INPRS Investment Policy Statement places concentration limits on assets placed with an investment manager.

No investment manager will manage more than 10 percent of the INPRS assets in actively managed portfolios at the time of funding. Through capital appreciation and additional purchases, no investment manager will be allowed to manage more than 15 percent of the system's assets in

actively managed portfolios without Board approval.

No investment manager will manage more than 15 percent of the INPRS assets in passively managed portfolios at the time of funding. Through capital appreciation and additional purchases, no investment manager will be allowed to manage more than 20 percent of the system's assets in passively managed portfolios without Board approval.

No investment manager will manage more than 25 percent of the INPRS assets in a combination of actively and passively managed portfolios.

Foreign Currency Risk

Foreign currency risk is the risk changes in exchange rates will adversely affect the fair value of an investment. INPRS has defined a foreign exchange risk management policy to effectively manage the Fund's performance volatility associated with foreign currency risk.

INPRS exposure to foreign currency risk at June 30, 2019, is as follows:

Investment Held in Foreign Currency						
Currency	Short Term	Fixed Income	Equity	Other Investments	Total	% of Total ¹
Argentina Peso	\$ (59)	\$ 3,638	\$ -	\$ 9,767	\$ 13,346	0.0%
Australian Dollar	1,758	98,737	105,799	(104,658)	101,636	0.3
Brazilian Real	(320)	18,901	33,201	27,477	79,259	0.2
Canadian Dollar	2,341	151,901	148,619	(155,491)	147,370	0.4
Chilean Peso	-	16,146	-	1,531	17,677	-
Chinese R Yuan HK	-	-	-	1,410	1,410	-
China Yuan Renminbi	547	8	45,469	(141)	45,883	0.1
Colombian Peso	427	23,774	-	2,409	26,610	0.1
Czech Koruna	43	8,009	-	15,096	23,148	0.1
Danish Krone	2,033	17,720	42,168	(18,349)	43,572	0.1
Dominican Rep Peso	-	4,784	-	-	4,784	-
Egyptian Pound	8,867	-	777	(40)	9,604	-
Euro Currency Unit	6,952	1,399,117	758,330	(1,377,676)	786,723	2.2
Hong Kong Dollar	1,202	(22)	177,405	142	178,727	0.5
Hungarian Forint	(43)	6,708	4,323	6,856	17,844	0.1
Indian Rupee	3	273	34,062	5,548	39,886	0.1
Indonesian Rupiah	-	43,338	2,256	(4,030)	41,564	0.1
Israeli Shekel	10	52	4,910	-	4,972	-
Japanese Yen	13,774	517,309	498,247	(526,277)	503,053	1.4
Malaysian Ringgit	861	20,984	-	(7,624)	14,221	-
Mexican Peso	1,541	37,471	7,847	(7,022)	39,837	0.1
Taiwan New Dollar	-	-	59,113	(635)	58,478	0.2
New Zealand Dollar	328	6,431	3,204	(6,379)	3,584	-
Norwegian Krone	800	4,836	13,438	(1,967)	17,107	0.1
Peruvian Nuevo Sol	76	16,285	-	(1,429)	14,932	-
Polish Zloty	1,040	41,490	5,616	(3,078)	45,068	0.1
British Pound Sterling	6,014	595,632	337,833	(602,510)	336,969	0.9
Romania Leu	-	1,476	-	2,708	4,184	-
Russian Ruble	35	32,391	-	(3,103)	29,323	0.1
Singapore Dollar	1,468	7,996	24,036	(10,440)	23,060	0.1
South African Rand	1,213	53,788	32,335	(21,125)	66,211	0.2
South Korean Won	702	18	100,777	180	101,677	0.3
Swedish Krona	1,049	85,490	59,696	(86,310)	59,925	0.2
Swiss Franc	6,563	-	208,715	(462)	214,816	0.6
Thai Baht	58	33,060	15,346	(11,729)	36,735	0.1
Turkish Lira	28	7,418	8,010	8,757	24,213	0.1
UAE Dirham	-	-	1,298	-	1,298	-
Ukraine Hryvana	2,196	-	-	-	2,196	-
Uruguayan Peso	-	596	-	-	596	-
Total	\$ 61,507	\$ 3,255,755	\$ 2,732,830	\$ (2,868,594)	\$ 3,181,498	8.8%

(1) Total of foreign currency risk, as a percentage of all pooled investments.

Securities Lending

The INPRS Board has authorized the custodian to enter into a securities lending program agreement under which securities held by the custodian on behalf of INPRS may be loaned. The purpose of such a program is to provide additional revenue. The policy requires that securities are loaned in exchange for cash or securities collateral equal to approximately 102 percent of the market value of domestic securities on loan and 105 percent of the market value of international securities on loan, with a simultaneous agreement to return the collateral for the same securities in the future. In no event

shall the acceptable collateral be less than the total market value of loaned securities. Securities shall not be loaned in excess of 40% of the market value. The custodian and/or securities lending sub-agent is required to provide agreed upon indemnification to INPRS from and against any losses, damages, costs, and expenses which arise from a borrower defaulting on a loan or filing for bankruptcy. In addition, a maximum of 25% of the cash collateral may be invested with a single counterparty and all collateral investments have a maturity of the next business day.

At June 30, 2019, INPRS had no security lending credit risk exposure as the collateral pledged of

\$792 million exceeded the fair value of securities on loan, as shown below.

Security Type	Fair Value of Securities on Loan
U.S. Governments	\$ 330,597
Corporate Bonds	7,909
International Bonds	17,037
Domestic Equities	360,248
International Equities	56,973
Total	\$ 772,764

All reinvested cash collateral investments consist of repurchase agreements which are not rated by any of the rating agencies.

Repurchase Agreements

A repurchase agreement is an agreement in which cash is transferred to a broker-dealer or financial institution in return for transfer of security to the custodian and promise to repay cash plus interest. An obligation under a reverse repurchase agreement is the same as a repurchase agreement but from the perspective of the buyer rather than the seller. Obligations under reverse repurchase agreements are liabilities whereby security collateral is held at the broker dealer or financial institution's custodian.

INPRS's Investment Policy Statement allows prudent use of securities lending, repurchase, and reverse repurchase agreements. Repurchase agreements that may create explicit leverage in the portfolio are prohibited; however, repurchase transactions (including tri-party repurchase transactions) collateralized with U.S. government securities are permitted. Repurchase transactions are required to be collateralized at 102 percent at time of purchase and market to market on each business day.

Investments under Repurchase Agreements (exclusive of Securities Lending) at June 30, 2019, are as follows:

Repurchase Agreements by Collateral Type	Cash Collateral Received	Fair Value
U.S. Treasury	\$ 5,858	\$ 5,858

Obligations Under Reverse Repurchase Agreements by Collateral Type	Cash Collateral Posted	Fair Value
U.S. Treasury	\$ 634,592	\$ 702,440

At June 30, 2019, INPRS had no reverse repurchase agreement credit risk exposure since the cash collateral value posted was less than the fair value of the liability held.

Fair Value Measurement

INPRS investments are measured at fair value with the fair value hierarchy established by GASB Statement No. 72. The categorization of the investments within the hierarchy is based upon the valuation transparency of the instrument and should not be perceived as the risk of the particular investment. The three-tier hierarchy is summarized as follows:

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices in active markets; quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations reflect practices where significant inputs are unobservable.

U.S. Treasury Obligations generally include investments in money market securities that are reported at either fair value or at cost plus accrued interest, which approximates market or fair value.

Equity, U.S. corporate obligations, U.S. government and derivative securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt and derivative securities classified in Level 2 are valued using either a bid evaluation or a matrix based pricing technique. Bid evaluations are typically based on market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Index linked debt securities are valued by multiplying the external market price by the applicable day's index ratio. Level 2 debt securities have non-proprietary information that is readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. Equity and equity derivatives classified in Level 2 are securities whose values are derived daily from associated traded securities.

Investments classified as Level 3 are valued using best available sources such as property appraisals, discounted cash flow models, and public market comparisons of similar assets where applicable. The values are supplied by advisors or general partners who hold those or similar assets in investment vehicles they oversee. These pricing sources may or may not be indicative of realizable exit values attainable for the assets.

Investments that are measured at fair value using the Net Asset Value (NAV) are not classified in the fair value hierarchy. The NAV for these investments is provided by the investee and may be sold at an amount different than NAV. To manage risk relating to Absolute Return investments, assets are placed in limited liability vehicles to protect INPRS from losing more than its invested capital.

At June 30, 2019, the fair value of investments categorized by Level 1, 2 and 3 is as follows:

Investment Type (1)	June 30, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments Measured at Amortized Cost				
Cash at Brokers	\$ 192,767			
Repurchase Agreements	5,858			
Pooled Short Term Investments (2)	1,252,949			
Total Investments Measured at Amortized Cost	1,451,574			
Investments by Fair Value Level				
Pooled Short Term Investments (2)				
BNY - Mellon Cash Reserves	5,228	\$ -	\$ 5,228	\$ -
Certificate of Deposit	-	-	-	-
Commercial Paper	3,897	-	3,897	-
Corporate Bonds (Short Term)	3,731	-	3,731	-
U.S. Treasury Obligations	293,559	293,559	-	-
Non-U.S. Governments	7,202	-	7,202	-
Total Pooled Short Term Investments	313,617	293,559	20,058	-
Fixed Income Investments				
U.S. Governments	4,145,318	4,145,049	269	-
Non-U.S. Governments	3,708,058	653	3,702,498	4,907
U.S. Agencies	294,577	-	294,577	-
Corporate Bonds	1,122,203	5,405	913,789	203,009
Asset-Backed Securities	261,964	-	261,964	-
Total Fixed Income Investments	9,532,120	4,151,107	5,173,097	207,916
Equity Investments				
Domestic Equities	4,006,632	4,005,247	1,385	-
International Equities	3,356,894	3,355,050	1,844	-
Total Equity Investments	7,363,526	7,360,297	3,229	-
Total Investments by Fair Value Level	17,209,263	\$ 11,804,963	\$ 5,196,384	\$ 207,916
Investments Measured at the Net Asset Value (NAV)				
Commingled Short Term Funds	11,360			
Commingled Fixed Income Funds	1,227,106			
Commingled Equity Funds	1,837,420			
Private Markets	4,105,253			
Absolute Return	3,006,984			
Real Estate	1,511,614			
Risk Parity	3,998,139			
Total Investments Measured at the Net Asset Value (NAV)	15,697,876			
Investment Derivatives				
Total Futures	30,236	\$ 30,236	\$ -	\$ -
Total Options	(145)	-	(145)	-
Total Swaps	(12,623)	-	(12,623)	-
Total Investment Derivatives	17,468	\$ 30,236	\$ (12,768)	\$ -
Total Investments (less Securities Lending Collateral)	\$ 34,376,181			

(1) The amounts disclosed above will differ from the Asset Allocation Summary. The investment type combines assets according to the security type assigned to each investment by the Custodian. The Asset Allocation Summary groups assets according to the investment objective of each investment manager.

(2) Short Term Investments include highly liquid assets, both pooled and non-pooled that are an integral part of the pension investments.

The valuation method for investments measured at the net asset value (NAV) per share or equivalent, at June 30, 2019, is presented as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Commingled Short Term Funds (1)	\$ 11,360	\$ -	Daily	1 day
Commingled Fixed Income Funds (1)	1,227,106	-	Daily	1 day
Commingled Equity Funds (1)	1,837,420	-	Daily	1 day
Private Markets (2)	4,105,253	2,275,009	Not Eligible	N/A
Real Estate Funds (3)	1,511,614	616,566	Quarterly	N/A
Absolute Return (4)	3,006,984	-	Monthly, Quarterly, Semi-Annually	30-120 days
Risk Parity (5)	3,998,139	-	Daily, Weekly, Monthly	3-5 days
Total	<u>\$ 15,697,876</u>	<u>\$ 2,891,575</u>		

(1) *Commingled Short Term, Fixed Income and Equity Funds* - There are three short term funds, fifteen fixed income funds and three equity funds, which are considered to be commingled in nature. These investments are valued at the net asset value of the units held at June 30, 2019, based upon fair value of the underlying securities.

(2) *Private Markets* - Consisting of 269 private market funds that invest across a range of strategies, geographies, and industries within private equity and private credit. The underlying portfolio investments cannot be redeemed with each fund, but rather the fund will make distributions of capital as the fund liquidates the underlying portfolio investments over the typical 10 year term in the case of private equity, and the typical 7 year term in the case of private credit.

(3) *Real Estate Funds* - Consisting of 43 real estate funds that invest primarily in U.S. commercial real estate. There are 37 real estate funds classified as illiquid, or approximately 56 percent of the value of the real estate fund investments. These funds have underlying portfolio investments that cannot be redeemed with the funds, but rather these funds will make distributions of capital as the funds liquidate their underlying portfolio investments over the average 10 year life of the funds. There are six real estate funds that have been classified as liquid due to the open-end structure of the fund. Open-end funds generally offer periodic distributions of net cash flow, which can be reinvested, as well as quarterly redemption windows.

(4) *Absolute Return* - The portfolio consists of 32 fund holdings that cover a broad spectrum of investment strategies and investment horizons which results in distinct fund redemption terms to prevent asset-liability mismatches. These funds attempt to generate returns in excess of the plan's target actuarial rate of return over a full market

cycle with minimal beta to the plan's primary long-only market exposures (equities, credit, rates, and commodities). Fund redemption periods range from weeks (alternative beta) to years (drawdown vehicles), but as a whole, on a weighted-average basis, the portfolio maintains a liquidity profile of less than one year. The valuation process for the funds is comparable to private market valuations, with quarterly valuations.

(5) *Risk Parity* - Consisting of four fund investments, this portfolio is constructed to accrue various asset class risk premiums, including equity, without long-term dominance from any single asset class. The structure of these investments provides a reasonable level of liquidity and investments may be redeemed in accordance to the terms set forth by each investment management agreement. The risk parity fund investments are considered to be liquid, market-priced instruments, and 100 percent of the NAV is independently calculated by the fund administrators. Fair values are reported as NAV per share.

As of June 30, 2019, it is probable \$4.1 billion and \$1.5 billion of the investments in the private market and real estate funds type, respectively, will be sold at an amount different from the NAV of the INPRS' ownership interest in partners' capital. Therefore, the fair values of the investments in this type have been estimated using recent observable transaction information for similar investments and non-binding bids received from potential buyers of the investments (one quarter in arrears plus current quarter cash flows). As of June 30, 2019, a buyer (or buyers) for these investments has not yet been identified. Once a buyer has been identified, the investee fund's management must approve the buyer before the sale of the investments can be completed.

Derivative Financial Instruments - Activity

A derivative is a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (similar to a security) or set of assets (similar to an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes, and stocks. The following derivative instruments are included in Investments:

Futures

A futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date.

Options

Options are agreements that give the owner of the option the right, but not obligation, to buy (in the

case of a call) or to sell (in the case of a put) a specific amount of an asset for a specific price on or before a specified expiration date.

Swaps

Swaps are derivative instruments in which one party exchanges a stream of fixed cash flows for floating cash flows. A notional amount of principal is required to compute the actual cash amounts and is determined at the inception of the contract.

Currency Exchange Forwards

A currency exchange forward contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. A contract is classified as a forward contract when the settlement date is more than two days after the trade date.

The following table summarizes INPRS' derivative instruments outstanding as of June 30, 2019:

Investment Derivatives	Change in Fair Value	Fair Value	Notional
Futures			
Index Futures - Long	\$ 36,551	\$ 36,551	\$ 898,684
Commodity Futures - Long	(13,057)	(13,057)	1,600,713
Fixed Income Futures - Long	23,137	23,137	964,213
Fixed Income Futures - Short	(16,395)	(16,395)	(1,056,430)
Total Futures	<u>30,236</u>	<u>30,236</u>	<u>2,407,180</u>
Options			
Interest Rate Options Bought	(1,335)	60	106,700
Interest Rate Options Written	1,352	(31)	245,900
Fixed Income Options Written	18	(171)	(171)
Credit Default Index Swaptions Written	29	(3)	24,100
Total Options	<u>64</u>	<u>(145)</u>	<u>376,529</u>
Swaps			
Interest Rate Swaps - Pay Fixed Receive Variable	(10,720)	(17,363)	555,344
Interest Rate Swaps - Pay Variable Receive Fixed	3,837	4,304	382,985
Overnight Index Interest Rate Swaps - Pay Variable Receive Fixed	10	10	1,508
Inflation Swaps - Pay Fixed Receive Variable	(5)	(4)	2,900
Inflation Swaps - Pay Variable Receive Fixed	-	-	-
Total Return Swaps	15	15	4,445
Credit Default Swaps Single Name - Buy Protection	(452)	58	27,086
Credit Default Swaps Single Name - Sell Protection	132	(417)	32,895
Credit Default Swaps Index - Buy Protection	(129)	(739)	26,773
Credit Default Swaps Index - Sell Protection	749	1,513	78,350
Total Swaps	<u>(6,563)</u>	<u>(12,623)</u>	<u>1,112,286</u>
Total Derivatives	<u>\$ 23,737</u>	<u>\$ 17,468</u>	<u>\$ 3,895,995</u>

The table below summarizes the swap maturity profile of derivative instruments as of June 30, 2019.

Swap Type	Swap Maturity Profile at June 30, 2018					Total
	< 1 yr	1 - 5 yrs	5 - 10 yrs	10 - 20 yrs	20 + yrs	
Interest Rate Swaps - Pay Fixed Receive Variable	\$ (88)	\$ (1,762)	\$ (3,267)	\$ (3,069)	\$ (9,177)	\$ (17,363)
Interest Rate Swaps - Pay Variable Receive Fixed	-	3,771	98	435	-	4,304
Overnight Index Interest Rate Swaps - Pay Variable Receive Fixed	10	-	-	-	-	10
Inflation Swaps - Pay Fixed Receive Variable	-	-	-	(4)	-	(4)
Total Return Swaps	15	-	-	-	-	15
Credit Default Swaps Single Name - Buy Protection	(2)	60	-	-	-	58
Credit Default Swaps Single Name - Sell Protection	16	(433)	-	-	-	(417)
Credit Default Swaps Index - Buy Protection	-	(739)	-	-	-	(739)
Credit Default Swaps Index - Sell Protection	7	1,486	-	-	20	1,513
Total Swap Fair Value	\$ (42)	\$ 2,383	\$ (3,169)	\$ (2,638)	\$ (9,157)	\$ (12,623)

Derivative Financial Instruments – Risk Management

INPRS's Investment Policy Statement allows derivatives transactions by investment managers who possess recognized expertise in derivative overlay strategies to offset, or hedge, unintended market exposures in underlying funds that remain in a lock-up period. Direct purchases of physical commodities is prohibited; however, swaps and instruments that constitute a security or authorized derivatives are permitted.

INPRS effectively manages credit risk relating to derivative instruments by following these guidelines: 1) To avoid counterparty risk, derivative transactions are executed through the use of listed options and futures traded on registered exchanges, whenever possible. Non-exchange traded options, forwards, or swaps are executed only if the counterparty is rated "A" or better by at least one of the Nationally Recognized Statistical Rating Organizations ("NSRSOs"), 2) Exchange-traded commodity futures, options, and other instruments are traded on any exchange regulated by the Commodities Futures Trading Commission ("CFTC") of the United States and/or the Financial Services Authority ("FSA") of the United Kingdom. 3) For non-exchange traded derivatives, counterparty creditworthiness is at a minimum of "A3" as defined by Moody's Investor Service, "A-" by Standard & Poor's, and/or "A-" by Fitch. Unrated counterparties are not selected unless such counterparty is a wholly-owned affiliate of a parent

organization that guarantees payment and meets the above counterparty creditworthiness standards. 4) Derivative instruments are standardized and exchange-traded (e.g., futures) and/or privately-negotiated and over-the counter (e.g., swap agreements). Underlying risk exposures may be to cash commodities and/or commodity derivatives. Risk exposures for exchange-traded instruments shall lie with exchange clearinghouses and with approved counterparties for non-exchange traded transactions. 5) The market value of commodities collateral is maintained at 100 percent or greater of the net option-adjusted notional value of any commodities overlay exposure at the consummation of any new commodities overlay position. If the collateral market value falls below the net option-adjusted value of the overlay, the investment manager(s) adjust their portfolio at the earliest feasible opportunity to bring the collateral value up to the notional value of the overlay.

Derivative Financial Instruments – Counterparty Credit Risk

This risk exists on all open over-the-counter derivatives, such as swaps and currency forwards. Counterparty credit risk is the risk that a derivative counterparty may fail to meet its payment. As of June 30, 2019, the aggregate fair value of investment derivatives in an asset position subject to counterparty credit risk was approximately \$15 million.

The table below summarizes the counterparty positions as of June 30, 2019:

Swaps Counterparty	S&P Rating	Fair Value			Collateral	
		Receivable/ Unrealized Gain	Payable/ (Unrealized Loss)	Fair Value	Posted	Received
Bank of America	A-	\$ 67	\$ (50)	\$ 60	\$ 250	\$ (490)
Banque Nationale De Paris	A+	4	-	1	-	(150)
Barclays	BBB	53	(21)	(8)	-	(90)
Citigroup, Inc.	BBB+	311	(7)	252	200	(260)
CME Group	AA-	4,708	(7,870)	(11,539)	1,080	-
Deutsche Bank	BBB+	795	(1,148)	(581)	-	(10)
Goldman Sachs	BBB+	210	(312)	(205)	1,160	(140)
HSBC Securities Inc	A	19	(10)	(6)	490	(130)
Intercontinental Exchange, Inc.	A	2,024	(1,387)	1,130	455	-
JPMorgan Chase Bank	A-	4,360	(4,410)	(21)	420	-
London Clearing House	A	2,143	(6,100)	(1,764)	-	-
Morgan Stanley	BBB+	58	-	58	420	(510)
Total		\$ 14,752	\$ (21,315)	\$ (12,623)	\$ 4,475	\$ (1,780)

Derivative Financial Instruments – Foreign Currency Risk

Foreign currency forward contracts and futures contracts are exposed to foreign currency risk. At June 30, 2019, INPRS's investments included a foreign currency contract receivable balance of \$8.4 billion and an offsetting foreign currency contract payable of \$8.4 billion. The net gain recognized for the year ended June 30, 2019, due to foreign currency transactions was \$43 million.

Derivative Financial Instruments – Synthetic Guaranteed Investment Contracts (GICs)

The Defined Contribution Stable Value Fund consists of fully benefit-responsive synthetic

guaranteed investment contracts (GICs). The Stable Value Fund is an investment option that seeks to provide safety of principal and a stable credited rate of interest, while generating competitive returns over time compared to other comparable investments. As of June 30, 2019, the Stable Value Fund portfolio of well diversified high-quality investment grade fixed income securities had a fair value of \$2.6 billion, which was \$39 million above the fair value protected by the wrap contract.

Derivative Financial Instruments – Interest Risk

IINPRS has exposure to interest rate risk due to investments in interest rate swaps, inflation swaps, and forward mortgage-backed securities (TBAs).

Derivative instruments as of June 30, 2019, subject to interest rate risk are:

Reference Currency	Pays	Receives	Fair Value	Notional
Interest Rate Swap - Pay Fixed Receive Variable:				
U.S. Dollar	1.50% to 3.25%	3M USD LIBOR	\$ (14,549)	\$ 355,940
Mexican Peso	5.66% to 8.36%	28D MXN TIIE BANXICO	(187)	70,142
Pound Sterling	1.25% to 2.00%	6M GBP LIBOR BBA	(1,061)	63,126
Japanese Yen	0.30% to 0.45%	6M JPY LIBOR BBA	(848)	24,782
Czech Koruna	1.75% to 2.13%	6M CZK PRIBOR PRBO	(242)	19,568
Euro Currency Unit	0.25% to 1.50%	6M EURIBOR REUTERS	(309)	6,935
Polish Zloty	2.50%	6M PLN WIBOR WIBO	(146)	4,781
South Korean Won	1.50%	3M KRW KWDCD COD	-	4,684
Hong Kong Dollar	1.75% to 2.00%	3M HIBOR BLOOMBERG	(21)	2,588
South Korean Won	1.25	3M KRW CD KSDA BLOOMBERG	-	1,812
Indian Rupee	5.75%	INR FBIL MIBOR OIS COM	-	986
Total			\$ (17,363)	\$ 555,344
Interest Rate Swap - Pay Variable Receive Fixed:				
U.S. Dollar		3M USD LIBOR BBA	2.25% to 2.7%	\$ 3,133 \$ 86,300
South Korean Won		3M KRW CD KSDA BLOOMBERG	1.25% to 1.75%	- 67,711
Thailand Baht		6M THB THBFIX REUTERS	1.50% to 1.75%	188 59,955
South Korean Won		3M KRW KWDCD COD	1.75%	- 36,061
Mexican Peso		28D MXN TIIE BANXICO	7.35% to 8.25%	154 25,583
South African Rand		3M ZAR JIBAR SAFEX	6.75% to 8.00%	25 20,382
Czech Koruna		6M CZK PRIBOR PRBO	2.20%	127 20,198
Hungarian Forint		6M HUF BUBOR REUTERS	0.6% to 2.50%	111 15,919
Indian Rupee		INR FBIL MIBOR OIS COM	6.75%	4 14,255
Chilean Peso		CLP CLICP BLOOMBERG	3.15% to 3.6%	186 9,275
Brazilian Real		1D BRL CDI	6.66%	18 6,690
Chinese Yuan Renminbi		7D CHINA FIXING REPO RATES	3.00%	3 4,960
Israeli Shekel		3M ILS TELBOR REFERENCE BANKS	1.75%	52 4,410
Euro Currency Unit		6M EURIBOR REUTERS	1.00%	264 3,257
Mexican Peso		1M MXN TIIE BANXICO	7.50%	11 3,216
Brazilian Real		1M BRL CDI	6.85%	26 3,157
Singapore Dollar		6M SGD SIBOR REUTERS	2.00%	2 1,656
Total			\$ 4,304	\$ 382,985

B. Interfund Transaction

Interfund Loans

As explained in Note III(A), temporary cash overdrafts in various funds are reported as interfund loans from the General Fund. As of June 30, 2019, the following funds had temporary cash overdrafts covered by loans from the General Fund: U.S. Department of Health and Human Services Fund, \$479.5 million, and U.S. Department of Labor, \$9.6

million. There is also reported an \$8.0 million loan from the Motor Vehicle Highway Fund to the State Highway Fund, which is not expected to be repaid within the next fiscal year. Also, reported is an interfund loan of \$3.0 million to the Fish and Wildlife Fund from the Fund 6000 Programs Fund for \$2.3 million and from the Deer Research and Management Fund for \$0.7 million for game and deer licenses.

The following is a summary of the Interfund Loans as of June 30, 2019:

	Loans To Governmental Funds	Loans From Governmental Funds
Governmental Funds		
General Fund	\$ 489,071	\$ -
US Department of Health and Human Services		479,492
Nonmajor Governmental Funds	11,047	20,626
Total	\$ 500,118	\$ 500,118

Interfund Services Provided/Used

Interfund Services Provided of \$10.0 million represents amounts owed by various governmental

funds to the Institutional Industries Fund and the Administrative Services Revolving Funds, both internal service funds, for goods and services rendered.

The following is a schedule of Interfund Services Provided/Used as of June 30, 2019:

	Interfund Services Provided To Governmental Funds	Interfund Services Used By Governmental Funds
Governmental Funds		
General Fund	\$ -	\$ 5,580
Public Welfare - Medicaid Assistance	-	9
U.S. Department of Health & Human Services	-	1,624
Nonmajor Governmental Funds	-	2,801
Total Governmental Funds	-	10,014
Proprietary Funds		
Internal Service Funds	10,014	-
Total Proprietary Funds	10,014	-
Total	\$ 10,014	\$ 10,014

Due From/Due To

The \$20.0 million represents funds the General Fund borrowed in June 2004, interest free, from the Indiana Board for Depositories, a discretely presented component unit. Per Public Law 93-2013, Section 4, repayments to the Indiana Board for Depositories are to be made in annual increments of \$5.0 million each July beginning July

2013. The interfund balance of \$15.4 million represents the accrued distribution amount from the State Lottery Commission to the Build Indiana Fund. The amounts due to the nonmajor universities of \$2.7 million are from FY 2019 state appropriations.

The following is the schedule of Due From/Due To of component units, as of June 30, 2019:

	<u>Due From Primary Government</u>	<u>Due To Component Units</u>	<u>Due From Component Units</u>	<u>Due To Primary Government</u>
Governmental Funds				
General Fund	\$ -	\$ 22,744	\$ -	\$ -
Nonmajor Governmental Funds	-	-	15,384	-
Total Governmental Funds	<u>-</u>	<u>22,744</u>	<u>15,384</u>	<u>-</u>
Component Units				
Nonmajor Universities	2,744	-	-	-
Board for Depositories	20,000	-	-	-
State Lottery Commission	-	-	-	15,384
Total Component Units	<u>22,744</u>	<u>-</u>	<u>-</u>	<u>15,384</u>
Total	<u>\$ 22,744</u>	<u>\$ 22,744</u>	<u>\$ 15,384</u>	<u>\$ 15,384</u>

Interfund Transfers

Major Governmental Funds

Transfers constitute the movement of money from the fund that receives the resources to the fund that utilizes them. These numerous transfers generally result from legislation passed by the Indiana General Assembly that directs how the transfers are made. In the case of the General Fund, many appropriations are made in the General Fund and then transferred during the year to the funds where these appropriations are used. Also in the case of the General Fund, various taxes and other revenues are collected in other funds and transferred to the General Fund. Following are the principal purposes of the State's interfund transfers:

General Fund – \$431.4 million was transferred in from the State Gaming Fund which was wagering taxes from riverboats and slot machines at horse tracks. \$452 million was transferred in from the Medicaid Assistance Fund of which \$182 million was the return of unused State match appropriations for Medicaid from prior fiscal years, \$221.3 million was hospital assessment fees, and \$48.4 million was quality assessment fees. The hospital assessment fees and quality assessment fees can only be used for the State's share of Medicaid services under Title XIX of the federal Social Security Act. The Build Indiana Fund transferred in \$236.2 million as Motor Vehicle Excise Tax Cut Replacement distributions, and an additional \$5.4 million which was for various projects from the budget bill including for I-Light Network Operations, the Southern Indiana Education Alliance, workforce centers, the GigaPoP project, and Degree Link. \$154.4 million was received from the Fund 6000 Programs Fund of

which \$121.9 million was distribution of financial institutions tax per IC 6-5.5; \$21 million was transferred in for Indiana Veterans' Home administration from the Comfort-Welfare Fund's and IVH Medicaid Reimbursement Fund's receipts of resident fees and Medicaid reimbursements; \$4 million was transferred in from permit fees collected from business that sell alcoholic beverages per IC 7.1-4-9-4; \$3.9 million was transferred to the Office of Medicaid Policy and Planning's State Medicaid General Fund which was appropriation transfers from Indiana Veterans' Home Medicaid reimbursements; \$1.7 million was transferred in for data projects by the Management Performance Hub; and \$.7 million was transferred in from consumer and non-consumer settlements, and real estate appraiser licensing for the Office of the Indiana Attorney General. \$105 million was transferred in from the Welfare-Work Incentive Fund to support state matching of federal medical assistance funds. \$63 million was transferred in from the Tobacco Master Settlement Fund for various health and welfare purposes including developmental disabilities services provided by the FSSA's Division of Disability and Rehabilitative Services, the Children's with Special Health Care Needs program administered by the Indiana State Department of Health, and substance abuse prevention and treatment services through the FSSA's Division of Mental Health and Addiction. \$33.4 million was transferred in from the Mental Institutions fund to be support the state's mental health institutions.

The following were transfers out from the General Fund: The Public Welfare Medicaid Assistance Fund received \$2.5 billion in transfers for Medicaid current obligations and for Medicaid administration to enable the Office of Medicaid Policy and

Planning to carry out all services under IC 12-8-6. These services include, but may not be limited to the provision of care and treatment for individuals with mental illness, developmental disability, long term care needs, and family and child service needs. \$323 million was transferred to the U.S. Department of Health and Human Services Fund from the General Fund in support of: \$150.9 million for Department of Child Services programs including child welfare services training and state grants, case management services, special needs adoption, Social Security Title IV-D services to needy families with children, adoption services, family and children services, and Healthy Families Indiana; \$50.9 million for the Family and Social Services' Division of Family Resources for local offices, state administration, information systems, and the temporary assistance for needy families program; \$37.3 million for the FSSA Early Child Learning division for child care services and the Pre-K education pilot program. \$46.4 million for the State Medicaid program; \$23.3 to the FSSA Central Office, Mental Health and Addiction, Disability and Rehabilitative Services, and Aging divisions for assisting developmentally disabled clients, child psychiatric services, and mental health and aging services, \$10.4 million for county prosecutors' and local judges' salaries; and \$1.4 million for the Department of Health and Attorney General's Office for Medicaid related services. \$109.7 million was transferred to the Welfare-Work Incentive fund to support the state share of FSSA administration of the Medicaid program. \$75.2 million was transferred to the U.S. Department of Agriculture Fund as the State's match of which \$68.3 million was for the FSSA Division of Family Resources' local offices, state administration, information systems, TANF, Electronic Benefits Transfer administration, and IMPACT, \$5.1 million was for the National School Lunch program administered by the Indiana Department of Education's Division of School and Community Nutrition Programs, \$1.6 million was for the meat and poultry inspection program and the public health data communication infrastructure system of the Board of Animal Health, \$0.1 million was for DNR capital projects, and \$0.1 million was for food assistance and the Women, Infants, and Children (WIC) supplement program of the Indiana State Department of Health. \$29.5 million was transferred to the Hospital Care for the Indigent fund to support FSSA hospital care for the indigent.

Medicaid Assistance Fund – The Medicaid Assistance Fund received a transfer of \$2.5 billion from the General Fund to support the state Medicaid program administered through the Office of Medicaid Policy and Planning. \$112.6 million

was transferred in from the Healthy Indiana Plan trust fund and \$185.4 million was transferred in from the Incremental Hospital Assessment Fee fund both to support the Healthy Indiana Plan (or HIP 2.0). \$26.5 million was transferred in from the Medicaid Indigent Care Trust Fund which is part of the U.S. Department of Health and Human Services Fund, for reimbursement of hospital care for the indigent supplement payments made from the Medicaid Assistance Fund.

Transfers out included \$452 million to the General Fund of which \$182 million was the return of unused State match appropriations for Medicaid from prior fiscal years, \$221.3 million was hospital assessment fees, and \$48.4 million was quality assessment fees. The hospital assessment fees and quality assessment fees can only be used for the State's share of Medicaid services under Title XIX of the federal Social Security Act. \$0.3 million was transferred to the General Fund for Medicaid's share of state fiscal year 2018 indirect costs in accordance with FSSA's approved public assistance cost allocation plan.

U.S. Department of Health and Human Services Fund – \$323 million was transferred to the U.S. Department of Health and Human Services Fund from the General Fund in support of: \$150.9 million for Department of Child Services programs including child welfare services training and state grants, case management services, special needs adoption, Social Security Title IV-D services to needy families with children, adoption services, family and children services, and Healthy Families Indiana; \$50.9 million for the Family and Social Services' Division of Family Resources for local offices, state administration, information systems, and the temporary assistance for needy families program; \$37.3 million for the FSSA Early Child Learning division for child care services and the Pre-K education pilot program. \$46.4 million for the State Medicaid program; \$23.3 to the FSSA Central Office, Mental Health and Addiction, Disability and Rehabilitative Services, and Aging divisions for assisting developmentally disabled clients, child psychiatric services, and mental health and aging services, \$10.4 million for county prosecutors' and local judges' salaries; and \$1.4 million for the Department of Health and Attorney General's Office for Medicaid related services. \$26.5 million was transferred in from the Hospital Care for the Indigent Fund for indigent hospital care.

The U.S. Department of Health and Human Services Fund transferred \$26.5 million to the Medicaid Assistance Fund to reimburse indigent supplement payments for hospital care. \$2.1

million was transferred to the General Fund to support the state match, indirect costs, and other costs of federal programs.

Proprietary Funds

Non-Major Enterprise Funds

The Inns and Concessions Fund – This fund had transfers out of \$2.0 million, representing cash contributions to the Department of Natural Resources (DNR) which are to be used for repayments of bonds made by the Indiana Finance Authority.

Internal Service Funds

\$1.3 million was transferred to the Administrative Services Revolving Fund, Information Technology Services, from the General Fund for the transition of the Department of Workforce Development’s Indiana Network of Knowledge (INK) to the Management and Performance Hub. \$467 thousand was transferred into the Institutional Industries fund from the General Fund per Administrative Actions. \$766 thousand in excess net income was transferred out of the Institutional Industries fund into the General Fund per statute.

A summary of interfund transfers for the year ended June 30, 2019 is as follows:

	<u>Transfers in</u>	<u>Transfers out</u>	<u>Net transfers</u>
Governmental Funds			
General Fund	\$ 1,537,453	\$ (3,200,691)	\$ (1,663,238)
Public Welfare-Medicaid Assistance Fund	2,816,204	(452,012)	2,364,192
US Department of Health and Human Services Fund	360,935	(28,903)	332,032
Nonmajor Governmental Funds	2,126,664	(3,158,647)	(1,031,983)
Proprietary Funds			
Nonmajor Enterprise Funds	-	(1,986)	(1,986)
Internal Service Funds	1,749	(766)	983
Total	\$ 6,843,005	\$ (6,843,005)	\$ -

C. Receivables**Primary Government – Governmental Activities**

Taxes Receivable/Tax Refunds Payable as of June 30, 2019, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities			Total Primary Government
	General Fund	Special Revenue Funds	Capital Projects Funds	
Income taxes	\$ 962,195	\$ -	-	\$ 962,195
Sales taxes	792,788	8,332	-	801,121
Fuel taxes	170	127,291	-	127,461
Gaming taxes	1,019	16,676	-	17,695
Alcohol and tobacco taxes	43,172	25,855	1,128	70,155
Insurance	163	-	-	163
Financial institutions taxes	-	12,135	-	12,135
Other taxes	7,621	204	-	7,824
Total taxes receivable	1,807,128	190,494	1,128	1,998,750
Less allowance for uncollectible accounts	(415,734)	(9,695)	-	(425,429)
Net taxes receivable	\$ 1,391,394	\$ 180,799	\$ 1,128	\$ 1,573,321
Tax refunds payable	\$ 36,065	\$ 8,321	\$ -	\$ 44,386

Primary Government – Business-Type Activities

The accounts receivable amount reported on the financial statements of the Unemployment Compensation fund is comprised of funds due from Indiana employers (employer receivables) and from overpayments made to Unemployment Insurance recipients (claimant receivables). Accounts receivable as of June 30, 2019 is as follows:

	Business - Type Activities
	Unemployment Compensation
Employer	\$ 45,992
Claimant	117,916
Total receivable	\$ 163,908

A major portion of the accounts receivable, \$33.5 million of employer receivables and \$94.9 million of claimant receivables for a total of \$128.4 million, will not be collected within one year.

D. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

Primary Government – Governmental Activities

	Balance, July 1,			Balance, June 30
	As restated	Increases	Decreases	
Governmental Activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 2,374,464	\$ 67,783	\$ (3,124)	\$ 2,439,123
Infrastructure	12,570,096	150,882	(2,812)	12,718,166
Construction in progress	684,813	467,027	(263,292)	888,548
Total capital assets, not being depreciated/amortized	<u>15,629,373</u>	<u>685,692</u>	<u>(269,228)</u>	<u>16,045,837</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	2,396,286	8,848	(7,622)	2,397,512
Furniture, machinery, and equipment	630,455	53,894	(35,850)	648,499
Computer software	267,302	50,824	(25,228)	292,898
Infrastructure	34,931	54	(500)	34,485
Total capital assets, being depreciated/amortized	<u>3,328,974</u>	<u>113,620</u>	<u>(69,200)</u>	<u>3,373,394</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(1,422,480)	(51,433)	4,228	(1,469,685)
Furniture, machinery, and equipment	(420,093)	(51,437)	33,222	(438,308)
Computer software	(198,005)	(49,391)	23,249	(224,147)
Infrastructure	(28,421)	(488)	435	(28,474)
Total accumulated depreciation/amortization	<u>(2,068,999)</u>	<u>(152,749)</u>	<u>61,134</u>	<u>(2,160,614)</u>
Total capital assets being depreciated/amortized, net	<u>1,259,975</u>	<u>(39,129)</u>	<u>(8,066)</u>	<u>1,212,780</u>
Governmental activities capital assets, net	\$ 16,889,348	\$ 646,563	\$ (277,294)	\$ 17,258,617

Primary Government – Business-Type Activities

	Balance July 1, restated			Balance, June 30
	Increases	Decreases		
Business-Type Activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 34	\$ 26	\$ (60)	\$ -
Total capital assets, not being depreciated	<u>34</u>	<u>26</u>	<u>(60)</u>	<u>-</u>
Capital assets, being depreciated:				
Buildings and improvements	353	154	-	507
Furniture, machinery, and equipment	361	151	(26)	486
Total capital assets, being depreciated	<u>714</u>	<u>305</u>	<u>(26)</u>	<u>993</u>
Less accumulated depreciation for:				
Buildings and improvements	(230)	(28)	-	(258)
Furniture, machinery, and equipment	(324)	(29)	23	(330)
Total accumulated depreciation	<u>(554)</u>	<u>(57)</u>	<u>23</u>	<u>(588)</u>
Total capital assets being depreciated, net	<u>160</u>	<u>248</u>	<u>(3)</u>	<u>405</u>
Business-type activities capital assets, net	\$ 194	\$ 274	\$ (63)	\$ 405

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Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 25,830
Public safety	39,578
Health	1,725
Welfare	38,319
Conservation, culture and development	12,384
Education	4,042
Transportation	<u>30,871</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 152,749</u>
Business-type activities:	
Inns and Concessions	<u>\$ 57</u>
Total depreciation expense - business-type activities	<u>\$ 57</u>

E. Leases

The future minimum lease obligations, the net present value of these minimum lease payments as of June 30, 2019 and the assets acquired through capital leases are as follows:

Future minimum lease payments				
Year ending June 30,	Operating Leases	Capital Leases		
		Governmental Activities		
		Principal	Interest	Future Minimum Lease Payments
2020	\$ 30,337	\$ 68,061	\$ 42,110	\$ 110,171
2021	26,538	67,588	38,911	106,499
2022	22,549	70,199	35,412	105,611
2023	19,849	72,926	31,782	104,708
2024	17,858	76,616	28,057	104,673
2025-2029	30,159	426,226	85,106	511,332
2030-2034	-	53,872	17,971	71,843
2035-2039	<u>-</u>	<u>38,775</u>	<u>3,941</u>	<u>42,716</u>
Total minimum lease payments (excluding executory costs)	147,290	874,263	283,290	1,157,553
Less:				
Remaining premium(discount)	<u>-</u>	<u>30,546</u>	<u>-</u>	<u>30,546</u>
Total minimum lease payments	<u>\$ 147,290</u>	<u>\$ 904,809</u>	<u>\$ 283,290</u>	<u>\$ 1,188,099</u>
Assets acquired through capital lease				
Building		\$ 5,364		
Machinery and equipment		29,722		
Infrastructure		880,341		
less accumulated depreciation		<u>(11,509)</u>		
		<u>\$ 903,918</u>		

Operating Leases

The State leases building and office facilities and other equipment under operating leases. Total payments for such leases with aggregate payments of \$20,000 or more were \$32.9 million for the year ended June 30, 2019. A table of future minimum lease payments (excluding executory costs) is presented above.

Capital Leases Liabilities

The State has entered into various lease agreements with aggregate payments of \$20,000 or more to finance the acquisition of buildings, land and equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date in the government-wide statements.

F. Long-Term Obligations

Changes in long-term obligations for the primary government for the year ended June 30, 2019 were as follows:

Changes in Long-Term Obligations	Balance, July 1, as Restated	Increases	Decreases	Balance, June 30	Amounts Due Within One Year	Amounts Due Thereafter
Governmental activities:						
Compensated absences	\$ 169,999	\$ 90,193	\$ (82,340)	\$ 177,852	\$ 90,112	\$ 87,740
Net pension liability	13,385,805	1,355,655	(2,704,460)	12,037,000	-	12,037,000
Other postemployment benefits	602,453	52,770	(319,466)	335,757	-	335,757
Pollution remediation	36,784	753	(2,186)	35,351	4,786	30,565
Capital leases	974,346	5,933	(75,470)	904,809	68,061	836,748
	\$ 15,169,387	\$ 1,505,304	\$ (3,183,922)	\$ 13,490,769	\$ 162,959	\$ 13,327,810
Business-type activities:						
Compensated absences	\$ 762	\$ 215	\$ (198)	\$ 779	\$ 218	\$ 561
Claims liability	24,546	466	(1,634)	23,378	1,689	21,689
	\$ 25,308	\$ 681	\$ (1,832)	\$ 24,157	\$ 1,907	\$ 22,250

Long term obligations of governmental activities include capital lease obligations of governmental funds as presented in Note IV(E), net pension liabilities as presented in Note V(E) (employee retirement systems and plan), other postemployment benefits, pollution remediation, intergovernmental payables, and compensated absence obligations. The General Fund typically has been used to liquidate any other long-term liabilities.

Long-term obligations of the business-type activities consist of claims liability of the Indiana Residual Malpractice Insurance Authority and compensated absences of the Inns and Concessions Fund.

G. Prior Period Adjustments and Reclassification

For the fiscal year ended June 30, 2019, certain changes have been made to the financial statements to more appropriately reflect financial activity of the State of Indiana. These prior period adjustments and restatements are reflected in the beginning net position in the government-wide statement of activities.

In the fund financial statements for the General Fund there was an increase in fund balance of \$4.2 million and a corresponding decrease in fund balance in Special Revenue Funds due to the reclassification of the Auto Rental Excise Tax fund that was recorded incorrectly in the prior year.

In the fund statements for the Special Revenue funds, and the government-wide statements, net position increased by \$7.2 million due to the addition of the several foundations as blended component units.

In the fund statements for Permanent funds, and the government-wide statements, net position increased by \$2 million for the addition of the Natural Heritage Trust as a permanent fund.

In the fund statements for the Special Revenue funds, and the government-wide statements, net position increased by \$53 million due to a prior year receivable written off in error, and decreased by \$166.4 million due to the overstatement of grants receivable in the prior year.

For the government-wide statements, there is an increase of \$107.3 million in net position for capital assets. This was the result of not capitalizing capital

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assets by June 30, 2018 that were acquired prior to this date and for corrections to acquisition cost by state agencies. Net position decreased \$8.9 million for software projects that were incorrectly recorded to construction in progress in the prior year. Government wide net position also decreased \$99.2 million due to an OPEB DC liability that had not previously been reported.

position increased by \$17.9 million due to the addition of the Muncie Schools as a discrete component unit of Ball State University.

For the fiduciary funds, net position increased \$5.2 million due to a fiscal year 2018 transfer not made until fiscal year 2019.

For the discrete proprietary component units, net

The following schedule reconciles June 30, 2018 net position as previously reported, to beginning net position, as restated:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Discretely Presented Component Units (Non Fiduciary)</u>
June 30, 2018, fund balance/retained earnings/net position as reported	\$ 11,832,334	\$ 36,311,852	\$ 15,963,945
Correction of errors	(113,483)	5,237	-
Reclassifications of funds	<u>\$ 9,281</u>	<u>-</u>	<u>17,850</u>
Balance July 1, 2018 as restated	<u>\$ 11,728,132</u>	<u>\$ 36,317,089</u>	<u>\$ 15,981,795</u>

V. OTHER INFORMATION

A. Risk Management

The State of Indiana is exposed to various risks of loss. This includes damage to property owned by the agencies, personal injury or property damage liabilities incurred by a State officer, agent or employee, errors, omissions and theft by employees, certain employee health benefits, employee death benefits, and unemployment and worker's compensation costs for State employees.

The State records an expenditure for any loss as the liability is incurred or replacement items are purchased. The State purchases commercial insurance coverage for certain DNR Inns properties. The State also purchases immaterial amounts of commercial insurance related to errors, omissions, and theft by employees. Settlements related to commercial insurance have not exceeded coverage in the past three fiscal years.

The State does have risk financing activity for the State employees' disability, certain State employees' health benefits, Conservation and Excise Officers' health benefits, and certain health, disability and death benefits for State Police

officers. These are reported in four individual Internal Service Funds.

The State employees' disability program is financed partially by State employees through payroll withholdings and by the funds from which employees are paid. The employees' health benefits, the Conservation and Excise health benefits, and the State Police traditional health plan are funded by the employees who have selected certain health care benefit packages and the funds from which those employees are paid. (An insurance carrier does provide claims administration services for the health insurance programs.)

Located below is the table of claim liabilities. The liabilities are not maintained in the accounting records of the State. The claim liabilities for the health insurance programs and the State Disability fund were estimated based on the historical experience rate of claims paid that were for service dates incurred during a prior fiscal year. The surplus retained earnings in these funds are reserved for future catastrophic losses.

	<u>State Police Health Insurance Fund</u>	<u>State Employee Disability Fund</u>	<u>State Employees' Health Insurance Fund</u>	<u>Conservation and Excise Officers Health Insurance Fund</u>	<u>Total</u>
<u>2019</u>					
Unpaid Claims, July 1	\$ 3,520	\$ 3,183	\$ 34,975	\$ 840	\$ 42,518
Incurred Claims and Changes in Estimate	31,234	16,382	341,394	6,089	395,099
Claims Paid	<u>(31,120)</u>	<u>(15,547)</u>	<u>(332,318)</u>	<u>(6,100)</u>	<u>(385,085)</u>
Unpaid Claims, June 30	<u>\$ 3,634</u>	<u>\$ 4,018</u>	<u>\$ 44,051</u>	<u>\$ 829</u>	<u>\$ 52,532</u>
<u>2018</u>					
Unpaid Claims, July 1	\$ 2,581	\$ 4,303	\$ 37,855	\$ 603	\$ 45,342
Incurred Claims and Changes in Estimate	29,608	16,058	314,201	4,692	364,559
Claims Paid	<u>(28,669)</u>	<u>(17,178)</u>	<u>(317,081)</u>	<u>(4,455)</u>	<u>(367,383)</u>
Unpaid Claims, June 30	<u>\$ 3,520</u>	<u>\$ 3,183</u>	<u>\$ 34,975</u>	<u>\$ 840</u>	<u>\$ 42,518</u>

B. Contingencies and Commitments

Litigation

The State does not establish reserves for judgments or other legal or equitable claims against the State. Judgments and other such claims must be paid from the State's unappropriated balances and reserves, if any.

With respect to tort claims only, the State's liability is limited to: (A) \$300,000 for a cause of action that accrues before January 2006; (B) \$500,000 for a cause of action that accrues between 2006 and 2008; or (C) \$700,000 for a cause of action that accrues on or after January 2008, for injury to or death of one person in any one occurrence and \$5 million for injury to or death of all persons in that occurrence.

The Indiana Attorney General's office estimates a total payment for liabilities and litigation expenses of \$10.5 million to be made from the Tort Claim Fund during the next fiscal year. During the fiscal year ending June 30, 2019, the State paid \$5.1 million for settlements, judgments, claims and litigation expenses from the Tort Claim Fund.

The following is a summary of certain significant litigation and claims currently pending against the State involving amounts exceeding \$5 million individually or in the aggregate. This summary is not exhaustive, either as to the description of the specific litigation or claims described, or as to all of the litigation or claims currently pending or threatened against the State.

The Indiana Attorney General's office is currently handling the following cases that could result in significant liabilities to the State:

In 2014, Plaintiff, a man convicted of murder twice, overturned twice on appeal, and then found not guilty, sued government actors including city police officers, State Police troopers, prosecutors, and Floyd County alleging various civil rights violations and state law tort claims. Plaintiff demanded \$30,000,000 from the defendants. Defendant Floyd County settled with the plaintiff for \$450,000 in August 2016. State Defendants' Motions for Summary judgment were filed on May 23, 2017. The State's position is that the claims against the prosecutors are absolutely barred by prosecutorial immunity and the claims against the Indiana State Police defendants fail based on defendants' qualified immunity and the existence of probable cause that plaintiff committed the underlying crimes. On January 29, 2018, the Court granted the State

Defendants' Motions for Summary Judgment, entered judgment in favor of the State Defendants and against Plaintiff, and dismissed the case with prejudice. On February 2, 2018, State Defendants filed a Bill of Costs to recoup their costs in the amount of \$9,077.70. The Plaintiff filed a Notice of Appeal on February 26, 2018. On March 1, 2018, the Court issued an Order staying a ruling on the Bill of Costs pending appeal. Plaintiff-Appellant filed his Appellant Brief on June 7, 2018. State Defendants-Appellees Brief was filed September 13, 2018; Appellant filed a Reply Brief. Oral argument was held at the U.S. Court of Appeals for the Seventh Circuit on October 30, 2018. On September 10, 2019, the Seventh Circuit remanded two of the Plaintiffs claims concerning 4th Amendment and Brady issues to the District Court. Any petition for rehearing en banc was due by October 8, 2019. No petition for rehearing was filed. Order reopening the case was issued on October 18, 2019. The parties filed their position statements on November 6, 2019. On December 6, 2019, the State Defendants filed a proposed revised case management plan. The parties attended a status conference on December 10, 2019.

In 2016, a charter school brought a claim against the State Superintendent of Public Education and the Department of Education, seeking damages under a breach of contract theory. The State defendants filed a counterclaim for recovery of overpayments against the school and an affiliated school. The court denied both motions to dismiss both the initial complaint and counterclaim. Two other charter schools subsequently intervened in the case. The charter schools are schools that did not take out low-interest loans from the Common School fund to help with start-up costs. The charter schools in this lawsuit argue that they were entitled to direct tuition support from the Common School Fund, and the State's failure to pay that constitutes a breach of the schools' charters. The schools seek over \$9 million for the tuition support and have asked for interest. After extensive discovery, the parties filed cross-motions for summary judgment. The court on October 2, 2018, granted the charter schools' motions for summary judgment and denied the State defendants' motion for summary judgment. The court found the defendants responsible for unpaid tuition support, for a total of \$8,645,759.24, but denied the charter schools' requests for prejudgment interest. On November 14, 2018, the Court clarified its order, denying the charter school's request for restitution for the school's payment of a growth loan received from the State. On November 1, 2018, the defendants filed a notice of appeal. Following briefing by the parties, the Court of Appeals heard argument on

September 9, 2019. On September 24, 2019, the Court of Appeals reversed and remanded the case to the trial court with instructions to enter judgment in favor of the State. The charter school companies filed a petition to transfer on November 12, 2019, seeking Indiana Supreme Court review.

In 2017, a coalition of transportation businesses filed a class action lawsuit against the Department of Revenue, challenging the authority of the Department to register and collect fees under the Unified Carrier Registration Plan. The plaintiffs have asked for refunds of \$1 billion, but the Department of Revenue is merely a pass through and collector of fees. Any refund of the fees would have to come from all of the states for which these fees are collected. While the plaintiffs have asked for a refund of all fees collected by the Department, these funds go to the states participating in the Unified Carrier Registration Plan. Accordingly, in the unlikely event that a refund is ordered, any refund would be spread out among the forty-some participating states. Counsel filed motions to dismiss and a Motion for Summary Judgment on April 30, 2018. The Court granted all of the defendant's motions. The plaintiffs subsequently appealed the case, and the parties are briefing the appeal before the Indiana Court of Appeals.

In 2017, Plaintiff filed a complaint against Indiana Department of Environmental Management, Indiana State Department of Health and the State of Indiana. There are over 100 individual plaintiffs alleging negligence and negligent and intentional infliction of emotional distress against Indiana Department of Environmental Management, the Indiana Department of Health, and the State of Indiana (hereinafter collectively, "State Defendants") and the City of East Chicago, the East Chicago Housing Authority, and the East Chicago Department of Public and Environmental Health, seeking damages for alleged physical and emotional harms caused by their alleged exposure to lead, arsenic, and other contamination while residents at the West Calumet Housing Complex and/or while students at Carrie Gosch Elementary School in East Chicago, Indiana since the late 1990's. On February 12, 2018, outside counsel entered an appearance on behalf of the State Defendants along with a motion to extend time to respond. On March 5, 2018, an answer on behalf of the State Defendants was filed along with a motion to dismiss the Indiana State Department of Health. This motion was later found to be moot. Outside counsel has filed a motion staying discovery pending the outcome of the "to be" filed motion for judgment on the pleadings. That motion has been granted. The Motion for Judgment on the Pleadings

was filed July 9, 2018. Plaintiff filed a response to the Motion for Judgment on the Pleadings on August 18, 2018. A Reply in Support of the Motion for Judgment was filed and a hearing held. The Motion for Judgment on the Pleadings was denied November 9, 2018. The Order denying the Motion to Dismiss required additional discovery. Initial discovery deadlines are set over the course of the next 6 months. The State's Motion to Certify for Interlocutory Appeal was filed on December 10, 2018. Notice of Appeal was filed April 25, 2019. The parties have completed briefing of the matter on appeal. No oral argument has been requested.

In 2019, an interstate trucking association and several trucking companies filed a class action lawsuit against the Governor, the Indiana Finance Authority, the INDOT Commissioner, and the Indiana Toll Road operator. The plaintiffs challenge the toll increase for heavy vehicles on the toll road that took effect in October 2018. The plaintiffs seek to invalidate the toll increase, refunds of the tolls paid with interest, and attorneys' fees. The defendants filed a joint motion to dismiss, which the district court judge referred for recommendation to the magistrate judge. The magistrate judge recommended on August 13, 2019, that the case be dismissed with prejudice. The magistrate judge granted the motion to stay the case pending final determination of the motion to dismiss. The plaintiffs filed an objection to the recommendation, and the parties have briefed that objection.

Other Litigation

The State on behalf of the following state agencies is currently involved in the following cases that could result in significant liability to the State:

Indiana Family and Social Services Agency (FSSA)

In May 2010, the State of Indiana, on behalf of the FSSA, and counterclaim Plaintiff sued each other regarding counterclaim Plaintiff's state welfare system contract entered into in 2006. In October 2009, the State announced its intention to terminate the 10-year contract early effective December 2009 due to counterclaim Plaintiff's deficient performance. The trial court issued rulings in July and August of 2012 awarding the counterclaim Plaintiff \$62.7 million. This amount included \$9.5 million for equipment retained by the state, \$2.5 million in early termination close-out payments, \$40.0 million in subcontractor assignment fees (previously granted to the counterclaim Plaintiff on summary judgment), and \$10.7 million in prejudgment interest. The trial court also ruled that the counterclaim Plaintiff was not entitled to recover \$43.0 million claimed for deferred fees. The trial

court further ruled that there was no material breach of the contract, so the State could not recover damages from the counterclaim Plaintiff for breach of contract.

The State appealed. In February 2013, the Court of Appeals affirmed the trial court's award of \$40.0 million in assignment fees and \$9.5 million in equipment fees to counterclaim Plaintiff; it affirmed the trial court's denial of deferred fees to counterclaim Plaintiff; it reversed the trial court's award of \$2.5 million in early termination close-out payments and \$10.7 million in prejudgment interest to counterclaim Plaintiff; and found counterclaim Plaintiff materially breached the contract. The Court of Appeals remanded the case to the trial court to determine the amount of fees counterclaim Plaintiff is entitled to for change orders and to determine the state's damages and offset damages awarded to counterclaim Plaintiff as a result of counterclaim Plaintiff's material breach of contract. Both parties sought review from the Indiana Supreme Court.

The Indiana Supreme Court heard oral arguments in the case on October 30, 2014, and rendered its decision on March 22, 2016. Like the Indiana Court of Appeals, the Indiana Supreme Court: affirmed the trial court's award of \$40.0 million in assignment fees and \$9.5 million in equipment fees to counterclaim Plaintiff; it affirmed the trial court's denial of deferred fees to counterclaim Plaintiff; it reversed the trial court's award of \$2.5 million in early termination close-out payments and \$10.7 million in prejudgment interest to counterclaim Plaintiff; and found counterclaim Plaintiff materially breached the contract. The court remanded the case to the trial court for a determination of State's multi-million dollar damages claim, and calculation of change order fees due to counterclaim Plaintiff (approximately \$500,000).

The trial court issued its order on August 4, 2017, granting damages to the State in the amount of \$128 million. The trial court offset this judgment by the approximately \$50 million previously awarded to counterclaim Plaintiff and affirmed by the Indiana Supreme Court, resulting in a net award to the State of \$78 million. Counterclaim Plaintiff filed its Notice of Appeal on September 5, 2017, and the State cross-appealed. Oral argument for the case occurred on August 21, 2018 with the Indiana Court of Appeals. The Indiana Court of Appeals affirmed the award on damages in a net award to the State of \$78 million with the Counterclaim Plaintiff to get post-judgment interest on its \$49.5 million award. The Appeals Court also remanded the case to trial court for calculation of the post-judgment interest.

The State filed its Petition to Transfer the case to the Indiana Supreme Court and counterclaim Plaintiff filed its Petition to Transfer as well. The Indiana Supreme Court heard oral arguments in the case on February 21, 2019, and rendered its decision on June 26, 2019, finding that counterclaim Plaintiff is only owed post-judgment interest from the date of the judgment on remand, and not the original 2012 judgment. The Indiana Supreme Court affirmed the Court of Appeals on all other issues. Counterclaim Plaintiff filed a Petition for Rehearing with the Indiana Supreme Court on July 25, 2019. The State filed its Brief in Response on July 31, 2019.

The Indiana Supreme Court issued its decision on the Petition for Rehearing on October 11, 2019, amending its order to clarify that post-judgment interest due to counterclaim Plaintiff runs from March 14, 2018 at an annual rate of six percent (6%). Under the final judgment in this case, the State owes counterclaim Plaintiff approximately \$49.5 million, and counterclaim Plaintiff owes the State approximately \$128 million, resulting in a net award to the State of approximately \$78 million, plus applicable interest. The parties are exchanging proposed post-judgment interest calculations in order to finalize the net payment amount due to the State. If agreement cannot be reached, the parties may petition the trial court for a determination of post-judgment interest calculations.

Indiana Bureau of Motor Vehicles (BMV)

In June 2017, plaintiffs and the State of Indiana entered into a settlement agreement for the March and October 2013 class action lawsuits brought against the Bureau of Motor Vehicles (BMV), which alleged amounts were charged to persons for drivers' licenses that were not authorized by law and overcharges. The court approved this settlement agreement in August 2017. The settlement agreement was amended in August 2018 to place remaining customer claims under the March 2013 case on customer BMV accounts to be claimed as credits. Credits not claimed by August 2021 will be transferred to the Attorney General's Unclaimed Property Fund. \$2.7 million was payable to claimants under the March 2013 case as of June 30, 2019.

Under the October 2013 lawsuit, \$7.4 million was payable to claimants as of June 30, 2019 related to summer of 2016 claims and another \$1.9 million was estimated to be payable for additional claims from 2002 through 2006 and other associated time periods. Any summer of 2016 related claims that were not paid by June 30, 2019 were transferred to the Attorney General's Unclaimed Property Fund in

July 2019. BMV was obligated under the settlement agreement to continue paying claims for the 2002 through 2006 time period through September 30, 2019. From July 1 through September 30, 2019, an additional \$28,149 was paid out for the 2002 through 2006 time period. No additional claims will be paid out or transferred for the 2002 through 2006 time period. \$10.2 million has been accrued as an expense and payable in the government-wide financial statements for remaining refunds to be paid.

Other Loss Contingencies

The U.S. Office of Inspector General (USOIG) has issued multiple audit reports on Indiana’s Medicaid Assistance Program. The State has worked with the Centers for Medicare and Medicaid Services (CMS) to resolve the findings. As of June 30, 2019 there were \$39 million in findings which the Family and Social Services Administration (FSSA) believes to be probable for having to be repaid and therefore, has been accrued as an expense and payable in the government-wide financial statements. FSSA management is continuing to work with CMS on a settlement of these findings.

Construction Commitments

As of June 30, 2019, the Indiana Department of Transportation had outstanding construction commitments totaling \$1.4 billion for road and bridge projects. It is anticipated that these projects will be financed with approximately 21% Traditional State funds, 8% Toll Road Lease Amendment Proceeds funds, 4% local funds, 66% traditional Federal funds, and 1% 2020 Construction Funds.

The Indiana Department of Administration, Public Works Division, had remaining construction commitments totaling \$47.8 million for building and improvement projects of the State’s agencies as of June 30, 2019. These projects are to be funded through State appropriations, the State Highway Department Fund, capital projects funds, and federal funds.

The State had \$366.1 million in total commitments for software in development as of June 30, 2019. These commitments are to be funded through the General Fund, federal funds, and state dedicated funds.

Encumbrances

Significant encumbrances by major funds and non-major funds in the aggregate as of June 30, 2019 were as follows:

Governmental Funds	Encumbrances
General Fund	\$ 1,302,013
Public Welfare - Medicaid Assistance	18,278
US Department of Health & Human Services	875,480
Non-Major Governmental Funds	2,646,844
Total	\$ 4,842,615

C. Other Revenue

Other revenue represents revenue received which cannot accurately be included with any of the other revenue sources. In most cases, the amount of "other revenue" received by a fund is insignificant in comparison with total revenues received.

D. Economic Stabilization Fund

Indiana Code (IC) 4-10-18 establishes the Counter-Cyclical Revenue and Economic Stabilization Fund ("Rainy Day Fund") within the state’s General Fund to assist in stabilizing revenue during periods of economic recession. The fund receives funding through calculated transfers as prescribed by Indiana Code.

The State Budget Director is required to annually calculate State of Indiana Adjusted Personal Income (API) and its growth rate over the previous year. API growth rates exceeding 2% trigger an appropriation from the General Fund into the Rainy Day Fund. API growth rates less than 2% trigger an appropriation from the Rainy Day Fund to the General Fund. Additionally, any balance in the Rainy Day Fund at the end of the fiscal year exceeding 7% of total General Fund revenues for the same period is transferred from the Rainy Day Fund to the General Fund.

In fiscal year 2019, the API growth rate did not trigger a transfer into or out of the Rainy Day Fund. Also, the Rainy Day Fund did not exceed 7% of total General Fund revenues for fiscal year 2019.

Loans can be made from the Rainy Day Fund to local units of government for specific purposes. The Rainy Day Fund cash and investment balance at the end of fiscal year 2019 was \$523.2 million. There were no outstanding loans as of fiscal year end.

E. Employee Retirement Systems and Plans

The State of Indiana sponsors ten public employee retirement systems (PERS) that are included in the State's financial statements. They are reported and administered as described in Note I (A).

Summary of Significant Accounting Policies (Pensions)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to or deductions from fiduciary net position have been determined on the same basis as they are reported for all of the plans by their respective trustees. The Indiana Public Retirement System is the trustee for all of the plans except for the State Police Retirement Fund and the State Police Supplemental Trust Fund which is administered by the Treasurer of the State of Indiana as Trustee under a Pension Trust Agreement with the Indiana Department of State Police. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The State sponsors the following defined benefit single-employer plans:

State Police Retirement Fund (Presented as a pension trust fund)

Plan description. The State Police Retirement Fund (SPRF) is a defined benefit, single-employer PERS, and is administered by the Treasurer of the State of Indiana as Trustee under a Pension Trust Agreement with the Indiana Department of State Police. Indiana Code 10-12-2-2 grants authority to the Department to establish and operate an actuarially sound pension plan governed by a pension trust. It also authorizes the Department to make annual contributions as necessary to prevent any deterioration in the actuarial status of the trust. The State Police Retirement Fund issues a publicly available financial report that can be obtained by writing the State Police Retirement Fund, c/o Treasurer of State, 200 W. Washington Street, Room 242 State House, Indianapolis, IN 46204.

The SPRF includes the Pre-1987 Benefit System and the 1987 Benefit System. The term "Pre-1987 Benefit System" shall refer to the plan and the benefits provided to employee beneficiaries who are first employed as employees by the Department before July 1, 1987, and who did not elect to be

covered by the 1987 Benefit System in accordance with the provisions of Section 31 of the Trust Agreement. Any benefits provided to former employees who qualified for such benefits under the terms of the Trust Agreement as in effect prior to July 1, 1987, shall also be deemed part of the Pre-1987 Benefit System. The term "1987 Benefit System" shall refer to the plan and the benefits provided to employee beneficiaries who are first employed as employees by the Department on or after July 1, 1987, and to those employee beneficiaries who were first employed before July 1, 1987, provided they elected to be covered by the 1987 Benefit System in accordance with the provisions of Section 31 of the Trust Agreement.

Retirement benefits provided.

Pre-1987 Plan The Pre-1987 Plan provides that the basic monthly pension amount may not exceed by more than \$20 an amount equal to one-half of the member's average monthly wages (not including overtime) received during the highest paid consecutive 12 months prior to retirement. However, this amount may not exceed the monthly salary of a sixth year trooper.

In addition to the basic retirement benefit described above, a plan member with over 20 years of service will receive the following incremental increases:

2% of the basic amount for each of the next 2 years over 20 years;
3% of the basic amount for each of the next 2 years over 22 years;
4% of the basic amount for each of the next 2 years over 24 years;
5% of the basic amount for each of the next 2 years over 26 years;
6% of the basic amount for each of the next 2 years over 28 years;
7% of the basic amount for each of the next 2 years over 30 years;
8% of the basic amount for each of the next 2 years over 32 years.

However, the total of these additional amounts may not exceed 70% of the basic pension amount, according to IC 10-12-3-7 (c).

1987 Plan The 1987 Plan provides that the basic monthly pension amount may not exceed one-half of the member's average monthly salary received during the member's highest-paid three years before retirement. Members retiring from July 1, 1987, through June 30, 1988, may not receive a basic monthly benefit greater than 50% of the maximum salary of a first sergeant. Members retiring from July 1, 1988, through June 30, 1989, may not receive a basic monthly benefit greater than 50% of the maximum salary of a captain.

In addition to the basic retirement benefit described above, a Plan member with over 25 years of service will receive the following incremental increases:

5% of basic amount for each of the next 3 years over 25 years;
6% of basic amount for each of the next 2 years over 28 years;
7% of basic amount for each of the next 2 years over 30 years;
8% of basic amount for each of the next 2 years over 32 years.

However, the total of these additional amounts may not exceed 70% of the basic pension amount, according to IC 10-12-4-7(e).

Disability and survivor benefits provided. The regular disability benefit for a disabled member may not exceed the maximum basic pension amount. If the member's disability was incurred in the line of duty, the member is entitled to an additional \$40 per month for each dependent parent and dependent child under age 18.

If a member is permanently and totally disabled by a catastrophic personal injury that: (1) is sustained in the line of duty after January 1, 2001; and (2) permanently prevents the member from performing any gainful work; the member is entitled to a disability benefit equal to the member's salary at the commencement of the disability in lieu of the regular disability benefit. The member is also entitled to increases in the disability benefit equal to the salary increases that the member would have received had the member remained in active service.

A member who meets the conditions listed in IC 5-10-13 has a presumption that a total or partial disability or death resulting from a health condition caused by AIDS, anthrax, hepatitis, HIV, meningococcal meningitis, smallpox, or tuberculosis is a disability or death incurred in the line of duty. In addition, a member who meets the conditions listed in IC 5-10-15 has a presumption that a total or partial disability resulting from an exposure-related cancer, or heart or lung disease is a disability incurred in the line of duty. These presumptions may be rebutted by competent evidence. A meeting or hearing held to rebut a presumption may be held as an executive session under IC 5-14-1.5-6.1(b) (1). A presumption affects only the determination as to whether a disability or death was incurred in the line of duty and does not change the requirements for determining eligibility for disability benefits.

A member's survivor is entitled to a supplemental death benefit of not more than \$14,500 for employee beneficiaries who die before July 1, 2013. For employee beneficiaries who die after June 30, 2013, the amount of supplemental death benefits may not exceed \$20,000. The maximum monthly pension payable to surviving spouses or a dependent mother and father of a member killed in the line of duty may not exceed the current basic

monthly pension amount paid to retirees or, upon a retiree's death, one-half of the deceased officer's monthly benefit.

A dependent child entitled to survivor benefits may receive a maximum of 30% of the basic monthly pension currently being paid to retirees. Total benefits paid to all of a member's surviving dependent children may not exceed the basic monthly pension currently being paid to retirees.

Employees covered by benefit terms. As of June 30, 2019, the following employees were covered by the benefit terms of the SPRF:

	Pre-1987 Plan	1987 Plan
Inactive employees or beneficiaries currently receiving benefits	777	795
Inactive employees entitled to but not yet receiving benefits	5	171
Active employees	19	1,209
Total	801	2,175

Contributions. Members of the Pre-1987 Plan contribute 5% of the member's wages (not including overtime and limited to sixth-year trooper pay). Members of the 1987 Plan contribute 6% of the member's wages (not including overtime). A member who receives a disability pension does not make contributions to the member's fund.

Periodic employer contributions to the pension plan are determined on an actuarial basis using the entry age normal cost actuarial method. Normal cost is funded on a current basis. The unfunded actuarial accrued liability is being funded over a thirty-year closed period which commenced July 1, 2010. Periodic contributions for both normal cost and the amortization of the unfunded actuarial accrued liability are based on the level dollar of payroll method. The funding policy for normal cost and unfunded actuarial accrued liability should provide sufficient resources to pay employee pension benefits on a timely basis. For the year ended June 30, 2019, the State's contribution rate was 26.0 percent of covered payroll.

Deferred Retirement Option Program The Deferred Retirement Option (DROP) for the State Police Retirement Fund was established in 2001 pursuant to the Pension Trust Agreement and is governed by the Department of the State Police and the Treasurer of the State of Indiana (Trustee). Members of the Pre-1987 and 1987 plans that are eligible to retire may elect to accumulate a DROP benefit while continuing to work. At the time of their election, the member executes an irrevocable

election to retire on a DROP retirement date and remain in active service, but the member does not contribute to the fund during the DROP period. For the Pre-87 Plan, when an employee has completed 20 years of service or more, he/she may irrevocably elect to enter the DROP for a period ending the earlier of (1) 60 consecutive months, (2) completion of 34 years of service, or (3) attainment of age 65. An employee on disability cannot enter the DROP. From the date the employee enters the DROP, he/she will not be credited with any additional years of service. The employees DROP accrual will be equal to the basic monthly retirement benefit. At the end of the DROP period, the employee must separate from employment and retire. Upon separation, the employee will receive their accumulated DROP benefit in the form of a lump sum payment, a rollover to another retirement program, or a combination of both. For the 1987 Plan, all DROP requirements are the same as the Pre-87 plan, except that the employee must have completed 25 years of service or more. The DROP and future retirement monthly benefit is calculated as of the member's DROP entry date. At the time retirement, the member must choose among the available options for distribution of the accumulated benefit under the DROP. As of June 30, 2019, the amount held by the plan pursuant to the DROP is \$1.2 million.

Net Pension Liability

The SPRF's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the SPRF at June 30, 2018 were as follows:

Total pension liability	\$ 670,358
Plan fiduciary net position	(476,089)
SPRF's net pension liability	\$ 194,269
Plan fiduciary net position as a percentage of the total pension liability	71.0%

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Pre-1987 Plan	1987 Plan
Interest rate/investment return	6.75%	6.75%
Interest on member balances	3.00%	3.00%
Future salary increases, which includes inflation and cost of living increases	3.50%	9% age 26 & younger; reduced 0.5% through age 35; 4% age 36 and older

Mortality rates for healthy members were based on the RP-2014 Total Dataset Mortality Tables adjusted from 2006 using MP-2017 Mortality Improvement Scale. Mortality rates for disabled members were based on the RP-2014 Mortality tables for disabled members adjusted from 2006 using MP-2017 Mortality Improvement Scale.

The most recent comprehensive experience study was completed in February 2011 and was based on member experience between June 30, 2005 and June 30, 2010. The demographic assumptions were updated as needed for the June 30, 2018 actuarial valuation.

The SPRF is a pre-funded plan and utilizes a long-term expected rate of return on pension plan investments of 6.75 percent, which was determined using a building-block method in which best estimates of expected future rates of return (expected returns, net of pension plan investment expense) were developed for each major asset class. These estimated returns were combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Development of the long-term investment return is shown below:

Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Broad domestic equity	29.0	6.9
Global ex U.S. equity	13.0	7.1
Short duration fixed income	4.0	2.6
Domestic fixed income	17.0	3.0
High yield fixed income	5.0	4.8
Hedge funds - alternatives	25.0	5.1
Real Estate	5.0	5.8
Cash and equivalents	2.0	2.3
Total	100.0	

Discount rate. The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all

projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to

determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/17	\$ 644,229	\$ 458,766	\$ 185,463
Changes for the year:			
Service cost	15,926	-	15,926
Interest	43,156	-	43,156
Differences between expected and actual experience	(5,963)	-	(5,963)
Changes of assumptions or other inputs	8,070	-	8,070
Contributions - employer	-	25,002	(25,002)
Contributions - employee	-	4,683	(4,683)
Net investment income	-	23,078	(23,078)
Benefit payments, including refunds of employee contributions	(35,060)	(35,060)	-
Administrative expense	-	(380)	380
Net changes	<u>26,129</u>	<u>17,323</u>	<u>8,806</u>
Balances at 6/30/18	<u>\$ 670,358</u>	<u>\$ 476,089</u>	<u>\$ 194,269</u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the SPRF, calculated using the discount rate of 6.75%, as well as what the SPRF's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net pension liability	279,875	194,269	122,936

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone financial report of the State Police Retirement Fund. This report may be obtained by writing the State Police Retirement Fund, c/o Treasurer of State, 200 W. Washington Street, Room 242 State House, Indianapolis, IN 46204.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the State recognized pension expense of \$43.2 million for the SPRF. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,408	\$ 5,216
Changes of assumptions or other inputs	9,902	4,079
Net difference between projected and actual earnings on pension plan investments	20,544	-
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	29,901	-
Total	<u>\$ 89,755</u>	<u>\$ 9,295</u>

Deferred outflows of resources in the amount of \$29.9 million related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2020	22,356
2021	15,728
2022	5,404
2023	6,782
2024	289

State Police Supplemental Trust Fund (Presented as a pension trust fund)

Plan description. The State Police Supplemental Trust (SPST) is a defined benefit, single-employer pension plan and is administered by the Treasurer of the State of Indiana as Trustee under a Pension Trust Agreement with the Indiana Department of State Police. Indiana Code 10-12-2-4 and 10-12-2-5 grant authority to the Department of the State Police to establish and operate a fund for death and disability benefits. The SPST is funded using annual appropriations on a pay-as-you-go basis. There are no assets accumulated in a trust for these benefits. The amount paid for pensions as the benefits came due during fiscal year 2019 was \$4.0 million.

The SPST includes the Pre-1987 Benefit System and the 1987 Benefit System. The term "Pre-1987 Benefit System" shall refer to the plan and benefits provided employee beneficiaries who are first employed as employees by the Department before July 1, 1987, and who did not elect to be covered by the 1987 Benefit System in accordance with provision of Section 31 of the State Police Retirement Fund (SPRF). Any benefits provided to former employees who qualified for such benefits under the terms of the Trust Agreement as in effect prior to July 1, 1987, shall also be deemed part of the Pre-1987 Benefit System. The term "1987 Benefit System" shall refer to the plan and the benefits provided to employee beneficiaries who are first employed as employees by the Department on or after July 1, 1987 and to those employee beneficiaries who were first employed before July 1, 1987, provided they elect to be covered by the 1987 Benefit System in accordance with the provision of Section 31 of the SPRF Trust Agreement.

In relation to the SPRF, the membership of the SPST is generally made up of active members and disabled members of the SPRF with the following exceptions:

- The SPST does not include active SPRF members who elected a DROP

- The SPST does not include inactive SPRF members who are currently receiving SPRF retirement benefits.

Retirement benefits provided.

Line of Duty Death Benefits. For the Pre-1987 plan, the benefit value is 50 percent of current salary (but in no event greater than the sixth year trooper rate), plus \$20. Benefits are assumed to increase with the sixth year trooper rate. Dependent children are paid 30 percent of the beneficiary's benefit until they reach age 18 or 23 if enrolled in school full time. For the 1987 plan, the benefit value is 50 percent of the average of the highest 36 consecutive months of salary. Dependent children are paid 30 percent of the beneficiary's benefit until they reach age 18 or 23 if enrolled in school full time.

Line of Duty Disability Benefits. For the Pre-1987 Plan, the benefit value is 50 percent of current salary (but in no event greater than the sixth year trooper pay), plus \$20. Benefits are assumed to increase with the sixth year trooper rate and are payable until the participant has earned 34 years of service. The plan also pays medical expenses. Benefits are increased by \$40 for each dependent child under 18. For the 1987 Plan, the benefit value is 50 percent of the average of the highest 36 consecutive months of salary. Benefits are assumed to increase with assumed salary increases and are payable for a minimum of two years and until the participant has earned 25 years of service. The plan also pays medical expenses. Benefits are increased by \$40 for each dependent child under 18.

Non-Line of Duty Disability Benefits. For the Pre-1987 Plan, the benefit value is 50 percent of current salary (but in no event greater than the sixth year trooper pay), plus \$20. Benefits are assumed to increase with the sixth year trooper rate and are payable until the participant has earned 34 years of service, but not for a period longer than the accrued service at date of disability. For the 1987 Plan, the benefit value is 50 percent of the average of the highest 36 consecutive months of salary. Benefits are assumed to increase with assumed salary increases and are payable for a minimum of two years and until the participant has earned 25 years of service.

Catastrophic Injury Disability Benefits. For the Pre-1987 Plan, the benefit value is 100 percent of current salary. Benefits are assumed to increase with salary increases and are payable until the participant has earned 34 years of service. The

plan also pays medical expenses. Benefits are increased by \$40 for each dependent child until they reach the age of 18 or 23 if enrolled in school full time. For the 1987 Plan, the benefit value is 100 percent of current salary. Benefits are assumed to increase with salary increases and are payable until the participant has earned 25 years of service. The Plan also pays medical expenses. Benefits are increased by \$40 for each dependent child until they reach the age of 18 or 23 if enrolled in school full time.

Employees covered by benefit terms. As of June 30, 2019, the following employees were covered by the benefit terms of the SPST:

	Pre-1987 Plan	1987 Plan
Inactive employees or beneficiaries currently receiving benefits	15	38
Active employees	18	1,192
Total	33	1,230

Total Pension Liability

The SPST Plan’s total pension liability was measured as of June 30, 2018.

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Pre-1987 Plan	1987 Plan
Interest rate/investment return	2.98%	2.98%
Future salary increases, which includes inflation and cost of living increases	3.50%	9% age 26 & younger; reduced 0.5% through age 35; 4% age 36 and older
Inflation	2.25%	2.25%

Mortality rates were based on the RP-2014 Total Dataset Mortality Tables adjusted from 2006 using MP-2017 Mortality Improvement Scale. Mortality rates for disabled members were based on the RP-2014 Mortality tables for disabled members adjusted from 2006 using MP-2017 Mortality Improvement Scale.

The most recent comprehensive experience study was completed in 2011 and was based on member experience between June 30, 2005 and June 30, 2010. The demographic assumptions were updated as needed for the June 30, 2018 actuarial valuation.

Discount rate. Total pension liability was calculated using the discount rate of 2.98 percent. This rate was chosen in accordance with GASB #73, which requires that the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The 2.98% is the June 30, 2018 value of the S&P Municipal Bond 20 Year High Grade Rate Index.

Changes in the Total Pension Liability

	Increase (Decrease) Total Pension Liability (a)
Balances at 6/30/17	\$ 17,084
Changes for the year:	
Service cost	4,112
Interest	664
Assumption changes	(63)
Differences between expected and actual experience	(881)
Benefit payments, including refunds of employee contributions	(4,343)
Net changes	(511)
Balances at 6/30/18	\$ 16,573

Sensitivity of the total pension liability to changes in the discount rate. The following presents the total pension liability of the SPST, calculated using the discount rate of 2.98%, as well as what the SPST's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.98%) or 1-percentage-point higher (3.98%) than the current rate:

	<u>1% Decrease (1.98%)</u>	<u>Current Rate (2.98%)</u>	<u>1% Increase (3.98%)</u>
Total pension liability	18,131	16,573	15,317

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the State recognized pension expense of \$4.9 million for the SPST. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,211
Changes of assumptions or other inputs	3,081	594
Total	\$ 3,081	\$ 1,805

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal year ended June 30:</u>	<u>Deferred Outflows of Resources/(Deferred Inflows of Resources)</u>
2020	169
2021	169
2022	169
2023	169
2024	169
Thereafter	431

State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan (Presented as part of INPRS – a fiduciary in nature component unit)

Plan description. The State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan (EG&C Plan) is a single-employer (the State of Indiana) defined benefit plan established to provide retirement, disability, and survivor benefits to certain employees of the (1) Indiana Department of Natural Resources, (2) Indiana Alcohol and Tobacco Commission and (3) any Indiana State excise police officer, Indiana State conservation

enforcement officer, gaming agent or any gaming control officer who is engaged exclusively in the performance of law enforcement duties. The EG&C Plan was established in 1972 and is governed by the INPRS Board of Trustees in accordance with IC 5-10-5.5.

Retirement benefits provided. Generally, participants are eligible for full retirement benefits 1) at age 65 if members were employed by age 50 with 15 years of creditable services (retirement is mandatory. 2) at age 65 if employed after age 50 with 10 years of services. Mandatory retirement occurs on the first day of the month after age 65 or 15 years of creditable service 3) at age 55 if age and creditable service total at least 85 or 4) at age 50 with 25 years of service. Participants are eligible for early retirement benefit at age 45 and 15 years of creditable service but benefit is reduced by .25 percent for each month less than age 60. The annual benefit is equal to 25 percent times the average annual salary. The average annual salary equals the average annual salary of the five highest years in the 10 years immediately preceding an officer's retirement dates. Percentage is increased by 1.66 percent for each completed year of creditable service after 10 years. Total percentage may not exceed 75 percent. Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS board. For the year ended June 30, 2019, postretirement benefits of \$94 thousand were issued to members as a 13th check.

Disability and survivor benefits provided. If a participant becomes disabled in the line of duty, the benefit is the member's salary times the degree of impairment without a reduction for early commencement. If not in the line of duty, the member's salary used to calculate the benefit is reduced 50 percent. A minimum benefit may apply.

While in active service, a spouse or dependent beneficiary of a member with 15+ years of creditable services receivables a monthly annuity. For less than 15 years of creditable service the benefit consists of contributions plus interest. While

receiving a benefit, a spouse or parent (for their lifetime), or dependents(s) (until age 18) receives 50 percent of the member's benefit. If the spouse is more than five years younger than the member, the benefit is actuarially adjusted.

Deferred Retirement Option Plan. In accordance with IC 5-10-5.5-22, members eligible to retire with an unreduced benefit may elect to earn a DROP benefit while continuing to work. Members execute an irrevocable election to retire on a DROP retirement date and remain in active service while contributing to the fund until that date. The DROP retirement date must be not less than 12 months and not more than 36 months after their DROP entry date, and cannot be after the member reaches mandatory retirement age. The DROP and future retirement monthly benefit are calculated as of the members' DROP entry date. At retirement, members must choose among the available options for distribution of the accumulated benefit under the DROP. As of June 30, 2019, the amount held by the fund under the DROP is \$0.8 million.

Employees covered by benefit terms. As of June 30, 2019, the EG&C plan membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	240
Inactive vested members entitled to but not yet receiving benefits	4
Inactive non-vested members entitled to a distribution of contributions	137
Active members: vested and non-vested	436
Total	817
Based on census data as of June 30, 2018 used for the June 30, 2019 actuarial valuation.	

Contributions. Contributions are determined by the INPRS Board based on an actuarial valuation. Employers contribute 20.75 percent, with 0.73 percent funding a supplemental reserve account for postretirement benefits administered by the INPRS Board. Members are required to contribute 4 percent of annual salary. Employers may pay all or part of the member contribution for the member.

Financial report. INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing

questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Net Pension Liability

The EG&C Plan's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest rate/investment return	6.75%
Interest on member balances	3.50%
Future salary increases	2.50%
Inflation	2.25%
Cost of living increases	2019-2021 - 13th check, Beginning Jan. 1, 2022 - 0.40% Beginning Jan. 1, 2034 - 0.50% Beginning Jan. 1, 2039 - 0.60%

Mortality rates for healthy members were based on the RP-2014 (with MP-2014 improvement removed) Blue Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report. Mortality rates for disabled members were based on the RP-2014 (with MP-2014 improvement removed) Disability mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

The most recent comprehensive experience study was completed in April 2015 and was based on member experience between June 30, 2010 and June 30, 2014. The demographic assumptions were updated as needed for the June 30, 2018 actuarial valuation.

The long-term return expectation for this INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the

projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Public equity	22.0	4.4
Private equity	14.0	5.4
Fixed income - ex inflation - linked	20.0	2.2
Fixed income - inflation - linked	7.0	0.8
Commodities	8.0	2.3
Real estate	7.0	6.5
Absolute return	10.0	2.7
Risk parity	12.0	5.2
Total	100.0	

discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State of Indiana would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on these assumptions, the EG&C defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

Discount rate. Total pension liability was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/17	\$ 142,603	\$ 120,016	\$ 22,587
Changes for the year:			
Service cost	3,369	-	3,369
Interest	9,619	-	9,619
Differences between expected and actual experience	(587)	-	(587)
Changes of assumptions or other inputs	(8,015)	-	(8,015)
Contributions - employer	-	6,175	(6,175)
Contributions - employee	-	1,171	(1,171)
Net investment income	-	11,189	(11,189)
Benefit payments, including refunds of employee contributions	(6,935)	(6,935)	-
Administrative expense	-	(136)	136
Other changes	2	12	(10)
Net changes	(2,547)	11,476	(14,023)
Balances at 6/30/18	\$ 140,056	\$ 131,492	\$ 8,564

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the EG&C Plan, calculated using the discount rate of 6.75%, as well as what the EG&C Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net pension liability	26,831	8,564	(6,486)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone financial report of the Indiana Public Retirement System. This report may be obtained by writing the Indiana Public Retirement System, One

North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the State recognized pension expense of \$3.3 million for the EG&C Plan. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to pensions for the EG&C Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 674	\$ 670
Changes of assumptions or other inputs	1,101	8,423
Net difference between projected and actual earnings on pension plan investments	838	-
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	6,982	-
Total	\$ 9,595	\$ 9,093

Deferred outflows of resources in the amount of \$7.0 million related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2020	708
2021	(960)
2022	(2,282)
2023	(2,470)
2024	(1,476)
Thereafter	-

Prosecuting Attorneys' Retirement Fund (Presented as part of INPRS – a fiduciary in nature component unit)

Plan description. The Prosecuting Attorneys' Retirement Fund (PARF) is a single-employer (the State of Indiana) defined benefit plan established to provide retirement, disability, and survivor benefits to prosecuting attorneys. Members serve as a: (1) prosecuting attorney or a chief deputy prosecuting attorney; or (2) deputy prosecuting attorney, (3) executive director, or (4) assistant executive director of the Indiana Prosecuting Attorneys Council Administration of the fund is generally in accordance with IC 33-39-7 and other Indiana pension law. PARF members are also members of

the PERF Hybrid Plan. According to statute, benefits payable from PARF are reduced by any benefits payable from the PERF DB fund.

Retirement benefits provided. A participant is entitled to a full retirement benefit if the participant is: (1) age 65 with at least 8 years of creditable service; or (2) age 55 if age and creditable service total at least 85. A participant is eligible for early retirement benefits at age 62 and 8 years of creditable service with a reduction in the full benefit by 0.25 percent for each month less than age 65. Annual benefit equals highest 12 consecutive months of salary (state-paid portion only) before separation from services times percentage for years of service. 24 percent at eight years of service; increased by three percent per year for years nine through 11; 50 percent at year 12; increased by one percent per year for years 13 through 22 with a maximum of 60 percent, and reduced for any PERF DB benefit. There is no postretirement benefit adjustment provided under this plan.

Disability and survivor benefits provided. PARF also provides disability and survivor benefits. A member with 22+ years of creditable service receives full benefit. Less than 22 years of creditable service receives the full benefit reduced by one percent for each year under 22 (benefit to be no lower than 50 percent).

While in active service, a spouse or dependent children receives the greater of \$12,000 annually or 50 percent of benefit for the later of age 62 or the age the day before death. If death occurs while the participant is receiving a benefit, a spouse (for their lifetime), or dependent children (until age 18 unless disabled) receives the greater of \$12,000 annually or 50 percent of the member's benefit.

Employees covered by benefit terms. As of June 30, 2019, the PARF membership consisted of:

Inactive employees or beneficiaries currently receiving benefits	152
Inactive employees entitled to but not yet receiving benefits	92
Inactive employees entitled to refunds of contributions	132
Active employees	<u>203</u>
Total	<u>579</u>
Based on census data as of June 30, 2018 used for the June 30, 2019 actuarial valuation.	

Contributions. Employer contributions are determined by the INPRS Board based on an

actuarial valuation and appropriations are received from the state's general fund. For fiscal year 2019, the appropriation from the state's General Fund totaled \$3.2 million and the Actuarially Determined Contribution (ADC) was \$3.5 million.

Members are required to contribute six percent of the state-paid portion of salary for a maximum period of 22 years of creatable service. In addition, members are required to contribute three percent as participants of the PERF DC plan. Employers may pay all or part of the member contributions for the member..

Financial report. INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Net Pension Liability

The PARF's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest rate/investment return	6.75%
Future salary increases	4.00%
Inflation	2.25%
Cost of living increases	N/A

Mortality rates for healthy members were based on the RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report. Mortality rates for disabled members were based on the RP-2014 (with MP-2014 improvement removed) Disability mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the

Social Security Administration's 2014 Trustee report.

The most recent comprehensive experience study was completed in April 2015 and was based on member experience between June 30, 2010 and June 30, 2014. The demographic assumptions were updated as needed for the June 30, 2018 actuarial valuation.

The long-term return expectation for this INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Public equity	22.0	4.4
Private equity	14.0	5.4
Fixed income - ex inflation - linked	20.0	2.2
Fixed income - inflation - linked	7.0	0.8
Commodities	8.0	2.3
Real estate	7.0	6.5
Absolute return	10.0	2.7
Risk parity	12.0	5.2
Total	100.0	

Discount rate. Total pension liability was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State of Indiana would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on these assumptions, the PARF defined benefit pension plan's fiduciary net position was projected to be available to make all projected

future benefit payments of current plan members, Therefore, the long-term expected rate of return on pension plan investments was applied to all periods

of projected benefits to determine the total pension liability for the plan.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/17	\$ 96,655	\$ 55,575	\$ 41,080
Changes for the year:			
Service cost	1,947	-	1,947
Interest	6,521	-	6,521
Differences between expected and actual experience	2,156	-	2,156
Contributions - employer	-	3,014	(3,014)
Contributions - employee	-	1,295	(1,295)
Net investment income	-	5,218	(5,218)
Benefit payments, including refunds of employee contributions	(3,995)	(3,995)	-
Administrative expense	-	(88)	88
Net changes	<u>6,629</u>	<u>5,444</u>	<u>1,185</u>
Balances at 6/30/18	<u>\$ 103,284</u>	<u>\$ 61,019</u>	<u>\$ 42,265</u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the PARF, calculated using the discount rate of 6.75%, as well as what the PARF's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net pension liability	55,290	42,265	31,528

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone financial report of the Indiana Public Retirement System. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,108	\$ -
Changes of assumptions or other inputs	-	2
Net difference between projected and actual earnings on pension plan investments	456	-
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	3,216	-
Total	<u>\$ 4,780</u>	<u>\$ 2</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the State recognized pension expense of \$5.9 million for the PARF. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to pensions for the PARF from the following sources:

Deferred outflows of resources in the amount of \$3.2 million related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2020	2,077
2021	197
2022	(421)
2023	(291)

Legislators' Retirement System – Legislators' Defined Benefit Plan (Presented as part of INPRS – a fiduciary in nature component unit)

Plan description. The Legislators' Retirement System is governed by the INPRS Board of Trustees. The Legislators' Defined Benefit Plan (LEDB) is a single-employer (the State of Indiana) defined benefit plan, providing retirement, disability, and survivor benefits to members of the General Assembly who were serving on April 30, 1989, and filed an election under IC 2-3.5-3-1(b). The fund is closed to new entrants. Administration of the fund is generally in accordance with IC 2-3.5 and other Indiana pension law.

Retirement benefits provided. A participant is entitled to an unreduced monthly retirement benefit (1) at age 65 with at least 10 years of creditable service; (2) at age 60 with at least 15 years of creditable service, or (3) at age 55 if age and creditable service total at least 85. A participant is entitled to early retirement at age 55 and 10 years of creditable service (reduce full benefit by 0.1 percent per month between ages 60 and 65, and by 5/12 percent per month between ages 55 and 60). Early retirement benefits are applicable when the member is no longer serving in the General Assembly and is not receiving, nor entitled to receive, compensation from the state for work in any capacity

The annual retirement benefit equals the lesser of: \$40 multiplied by 12 months multiplied by years of service before November 8, 1989, or the highest consecutive three-year average annual salary.

Postretirement adjustments are granted by the Indiana General Assembly on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the Board. No postretirement adjustment occurred in the year ended June 30, 2019.

Disability and survivor benefits provided. The LEDB Plan also provides disability and survivor benefits. Any active member that qualifies for social security disability with at least five years of creditable service may receive an unreduced benefit for the duration of their disability. If death occurs while in active service, a spouse or

dependent children receives 50 percent of the benefit for the later of age 55 or age the day before the member's death. If death occurs while receiving a benefit, a spouse (for their lifetime), or dependents (until age 18 unless disabled) receives 50 percent of the member's benefit.

Employees covered by benefit terms. As of June 30, 2019, the LEDB Plan membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	78
Inactive vested members entitled to but not yet receiving benefits	9
Active members: vested and non-vested	8
Total	95
Based on census data as of June 30, 2018 used for the June 30, 2019 actuarial valuation.	

Contributions. Employer contributions are actuarially determined and derive from the state's General Fund, a portion of which will be allocated to fund a supplemental reserve account for postretirement benefits administered by the Board. For the year ended June 30, 2019, the State of Indiana appropriated \$0.3 million for employer contributions. The Actuarially Determined Contribution (ADC) for LEDB was \$0.2 million.

Financial report. INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Net Pension Liability

The LEDB Plan's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest rate/investment return	6.75%
Future salary increases	2.25%
Inflation	2.25%
Cost of living increases	2020-2021 - 13th check, Beginning Jan. 1, 2022 - 0.40% Beginning Jan. 1, 2034 - 0.50% Beginning Jan. 1, 2039 - 0.60%

Mortality rates for healthy members were based on the RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report. Mortality rates for disabled members were based on the RP-2014 (with MP-2014 improvement removed) Disability mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

The most recent comprehensive experience study was completed in 2015 and was based on member experience between June 30, 2010 and June 30, 2014. The demographic assumptions were updated as needed for the June 30, 2018 actuarial valuation.

The long-term return expectation for this INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected

return from rebalancing uncorrelated asset classes. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Public equity	22.0	4.4
Private equity	14.0	5.4
Fixed income - ex inflation - linked	20.0	2.2
Fixed income - inflation - linked	7.0	0.8
Commodities	8.0	2.3
Real estate	7.0	6.5
Absolute return	10.0	2.7
Risk parity	12.0	5.2
Total	100.0	

Discount rate. Total pension liability was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State of Indiana would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on these assumptions, the LEDB defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/17	\$ 3,804	\$ 2,865	\$ 939
Changes for the year:			
Interest	245	-	245
Assumption changes	(121)	-	(121)
Differences between expected and actual experience	(85)	-	(85)
Contributions - employer	-	237	(237)
Net investment income	-	263	(263)
Benefit payments, including refunds of employee contributions	(359)	(359)	-
Administrative expense	-	(64)	64
Net changes	(320)	77	(397)
Balances at 6/30/18	\$ 3,484	\$ 2,942	\$ 542

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the LEDB Plan, calculated using the discount rate of 6.75%, as well as what the LEDB Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net pension liability	781	542	331

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone financial report of the Indiana Public Retirement System. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the LEDB Plan recognized pension income of \$59 thousand. At June 30, 2019, the LEDB Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 43	\$ -
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	269	-
Total	\$ 312	\$ -

Deferred outflows of resources in the amount of \$269 thousand related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2020	65
2021	15
2022	(22)
2023	(15)

Judges' Retirement System (Presented as part of INPRS – a fiduciary in nature component unit)

Plan description. The Judges' Retirement System (JRS) is a single-employer (State of Indiana) defined benefit plan providing retirement, disability, and survivor benefits to members. Membership consists of individuals who served, are serving, or shall serve as a regular judge, magistrate, or justice of the (1) Supreme Court of the state of Indiana, (2) Court of Appeals, (3) Indiana Tax Court, (4) Circuit Court of a Judicial Circuit, or (5) county courts including: Superior, Criminal, Probate, Juvenile, Municipal, and County. Administration of the fund is generally in accordance with IC 33-38 and other Indiana pension law. JRS is governed through the INPRS Board of Trustees

Retirement benefits provided. A member is entitled to a full benefit 1) at age 65 with at least eight years of creditable service, or 2) at age 55 if age and creditable service total at least 85. A member is entitled to an early retirement benefit at age 62 and at least eight years of creditable service but the full benefit is reduced by 0.1 percent for each month less than age 65.

The annual retirement benefit equals individual salary, or salary of office at retirement multiplied by percentage for years of service: 24 percent at eight years of service; increased by three percent per year for years nine through 11; 50 percent at year 12; increased by one percent per year for years 13 through 22 with a maximum of 60 percent.

Postretirement benefit increases for members (not survivors or disabled members) are equal to the change in the salary of the office at retirement. For the year ended June 30, 2019, a postretirement benefit adjustment of 2.1 percent occurred and was administered by the INPRS Board.

Disability and survivor benefits provided. A qualified member with 22+ years of creditable services receivables an unreduced disability benefit. Members with less than 22 years of creditable service receive the full benefit reduced by one percent for each year under 22 years of creditable service with the benefit to be no lower than 50 percent. If death occurs while in active service with 8+ years of service, or while receiving a benefit, a spouse or dependent children (for their lifetime) receive the greater of \$12,000 annually or 50 percent of benefit entitled at the date of death.

Employees covered by benefit terms. As of June 30, 2019, the Judges' Retirement System membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	375
Inactive vested members entitled to but not yet receiving benefits	22
Inactive non-vested members entitled to a distribution of contributions	36
Active members: vested and non-vested	453
Total	886

Based on census data as of June 30, 2018 used for the June 30, 2019 actuarial valuation.

Contributions. Employer contributions are determined by the INPRS Board based on an actuarial valuation and are received from the state general fund and certain court and docket fees. For the year ended June 30, 2019, the State of Indiana paid \$16.0 million in employer contributions, with appropriations of \$8.9 million and \$7.1 million in docket and court fees. The Actuarially Determined Contribution (ADC) was \$14.9 million.

Members are required to contribute six percent of the member's salary for a maximum period of 22 years of creditable service. Employers may pay all or part of the member contribution for the member.

Financial report. INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Net Pension Liability

The JRS' net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest rate/investment return	6.75%
Interest on member balances	3.50%
Future salary increases	2.50%
Inflation	2.25%
Cost of living increases	2.50%

Mortality rates for healthy members were based on the RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report. Mortality rates for disabled members were based on the RP-2014 (with MP-2014 improvement removed) Disability mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

The most recent comprehensive experience study was completed in April 2015 and was based on member experience between June 30, 2010 and June 30, 2014. The demographic assumptions were updated as needed for the June 30, 2018 actuarial valuation.

The long-term return expectation for this INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the

projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term
	Allocation	Expected Real
	(%)	Rate of Return
	(%)	(%)
Public equity	22.0	4.4
Private equity	14.0	5.4
Fixed income - ex inflation - linked	20.0	2.2
Fixed income - inflation - linked	7.0	0.8
Commodities	8.0	2.3
Real estate	7.0	6.5
Absolute return	10.0	2.7
Risk parity	12.0	5.2
Total	100.0	

Discount rate. Total pension liability was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State of Indiana would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on these assumptions, the JRS defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/17	\$ 523,735	\$ 475,055	\$ 48,680
Changes for the year:			
Service cost	14,886	-	14,886
Interest	35,567	-	35,567
Differences between expected and actual experience	(3,090)	-	(3,090)
Contributions - employer	-	15,117	(15,117)
Contributions - employee	-	3,199	(3,199)
Net investment income	-	44,104	(44,104)
Benefit payments, including refunds of employee contributions	(23,622)	(23,622)	-
Administrative expense	-	(119)	119
Other changes	219	219	-
Net changes	<u>23,960</u>	<u>38,898</u>	<u>(14,938)</u>
Balances at 6/30/18	<u>\$ 547,695</u>	<u>\$ 513,953</u>	<u>\$ 33,742</u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the JRS, calculated using the discount rate of 6.75%, as well as what the JRS' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net pension liability	96,481	33,742	(18,955)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the JRS recognized pension expense of \$15.9 million. At June 30, 2019, the JRS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,113	\$ 3,507
Changes of assumptions or other inputs	-	520
Net difference between projected and actual earnings on pension plan investments	3,165	-
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	16,031	-
Total	<u>\$ 20,309</u>	<u>\$ 4,027</u>

Deferred outflows of resources in the amount of \$16.0 million related to pensions resulting from employer contributions subsequent to the

measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2020	6,797
2021	(226)
2022	(3,877)
2023	(2,443)

The State sponsors the following cost-sharing multiple-employer plans:

Public Employees' Defined Benefit Account (Presented as part of INPRS – a fiduciary in nature component unit)

Plan description. PERF DB is a cost-sharing,

multiple-employer defined benefit fund providing retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.3, and 35 IAC 1.2 and other Indiana pension law. PERF DB is a component of the Public Employees Hybrid plan (PERF Hybrid).

PERF Hybrid consists of two components: PERF DB, the monthly employer-funded defined benefit component, along with the Public Employees Hybrid Members Defined Contribution Account (PERF DC), a member-funded account. First time new employees hired by the State or a participating political subdivision who offers a choice have a one-time election to join either the PERF Hybrid plan or PERF My Choice: Retirement Savings Plan for Public Employees (PERF M C DC). A new hire that is an existing member of PERF Hybrid and was not given the option for the PERF MC DC plan is given the option to elect PERF MC DC or remain in PERF Hybrid.

Members who have at least one year of service in both PERF DB and the Teachers Retirement Fund (TRF Pre-'96 DB or TRF '96 DB) have the option of choosing from which of these funds they would like to retire.

Retirement benefits provided. A member is entitled to a full retirement benefit 1) at age 65 with at least 10 years of creditable service (eight years for certain elected officials), 2) at age 60 with at least 15 years of creditable service, 3) at age 55 if age and creditable service total at least 85, 4) at age 55 with 20 years of creditable service and active as an elected official in the PERF-covered position, or 5) at age 70 with 20 years of creditable service and still active in the PERF-covered position. A member is entitled to an early retirement benefit at age 50 and a minimum of 15 years of creditable service. The benefit is reduced to 44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59.

The lifetime annual benefit equals years of creditable service multiplied by the average highest five year annual salary multiplied by 1.1 percent (minimum of \$180 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS Board. For the year ended June 30, 2019, postretirement benefits of \$29.6 million were issued to members as a 13th check.

Disability and survivor benefits provided. An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$180 per month). If death occurs while in active service, a spouse or dependent beneficiary of a member with a minimum of 15 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. If death occurs while receiving a benefit, a spouse or dependent receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100 percent Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

Employees covered by benefit terms. As of June 30, 2019, there were 1,186 participating political subdivisions in addition to the State. As of June 30, 2019, PERF membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	89,932
Inactive vested members entitled to but not yet receiving benefits	33,062
Active members: vested and non-vested	<u>129,099</u>
Total	<u>252,093</u>
Based on census data as of June 30, 2018 used for the June 30, 2019 actuarial valuation.	

Contributions. Contributions are determined by the INPRS Board of Trustees based on an actuarial valuation. Employers contribute 11.2 percent of covered payroll, with 0.43 percent funding a supplemental reserve account for postretirement benefits. Contributions from employers with PERF MC DC plan members, who either currently offer or have offered PERF Hybrid, fund PERF DB's unfunded liability at 8.2 percent of covered payroll for the State and 7.4 percent for political subdivisions. No member contributions are required.

Financial report. INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be

obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest rate/investment return	6.75%
Future salary increases	2.50% - 4.25%
Inflation	2.25%
Cost of living increases	2019-2021 - 13th check, Beginning Jan. 1, 2022 - 0.40% Beginning Jan. 1, 2034 - 0.50% Beginning Jan. 1, 2039 - 0.60%

Mortality rates for healthy members were based on the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Table, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report. Mortality rates for disabled members were based on the RP-2014 (with MP-2014 improvement removed) Disability Mortality Table, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

The most recent comprehensive experience study was completed in April 2015 and was based on member experience between June 30, 2010 and June 30, 2014. The demographic assumptions were updated as needed for the June 30, 2018 actuarial valuation.

The long-term return expectation for this INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation.

Sensitivity of the State's proportionate share of the net pension liability to changes in the discount rate. The following presents the State's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
State's proportionate share of the net pension liability	1,367,652	868,814	452,837

Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Public equity	22.0	4.4
Private equity	14.0	5.4
Fixed income - ex inflation - linked	20.0	2.2
Fixed income - inflation - linked	7.0	0.8
Commodities	8.0	2.3
Real estate	7.0	6.5
Absolute return	10.0	2.7
Risk parity	12.0	5.2
Total	<u><u>100.0</u></u>	

Discount rate. Total pension liability was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State of Indiana would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on these assumptions, the PERF defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

Pension plan fiduciary net position. Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone financial report of the Indiana Public Retirement System. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the State reported a liability of \$868.8 million for its proportionate share of the net pension liability. The PERF net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportion of the net pension liability was based on a projection of the State's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the State's proportion was 25.58 percent, which was a decrease of 0.16 percentage points from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the State recognized pension expense of \$147.7 million. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,362	\$ 59
Changes of assumptions or other inputs	2,070	139,500
Net difference between projected and actual earnings on pension plan investments	25,731	-
Changes in the employer proportion and differences between the employer's contributions and the employer's proportionate share of contributions	12,255	6,089
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	145,930	-
Total	\$ 197,348	\$ 145,648

Deferred outflows of resources in the amount of \$145.9 million related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred outflows of resources and

deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal year ended June 30:</u>	<u>Deferred Outflows of Resources/(Deferred Inflows of Resources)</u>
2020	22,575
2021	(36,124)
2022	(65,294)
2023	(15,387)

Teachers' 1996 Defined Benefit Account (Presented as part of INPRS – a fiduciary in nature component unit)

Plan description. TRF '96 DB is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability, and survivor benefits. Membership in TRF '96 DB is required for all legally qualified and regularly employed licensed teachers who serve in the public schools of Indiana, teachers employed by the State at State institutions, and certain INPRS employees. Faculty members and professional employees at Ball State University and Vincennes University have the option of selecting membership in the Fund or an alternate University plan not administered by INPRS. Membership in TRF '96 DB is optional for teachers employed by charter schools, employees and officials of the Indiana State Board of Education who were Indiana licensed teachers before their employment with the Board, and teachers employed by special management teams as defined under IC 20-31. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.4, and 35 IAC 14, and other Indiana pension law. TRF '96 DB is a component of the Teachers' Hybrid Plan. The Teachers Hybrid Plan consists of two components: TRF '96 DB: the monthly employer-funded defined benefit component, along with TRF DC, a member-funded account.

Retirement benefits provided. A member is entitled to a full retirement benefit 1) at age 65 with at least 10 years of creditable service, 2) at age 60 with at least 15 years of creditable service, 3) at age 55 if age and creditable service total at least 85, 4) at age 55 with 20 years of creditable service and active as an elected official in the TRF-covered position, or 5) at age 70 with 20 years of creditable service and still active in the TRF-covered position. A member is entitled to an early retirement benefit at age 50 and minimum of 15 years of creditable service. The benefit is 44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59.

The lifetime annual benefit equals the years of creditable service multiplied by the average highest five year annual salary multiplied by 1.1 percent (minimum of \$185 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS Board. For the year ended June 30, 2019, postretirement benefits of \$2.3 million were issued to members as a 13th check.

Disability and survivor benefits provided. An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$185 per month). Under certain conditions, active TRF members may qualify for a classroom disability benefit of at least \$125 per month. If death occurs while in active service, a spouse or dependent beneficiary of a member with a minimum of 15 years of creditable services receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. If death occurs while receiving a benefit, a spouse or dependent receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100% Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

Employees covered by benefit terms. As of June 30, 2019, the number of participating employers was 372 in addition to the State. As of June 30, 2019, TRF 1996 Account membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	7,041
Inactive vested members entitled to but not yet receiving benefits	5,778
Active members: vested and non-vested	<u>58,308</u>
Total	<u>71,127</u>
Based on census data as of June 30, 2018 used for the June 30, 2019 actuarial valuation.	

Contributions. Contributions are determined by the INPRS Board based on an actuarial valuation. Employers contribute 7.5 percent of covered payroll, with 0.14 percent funding a supplemental reserve account for future postretirement benefit increases. No member contributions are required.

Financial report. INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest rate/investment return	6.75%
Future salary increases	2.5% - 12.5%
Inflation	2.25%
Cost of living increases	2019-2021 - 13th check, Beginning Jan. 1, 2022 - 0.40% Beginning Jan. 1, 2034 - 0.50% Beginning Jan. 1, 2039 - 0.60%

Mortality rates for healthy members were based on the RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report. Mortality rates for disabled members were based on the RP-2014 (with MP-2014 improvement removed) Disability mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

The most recent comprehensive experience study was completed in April 2015 and was based on member experience between June 30, 2011 and June 30, 2014. The demographic assumptions were updated as needed for the June 30, 2018 actuarial valuation.

The long-term return expectation for this INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Public equity	22.0	4.4
Private equity	14.0	5.4
Fixed income - ex inflation - linked	20.0	2.2
Fixed income - inflation - linked	7.0	0.8
Commodities	8.0	2.3
Real estate	7.0	6.5
Absolute return	10.0	2.7
Risk parity	12.0	5.2
Total	100.0	

Discount rate. Total pension liability was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from

Sensitivity of the State's proportionate share of the net pension liability to changes in the discount rate. The following presents the State's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
State's proportionate share of the net pension liability	3,758	389	(2,336)

Pension plan fiduciary net position. Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone financial report of the Indiana Public Retirement System. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the State reported a liability of \$388 thousand for its proportionate share of the net pension liability. The TRF 1996 Account net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportion of the net pension liability was based on a projection of the State's long-term share of contributions to the

employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State of Indiana would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on these assumptions, the TRF '96 defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the State's proportion was 0.35 percent, which was a decrease of 0.04 percentage points from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the State recognized pension expense of \$1.0 million. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 223	\$ 558
Changes of assumptions or other inputs	661	1,260
Net difference between projected and actual earnings on pension plan investments	48	-
Changes in the employer proportion and differences between the employer's contributions and the employer's proportionate share of contributions	103	294
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	150,833	-
Total	\$ 151,868	\$ 2,112

Deferred outflows of resources in the amount of \$150.8 million related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2020	122
2021	(72)
2022	(231)
2023	(193)
2024	(106)
Thereafter	(597)

The State is a non-employer contributing entity in a special funding situation for the following pension plan:

State Teachers' Retirement Fund Pre-1996 Account (Presented as part of INPRS – a fiduciary in nature component unit)

Plan description. The Indiana State Teachers' Retirement Fund Pre-1996 Account (TRF Pre-1996) is a pay-as-you-go cost-sharing, multiple-employer defined benefit plan providing retirement, disability, and survivor benefits for teachers, administrators, and certain INPRS personnel hired before July 1, 1996. Membership in TRF Pre-'96 DB is closed to new entrants. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.4, 35 IAC 14, and other Indiana pension law. TRF Pre-'96 DB is a component of the Teachers' Hybrid Plan. The Teachers' Hybrid Plan consists of two components: TRF Pre-'96 DB: the monthly employer-funded defined benefit component, along with TRF DC, a member-funded account.

Retirement benefits provided. A member is entitled to a full retirement benefit 1) at age 65 with at least 10 years of creditable service, 2) at age 60 with at least 15 years of creditable service, 3) at age 55 if age and creditable service total at least 85, 4) at age 55 with 20 years of creditable service and active as an elected official in the TRF-covered position, or 5) at age 70 with 20 years of creditable service and still active in the TRF-covered position. A member is entitled to an early retirement benefit at age 50 and minimum of 15 years of creditable service. The benefit is 44 percent of full benefit at

age 50, increasing five percent per year up to 89 percent at age 59.

The lifetime annual benefit equals the years of creditable service multiplied by the average highest five year annual salary multiplied by 1.1 percent (minimum of \$185 per month). The average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS Board. For the year ended June 30, 2019, postretirement benefits of \$21.8 million were issued to members as a 13th check..

Disability and survivor benefits provided. An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$185 per month). Under certain conditions, active TRF members may qualify for a classroom disability benefit of at least \$125 per month. If death occurs while in active service, a spouse or dependent beneficiary of a member with a minimum of 15 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. If death occurs while receiving a benefit, a spouse or dependent receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100% Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

Employees covered by benefit terms. As of June 30, 2019, the number of participating employers was 344 in addition to the State. The State of Indiana makes contributions as the sole nonemployer contributing entity. As of June 30, 2019, TRF Pre-1996 Account membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	53,498
Inactive vested members entitled to but not yet receiving benefits	2,382
Active members: vested and non-vested	10,497
Total	66,377
Based on census data as of June 30, 2018 used for the June 30, 2019 actuarial valuation.	

Contributions. According to statute, the TRF Pre-'96 DB fund is funded primarily by appropriations from the state general fund and lottery proceeds. The Actuarially Determined Contribution (ADC) for TRF Pre-'96 DB was \$947.4 million. This includes a base appropriation of \$892.2 million, a special appropriation of \$21.7 million for 13th checks, \$30.0 million of lottery proceeds to fund the supplemental reserve account for postretirement benefits, and \$3.5 million of employer contributions from grant monies. No member contributions are required.

Financial report. INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the State reported a liability of \$10,871.8 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportion of the net pension liability was based on a projection of the State's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the State's proportion was 100.00 percent, which was the same as its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the State recognized pension income of \$5.8 million. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	-	1,297
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	944,027	-
Total	\$ 944,027	\$ 1,297

\$944.0 million reported as deferred outflows of resources resulting from employer contributions

subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2020	54,548
2021	4,357
2022	(36,066)
2023	(24,136)

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest rate/investment return	6.75%
Future salary increases	2.5% - 12.5%
Inflation	2.25%
Cost of living increases	2019-2021 - 13th check, Beginning Jan. 1, 2022 - 0.40% Beginning Jan. 1, 2034 - 0.50% Beginning Jan. 1, 2039 - 0.60%

Mortality rates for healthy members were based on the RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report. Mortality rates for disabled members were based on the RP-2014 (with MP-2014 improvement removed) Disability mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

The most recent comprehensive experience study was completed in April 2015 and was based on member experience between June 30, 2010 and June 30, 2014. The demographic assumptions were updated as needed for the June 30, 2018 actuarial valuation.

The long-term return expectation for this INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline

inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Public equity	22.0	4.4
Private equity	14.0	5.4
Fixed income - ex inflation - linked	20.0	2.2
Fixed income - inflation - linked	7.0	0.8
Commodities	8.0	2.3
Real estate	7.0	6.5
Absolute return	10.0	2.7
Risk parity	12.0	5.2
Total	100.0	

Discount rate. Total pension liability was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State of Indiana would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on these assumptions, the TRF Pre-'96 defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

Sensitivity of the State's proportionate share of the net pension liability to changes in the discount rate. The following presents the State's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
State's proportionate share of the net pension liability	12,228,232	10,871,842	9,706,327

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone financial report of the Indiana Public Retirement System. This report may be obtained

by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Pension Amounts Summary – Defined Benefit Plans

A summary of the pension amounts disclosed in the notes for the defined benefit plans is provided in the following table.

Plan	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
SPRF	\$ 670,358	\$ 476,089	\$ 194,269	\$ 89,755	\$ 9,295	\$ 43,229
SPST	16,573	-	16,573	3,081	1,805	4,945
EG&C	140,056	131,492	8,564	9,595	9,093	3,344
PARF	103,284	61,019	42,265	4,780	2	5,932
LE DB	3,484	2,942	542	312	-	(59)
JRS	547,695	513,953	33,742	20,309	4,027	15,881
PERF	4,115,461	3,246,647	868,814	197,348	145,648	147,696
TRF 1996	19,472	19,083	389	151,868	2,112	1,034
TRF Pre-1996	14,583,189	3,711,347	10,871,842	944,027	1,297	(5,802)
Total	\$ 20,199,572	\$ 8,162,572	\$ 12,037,000	\$ 1,421,075	\$ 173,279	\$ 216,200

The State contributes to the following defined contribution plans:

My Choice (PERF MC DC) – State Employees' Defined Contribution Plan (Presented as part of INPRS – a fiduciary in nature component unit)

PERF MC DC is a multiple-employer defined contribution fund providing retirement benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elected to participate in the retirement fund. PERF MC DC is the primary defined contribution benefit plan for members making this election. Administration of the account is generally in accordance with other Indiana pension law.

First time new employees hired by the State of Indiana or a political subdivision who offer a choice have a one-time election to join either PERF Hybrid or PERF My Choice. A state hire that is an existing member of PERF Hybrid plan and was not given the option for PERF My Choice is given the option to elect PERF My Choice or remain in PERF Hybrid.

The PERF MC DC plan may be funded with an employer variable rate contribution. The variable rate contribution is three percent for state employees and up to 3.8 percent for political subdivision members. Political subdivisions may match 50 percent of a member's voluntary contributions.

Member contributions under the PERF MC DC are

set by statute and the INPRS Board at three percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary member contributions up to 10 percent can be made solely by the member.

The state contributed 3.0% to My Choice members' accounts during the fiscal year ended June 30, 2019. My Choice members totaled 3,335 as of June 30, 2018.

Members are entitled to the sum total of vested contributions plus earnings 30 days after separation from employment (retirement, termination, disability, or death). The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements). PERF MC DC members are 100 percent vested in member and voluntary contributions, and vested in employer variable rate contributions at 20 percent after one year of service and increases in 20 percent increments for each year of service thereafter until 100 percent vested after five years of service.

Upon providing proof of the member's qualification for social security disability benefits, the member is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

The survivor benefit is that the beneficiary is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum,

direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

Legislators' Retirement System – Legislators' Defined Contribution Plan (Presented as part of INPRS – a fiduciary in nature component unit)

The Legislators' Defined Contribution plan is a single-employer (State of Indiana) defined contribution fund that provides retirement benefits to members of the General Assembly. Administration of the fund is generally in accordance with IC 2-3.5 and other Indiana pension law. Effective January 1, 2019, members of the fund can no longer invest in the Consolidated Defined Benefit Assets.

Members are entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, monthly annuity, or installment options (in accordance with INPRS requirements).

If a participant dies their beneficiary is entitled to the sum total of contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

Contributions are determined by the INPRS Board and confirmed by the State Budget Agency. The employer contribution rate is 14.2 percent of covered payroll. This rate may not exceed the sum contribution rates for State of Indiana employer and member PERF Hybrid plans. The member contribution is five percent of member's salary. The employer may choose to make contributions on behalf of the member.

F. Other Postemployment Benefits

Defined Benefit Plans

Plan Descriptions. The State of Indiana sponsors and contributes to four single-employer defined benefit healthcare plans: State Personnel Plan (SPP); Legislature Plan (LP); Indiana State Police Plan (ISPP); and the Conservation and Excise Police Plan (CEPP). The SPP and LP are administered by the State Personnel Department. The Indiana State Police administer the ISPP. The CEPP is administered by the Indiana State Excise Police and Indiana Conservation Officers Health Insurance Committee. The SPP, ISPP, and CEPP are administered through trusts that meet the

criteria in GASB 74. The LP is not administered through a trust that meets the requirements of GASB 74 and is not accumulating assets.

Benefits Provided. All four plans provide medical plan health care benefits to eligible State employee retirees and beneficiaries. The medical benefits provided to retirees are the same benefit options afforded active employees. Benefit provisions for each plan are established and may be amended by Indiana Code 5-10-8 *et seq.* Separate financial reports are not issued for these plans.

Employees covered by benefit terms. As of June 30, 2018, membership in the plans consisted of:

	SPP	ISPP	CEPP	LP
Inactive employees or beneficiaries currently receiving benefit payments	725	1,120	191	38
Active employees	23,617	1,665	262	112
Total	24,342	2,785	453	150

Based on census data as of June 30, 2017 used for the June 30, 2018 actuarial valuation.

As of June 30, 2019, membership in the plans consisted of:

	SPP	ISPP	CEPP	LP
Inactive employees or beneficiaries currently receiving benefit payments	552	1,076	198	34
Active employees	25,659	1,688	244	113
Total	26,211	2,764	442	147

Based on census data as of June 30, 2019

Contributions. Actuarially determined contributions (ADC) are determined for these plans by the actuary. The state determines the contributions to make for these plans after considering its other needs and the OPEB participants' needs.

For the SPP, the state contributes at least the ADC annually.

The ISPP has established a 401(h) and section 115 trust for the purpose of funding retiree OPEB. Contributions to the 401(h) and section 115 trust are made from the following sources: 1) Medicare Part D retiree drug subsidy reimbursement; 2) excess long-term disability fund; 3) retiree premiums 4) state contributions for ISP active employees in accordance with the OPEB DC plan (501 plan); and 5) discretionary contributions from the ISP healthcare fund up to \$1 million. Additionally, active ISP employees contribute \$20 per paycheck towards the 401(h) trust account. This ISP funding policy is expected to continue for the foreseeable future.

The annual cost of the CEPP is financed on a pay-as-you-go basis from state subsidies, active/retiree

contributions, and a discretionary contribution from the CEPP reserve fund.

Retiree participants pay the full premium rate as determined by the administrators of these plans.

Financial Statements: As separately issued financial statements are not available for the State Employee Retiree Health Benefit Trust Fund-DB, summarized financial statements are as follows:

State of Indiana Combining Statement of Fiduciary Net Position Pension and Other Employee Benefit Trust Funds June 30, 2019				
	SPP	ISPP	CEPP	Total
Assets				
Cash, cash equivalents and non-pension investments	\$ 200	\$ 35,889	\$ 854	\$ 36,943
Receivables:				
Contributions	172			172
Interest	93	739	29	861
Total receivables	265	739	29	1,033
Pension and other employee benefit investments at fair value:				
Debt Securities	45,866	101,923	22,928	170,717
Total investments at fair value	45,866	101,923	22,928	170,717
Total assets	46,331	138,551	23,811	208,693
Liabilities:				
Benefits payable	128	582	88	798
Total liabilities	128	582	88	798
Net Position				
Restricted for:				
OPEB benefits	46,203	137,969	23,723	207,895
Total net position	\$ 46,203	\$ 137,969	\$ 23,723	\$ 207,895

State of Indiana Combining Statement of Changes in Fiduciary Net Position Pension and Other Employee Benefit Trust Funds For the Year Ended June 30, 2019				
	SPP	ISPP	CEPP	Total
Additions:				
Member contributions				\$ -
Employer contributions	3,337	23,018	4,021	30,376
Net investment income (loss)	1,007	2,966	493	4,466
Federal reimbursements	-	618	-	618
Other	-	300	-	300
Total additions	4,344	26,902	4,514	35,760
Deductions:				
Retiree health benefits	3,276	5,804	943	10,023
Administrative	354	492	84	930
Total deductions	3,630	6,296	1,027	10,953
Net increase (decrease) in net position	714	20,606	3,487	24,807
Net position restricted for pension and other employee benefits, July 1, as restated:				
OPEB benefits	45,489	117,363	20,236	183,088
Net position restricted for pension and other employee benefits, June 30, as restated	\$ 46,203	\$ 137,969	\$ 23,723	\$ 207,895

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability of the three plans administered through trusts at June 30, 2018 were as follows:

	SPP	ISPP	CEPP
Total OPEB liability	\$47,525	\$324,517	\$60,903
Plan fiduciary net position	45,489	117,363	20,236
Net OPEB liability	<u>\$ 2,036</u>	<u>\$207,154</u>	<u>\$40,667</u>
Plan fiduciary net position as a percentage of the total OPEB liability	95.7%	36.2%	33.2%

The components of the net OPEB liability for the three OPEB plans administered through trusts at June 30, 2019 was:

	SPP	ISPP	CEPP
Total OPEB liability	\$57,424	\$198,445	\$76,899
Plan fiduciary net position	46,203	137,969	23,723
Net OPEB liability	<u>\$11,221</u>	<u>\$ 60,476</u>	<u>\$53,176</u>
Plan fiduciary net position as a percentage of the total OPEB liability	80.5%	69.5%	30.8%

Actuarial assumptions. For the 2019 actuarial valuation, update procedures were used to roll forward the total OPEB liability to the plans' fiscal year end. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Description	SPP	ISPP	CEPP	LP
Valuation Date	6/30/2018 and 6/30/2019	6/30/2018 and 6/30/2019	6/30/2018 and 6/30/2019	6/30/2018 and 6/30/2019
Inflation	2.25%	2.25%	2.25%	2.25%
Salary increases	2.25% for general wage inflation plus merit and productivity increases as follows: Ages 20 and 30, 2.0%; age 40, 1.5%, and age 50, 1.0%	2.25% for general wage inflation plus 0.25% for merit and productivity increases	2.25% for general wage inflation plus 0.25% for merit and productivity increases	2.25% for general wage inflation plus merit and productivity increases as follows: Ages 20 and 30, 2.0%; age 40, 1.5%, and age 50, 1.0%
Investment rate of return	3.25%	3.25%	3.25%	3.25%
Healthcare cost trend rates	<u>For 2018 valuation:</u> 8.5% for 2018 decreasing 0.5% per year to an ultimate rate of 4.5%. <u>For 2019 valuation:</u> 8.0% for 2019 decreasing 0.5% per year to an ultimate rate of 4.5%	8.5% for 2018 decreasing 0.5% per year to an ultimate rate of 4.5%. 8.0% for 2019 decreasing 0.5% per year to an ultimate rate of 4.5%	8.5% for 2018 decreasing 0.5% per year to an ultimate rate of 4.5%. 8.0% for 2019 decreasing 0.5% per year to an ultimate rate of 4.5%	8.5% for 2018 decreasing 0.5% per year to an ultimate rate of 4.5%. 8.0% for 2019 decreasing 0.5% per year to an ultimate rate of 4.5%
Mortality	SS-2012 Employee and Annuitant Mortality Table fully generational using SSA scale	SS-2012 Total Dataset Mortality Table with blue collar adjustment fully generational using SSA scale	SS-2012 Total Dataset Mortality Table with blue collar adjustment fully generational using SSA scale	SS-2012 Employee and Annuitant Mortality Table fully generational using SSA scale
Experience study	Based on the results of an actuarial experience study for the period from June 30, 2010 to June 30, 2014	Based on the results of an actuarial experience study for the period from July 1, 2005 through June 30, 2010	Based on the results of an actuarial experience study for the period from June 30, 2010 to June 30, 2014	Based on professional judgment and limited experience through 2008

Discount Rate. For June 30, 2018 and June 30, 2019, the asset allocation for the three plans administered through trusts is 100% to fixed income securities. The long-term expected rate of return for these plans' investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. The long-term expected rate of return on OPEB plan investments for the three plans administered through trusts is 3.25%. Since this rate of return is lower than the yield for 20 year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), the discount rate used to measure the total OPEB liability was based on a range of indices for 20 year tax exempt general obligation municipal bonds. The discount rate used to measure the total OPEB liability for these was 3.87 percent as of June 30, 2018 and applied to all periods of projected benefit payments to determine the total OPEB liability. The change in the discount rate from the 2018 to the 2019 actuarial valuations was .36%, lowering the rate to 3.51%. The projection of cash flows used to determine the discount rate assumed that the State's contributions to these plans will be made at rates equal to the actuarially determined rates. The discount rate of 4.5% was used in calculating the actuarially determined contribution for these plans.

Changes in the Net/Total OPEB Liability

State Personnel Plan	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/17	\$ 53,040	\$ 44,998	\$ 8,042
Changes for the year:			
Service cost	2,113	-	2,113
Interest	1,910	-	1,910
Differences between expected and actual experience	(5,332)	-	(5,332)
Changes of assumptions or other inputs	(1,164)	-	(1,164)
Contributions - employer	-	3,384	(3,384)
Net investment income	-	547	(547)
Benefit payments, including refunds of employee contributions	(3,042)	(3,042)	-
Administrative expense	-	(398)	398
Net changes	(5,515)	491	(6,006)
Balances at 6/30/18	\$ 47,525	\$ 45,489	\$ 2,036

Indiana State Police	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/17	\$ 539,736	\$ 97,323	\$ 442,413
Changes for the year:			
Service cost	17,811	-	17,811
Interest	19,725	-	19,725
Changes in benefit terms	(196,574)	-	(196,574)
Differences between expected and actual experience	(21,242)	-	(21,242)
Changes of assumptions or other inputs	(27,946)	-	(27,946)
Contributions - employer	-	25,813	(25,813)
Contributions - employee	-	404	(404)
Net investment income	-	1,423	(1,423)
Benefit payments, including refunds of employee contributions	(6,994)	(6,994)	-
Administrative expense	-	(607)	607
Net changes	(215,220)	20,039	(235,259)
Balances at 6/30/18	\$ 324,516	\$ 117,362	\$ 207,154

Conservation & Excise Police Plan	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/17	\$ 56,024	\$ 15,176	\$ 40,848
Changes for the year:			
Service cost	1,795	-	1,795
Interest	2,035	-	2,035
Differences between expected and actual experience	5,739	-	5,739
Changes of assumptions or other inputs	(3,387)	-	(3,387)
Contributions - employer	-	6,241	(6,241)
Net investment income	-	213	(213)
Benefit payments, including refunds of employee contributions	(1,303)	(1,303)	-
Administrative expense	-	(91)	91
Net changes	4,879	5,060	(181)
Balances at 6/30/18	\$ 60,903	\$ 20,236	\$ 40,667

Legislature Plan	Increase (Decrease)	
	Total OPEB Liability (a)	
Balances at 6/30/17	\$ 11,987	
Changes for the year:		
Service cost		120
Interest		420
Differences between expected and actual experience		(1,527)
Changes of assumptions or other inputs		(385)
Benefit payments, including refunds of employee contributions		(620)
Net changes		(1,992)
Balances at 6/30/18	\$ 9,995	

Changes since last year's valuation, which was for the fiscal year ending June 30, 2017 are as follows:

For ISP: Effective January 1, 2019, all post-65 Medicare eligible retirees will be removed from the ISP's traditional health plan. They will be covered under a Medicare Advantage Plan through Anthem and a Medicare Part D plan with premiums paid fully by the retiree. These members will now also be given a flat HRA contribution of \$57.92 per eligible person for life while participating in the Medicare Advantage plan. This will continue to be available to surviving spouses of deceased retirees. The aggregate HRA contribution for all members is capped at \$1 million annually going forward. All post -65 non-Medicare eligible retirees will continue to be covered under ISP's traditional health plan. All retirees (pre and post-Medicare eligible will continue to have dental and vision coverage with premiums paid fully by the retiree. This change caused a significant decrease in the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability for the three OPEB plans administered through trusts calculated using a discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current discount rate:

June 30, 2018 valuation:

	Net OPEB Liability		
	1% Decrease (2.87%)	Current Rate (3.87%)	1% Increase (4.87%)
SPP	5,914	2,036	(1,490)
ISP	255,835	207,154	166,935
CEPP	52,631	40,667	31,352

June 30, 2019 valuation:

	Net OPEB Liability		
	1% Decrease (2.51%)	Current Rate (3.51%)	1% Increase (4.51%)
SPP	16,137	11,221	6,746
ISP	85,664	60,476	39,138
CEPP	67,927	53,176	41,641

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability for the LP OPEB plan that is not administered through a trust calculated using a discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current discount rate:

	1% Decrease (2.87%)	Current Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	11,330	9,995	8,899

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability for the three OPEB plans administered through trusts calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

June 30, 2018 valuation:

	Net OPEB Liability		
	1% Decrease (7.5% decreasing to 3.5%)	Current Rate (8.5% decreasing to 4.5%)	1% Increase (9.5% decreasing to 5.5%)
SPP	(2,700)	2,036	7,589
ISP	162,577	207,154	261,652
CEPP	30,024	40,667	54,807

June 30, 2019 valuation:

	Net OPEB Liability		
	1% Decrease (7.0% decreasing to 3.5%)	Current Rate (8.0% decreasing to 4.5%)	1% Increase (9.0% decreasing to 5.5%)
SPP	5,606	11,221	17,832
ISP	37,992	60,476	87,375
CEPP	40,366	53,176	70,114

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability for the LP OPEB plan that is not administered through a trust calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (7.5% decreasing to 3.5%)	Current Rate (8.5% decreasing to 4.5%)	1% Increase (9.5% decreasing to 5.5%)
Total OPEB liability	8,829	9,995	11,398

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

State Personnel Plan - For the year ended June 20, 2019 the State recognized OPEB expense of \$2.2 million. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,570
Changes of assumptions or other inputs	-	998
Net difference between projected and actual earnings on OPEB plan investments	732	-
Employer's contributions to the OPEB plan subsequent to the measurement date of the net OPEB liability	3,337	-
Total	\$ 4,069	\$ 5,568

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2020	(745)
2021	(745)
2022	(745)
2023	(745)
2024	(928)
Thereafter	(928)

Indiana State Police Plan - For the year ended June 20, 2019 the State recognized OPEB income of \$168.9 million. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 18,207
Changes of assumptions or other inputs	-	23,954
Net difference between projected and actual earnings on OPEB plan investments	1,632	-
Employer's contributions to the OPEB plan subsequent to the measurement date of the net OPEB liability	23,018	-
Total	\$ 24,650	\$ 42,161

Amounts reported as deferred outflows of resources

and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2020	(6,619)
2021	(6,619)
2022	(6,619)
2023	(6,619)
2024	(7,027)
Thereafter	(7,026)

Conservation & Excise Police Plan - For the year ended June 20, 2019 the State recognized OPEB expense of \$3.7 million. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,022	\$ -
Changes of assumptions or other inputs	-	2,964
Net difference between projected and actual earnings on OPEB plan investments	286	-
Employer's contributions to the OPEB plan subsequent to the measurement date of the net OPEB liability	4,021	-
Total	\$ 9,329	\$ 2,964

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2020	366
2021	366
2022	366
2023	366
2024	294
Thereafter	586

Legislature Plan - For the year ended June 20, 2019 the State recognized OPEB expense of \$.2 million. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,222
Changes of assumptions or other inputs	-	308
Employer's contributions to the OPEB plan subsequent to the measurement date of the total OPEB liability	535	-
Total	\$ 535	\$ 1,530

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2020	(383)
2021	(383)
2022	(383)
2023	(381)

A summary of the OPEB amounts disclosed in the notes for the defined benefit plans is provided in the following table.

Plan	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
SPP	\$ 47,525	\$ 45,489	\$ 2,036	\$ 4,069	\$ 5,568	\$ 2,214
ISP	324,516	117,362	207,154	24,650	42,161	(168,917)
CEPP	60,903	20,236	40,667	9,329	2,964	3,715
LP	9,995	-	9,995	535	1,530	158
Total	\$ 442,939	\$ 183,087	\$ 259,852	\$ 38,583	\$ 52,223	\$ (162,830)

Defined Contribution Plan

Plan Description. The State of Indiana sponsors one single employer defined contribution OPEB plan established as a trust fund, the Retiree Health Benefit Trust Fund, in IC 5-10-8-8.5. The State

established this trust fund to provide funding for the retiree health benefit plan developed under IC 5-10-8.5. The trust meets the requirements of a qualified OPEB trust. The trust is qualified under section 115 of the Internal Revenue Code. The plan is a benefit to employees who retire and are eligible for and

have received a normal, unreduced or disability retirement benefit (as determined by statutes and codes governing a State public employee retirement fund). Qualified retirees of the State are eligible to receive retirement medical benefits from this Plan. Retirees' and/or covered dependents' qualifying health insurance and medical costs are eligible for reimbursement from their reimbursement account, subject to Plan conditions and limitations.

Financial Statements. As separately issued financial statements are not available for the State Employee Retiree Health Benefit Trust Fund-DC, summarized financial statements are as follows:

State of Indiana	
Combining Statement of Fiduciary Net Position	
Pension and Other Employee Benefit Trust Funds	
June 30, 2019	
	State Employee Retiree Health Benefit Trust Fund - DC
Assets	
Cash, cash equivalents and non-pension investments	\$ 225,454
Receivables:	
Contributions	2,644
Interest	1,194
Securities lending	270
Total receivables	4,108
Pension and other employee benefit investments at fair value:	
Debt Securities	131,042
Total investments at fair value	131,042
Total assets	360,604
Liabilities:	
Accounts/escrows payable	24
Securities lending payable	270
Benefits payable	263
Total liabilities	557
Net Position	
Restricted for:	
OPEB benefits	360,047
Total net position	\$ 360,047

State of Indiana	
Combining Statement of Changes in Fiduciary	
Net Position	
Pension and Other Employee Benefit Trust Funds	
For the Year Ended June 30, 2019	
<small>(amounts expressed in thousands)</small>	
	State Employee Retiree Health Benefit Trust Fund - DC
Additions:	
Employer contributions	\$ 29,929
Net investment income (loss)	10,677
Other	208
Total additions	40,814
Deductions:	
Retiree health benefits	18,171
Administrative	2,828
Other	207
Total deductions	21,206
Net increase (decrease) in net position	19,608
Net position restricted for pension and other employee benefits, July 1, as restated:	
OPEB benefits	340,439
Net position restricted for pension and other employee benefits, June 30	\$ 360,047

Benefit terms. Benefit provisions for this plan are established or may be amended by the State legislature. The State Budget Agency of the State of Indiana is the administrator of the plan pursuant to Indiana Code 5-10-8-8.5. The plan establishes a retirement medical benefits account for elected officers, appointed officers, and most employees of the executive, legislative, and judicial branches of state government to pay for participants' medical insurance after retirement. Legislation passed by the 2012 Indiana General Assembly removed from eligibility in the DC plan all Conservation Officers, all Excise Officers, and employees of the Indiana State Police who did not previously waive coverage under the agency's DB plan. Benefits are entitled to be received from this account for a participant who: a) is eligible for and has applied to receive a normal, unreduced or disability retirement benefit under the Public Employees' Retirement Fund; or b) has completed at least 10 years of service as an elected or appointed officer; or c) has completed at least 15 years of service with the state for an employee. A surviving spouse or IRS dependent of a retired participant is allowed to receive the benefit from this account. Amounts credited to a retired participant are forfeited if the participant dies without a surviving spouse or IRS dependent.

Regular Contributions. The State makes regular annual contributions to the account based on the following schedule:

Attained Age	<u>Annual State Contributions</u>
Less than 30	\$500
At least 30, but less than 40	\$800
At least 40, but less than 50	\$1,100
At least 50	\$1,400

Attained age is determined as of the last day of the calendar year falling within the plan year for which the contribution is made. To receive the regular contribution, an employee must be an eligible employee on the preceding December 31 and must be continuously employed through the date on which the contribution is made.

Bonus Contributions. Employees receive the bonus contributions if by June 30, 2017 they are (1) eligible for an unreduced pension benefit from PERF and (2) have completed at least 15 years of service or 10 years of service as an elected or appointed officer. The bonus contribution is equal to the employee's total years of service (rounded down to the nearest whole year) calculated as of the last day of employment or June 30, 2017 (whichever is earlier) multiplied by one thousand dollars (\$1,000)

At June 30, 2019, the plan participants consisted of:

Active participants with accounts, not yet retired	28,242
Retired participants with accounts	7,643
Total	<u>35,885</u>

At June 30, 2019, plan participants' retirement medical plan account balances totaled \$436.0 million which consisted of \$272.0 million in unretired active participants' accounts and \$164.0 million in retired participants' accounts.

This plan is a defined contribution individual account for GASB 74 and 75 purposes. The employer subsidy is defined in terms of an annual contribution to an individual account. Plan assets are maintained in the Retiree Health Benefit Trust Fund created by the State as a dedicated trust fund.

The trust fund consists of cigarette tax revenues deposited in the fund under IC 6-7-1-28.1(7) and other appropriations, revenues, or transfers to the trust fund under IC 4-12-1.

The amount of OPEB expense recognized during the fiscal year ending June 30, 2019 was \$6.9 million. The employers liability outstanding at the end of June 30, 2019 was \$75.9 million.

Forfeitures. Forfeitures for the fiscal year ending June 30, 2019 totaled \$12.9 million.

G. Pollution Remediation Obligations

Nature and source of pollution remediation obligations:

Five state agencies have identified themselves as responsible or potentially responsible parties to remediate fifty pollution sites. Obligating events for the cleanup of these sites include being compelled to take action because the pollution creates an imminent danger to public health or welfare or the environment, being named by a regulator to remediate hazardous wastes and contamination, and voluntarily assuming responsibility because of imminent threats to human health and the environment.

Amount of the estimated liability, methods and assumptions used for the estimate, and the potential for changes:

The State's total estimated liability is \$35.4 million of which \$4.8 million is estimated to be payable within one year and \$30.6 million estimated to be payable in more than one year. State agencies calculated their estimated liabilities using various approaches including existing agreements, contractor bids/surveys, records of decisions from regulators, matching requirements under the Superfund law, previous actual costs to cleanup similar sites, investigation activities, well known and recognized estimation methods, and through the sampling and knowing the size and volume of existing contamination at a site. Superfund site estimated liabilities also applied a rolling thirty year liability as this was the number of years determined to be reasonably estimable. The estimated liabilities of state agencies are subject to annual review and adjustment for changes in agreements, laws, regulations, court decisions, price increases or decreases for goods and services used in cleanup, and other relevant changes that come to light.

Estimated recoveries reducing the liability:

The estimated recoveries total \$14.2 million. Of this total, \$0.5 million is unrealizable or has not yet been realized and has been applied to reduce the State's total estimated liability. Estimated recoveries

include the proceeds from the sale of stock, bankruptcy court settlements, coverage of allowable costs by the State's Excess Liability Trust Fund (ELTF), credits received for work performed on Superfund sites, and federal funds. The ELTF state law states that if insufficient funds exist to pay claims neither the State nor the Fund are liable for unpaid claims. The State recognized \$2.4 million of program revenue for six sites whose realized recoveries exceeded the pollution remediation liability.

H. Tax Abatements

The State provides tax abatements through eight programs which are the (1) Coal Gasification Technology Investment Credit, (2) Community Revitalization Enhancement District Credit, (3) Economic Development for a Growing Economy (EDGE) Credit, (4) Hoosier Business Investment Credit, (5) Industrial Recovery Credit, (6) Research Expense Credit, (7) Venture Capital Investment Credit, and (8) Neighborhood Assistance Program Credit. The Indiana Economic Development Corporation (IEDC) approves the tax credits for programs (1) through (7). The Indiana Housing and Community Development Authority (IHEDA) approves the tax credits for the Neighborhood Assistance Program Credit. The following is a summary of these programs where the taxes abated exceeded \$1 million individually or in the aggregate.

Coal Gasification Technology Investment Credit

The Coal Gasification Technology Investment Credit is created by IC 6-3.1-29. This program was created to foster job creation and higher wages, reduce air pollution as a result of the generation of electricity through fossil fuels, and promote investment in integrated coal gasification power plants and fluidized bed combustion technology. This program provides a credit against a taxpayer's adjusted gross income tax, financial institutions tax, insurance premiums tax liability, or utility receipts tax. The credit must be claimed on the taxpayer's annual state income tax return or returns filed with the Indiana Department of Revenue. The credit is administered by the Indiana Economic Development Corporation (IEDC) and is for a qualified investment in an integrated coal gasification power plant equal to the sum of 10% of the taxpayer's qualified investment for the first \$500,000,000 invested; 5% of the taxpayer's qualified investment that exceeds \$500,000,000, only if the facility is dedicated primarily to serving Indiana retail electric or gas utility consumers. For qualified investment in fluidized bed combustion

technology, the credit is equal to the sum of 7% of the taxpayer's qualified investment for the first \$500,000,000 invested; 3% of the taxpayer's qualified investment that exceeds \$500,000,000. Qualified investment is defined as a taxpayer's expenditures for all real and tangible personal property incorporated in and used as part of an integrated coal gasification power plant or a fluidized bed combustion technology and transmission equipment and other real and personal property located at the site of an integrated coal gasification power plant or a fluidized bed combustion technology that is employed specifically to serve the integrated coal gasification power plant or fluidized bed combustion technology. In order to award a tax credit under this program, the IEDC must determine the taxpayer's proposed investment satisfies the requirements of IC 6-3.1-29. The tax credit will be recaptured if the IEDC determines the taxpayer is noncompliant with the requirements of the tax credit agreement or all of the provisions of IC 6-3.1-29. The State has made no other commitments other than to reduce the applicable taxes as part of this program.

Community Revitalization Enhancement District Credit

The Community Revitalization Enhancement District Credit is created by IC 6-3.1-19. This program was created to incentivize the redevelopment and revitalization of property located within a community revitalization enhancement district. This program provides a credit against a taxpayer's adjust gross income tax, county adjusted gross income tax, county option income tax, county economic development income tax, financial institutions tax, or insurance premiums tax liability. The credit is administered by the Indiana Economic Development Corporation (IEDC) and may not exceed 25% of the taxpayer's qualified investment. To receive the credit provided by this program, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the Indiana Department of State Revenue (IDOR). The taxpayer shall submit to the IDOR all information that the department determines is necessary for the calculation of the credit provided by this chapter and for the determination of whether an expenditure was for a qualified investment. Qualified investment is defined as the amount of a taxpayer's expenditures for redevelopment or rehabilitation of property located within a community revitalization enhancement district designated under IC 36-7-13, made under a plan adopted by an advisory commission on industrial development under IC 36-

7-13, and approved by the IEDC prior to the credit being made. The tax credit will be recaptured if the IEDC determines the taxpayer is noncompliant with the requirements of the tax credit agreement or any of the provisions within IC 6-3.1-19. The State has made no other commitments other than to reduce the applicable taxes as part of this program.

Economic Development for a Growing Economy (EDGE) Credit

The Economic Development for a Growing Economy Credit is created by IC 6-3.1-13. This program was created to foster job creation in Indiana, job retention in Indiana, and to foster employment in Indiana of students who participate in a course of study that includes a cooperative arrangement between an educational institution and an employer for the training of students in high wage, high demand jobs that require an industry certification. This program provides a credit against a taxpayer's adjusted gross income tax, financial institutions tax, or insurance premiums tax liability. The credit must be claimed on the taxpayer's annual state income tax return filed with the Indiana Department of Revenue. The credit is administered by the Indiana Economic Development Corporation (IEDC). The amount and duration of this tax credit shall be determined by the IEDC. The credit may be stated as a percentage of the incremental income tax withholdings attributable to the applicant's project and may include a fixed dollar limitation. In the case of a credit awarded for a project to create new jobs in Indiana, the credit amount may not exceed the incremental income tax withholdings. However, the credit amount claimed for a taxable year may exceed the taxpayer's state tax liability for the taxable year, in which the excess may, at the discretion of the IEDC, be refunded to the taxpayer. The tax credit will be recaptured if the IEDC determines the taxpayer is noncompliant with the requirements of the tax credit agreement or all of the provisions of IC 6-3.1-13. The State has made no other commitments other than to reduce the applicable taxes as part of this program. In order to receive a tax credit, the taxpayer must commit to the creation or retention of full-time, permanent jobs for Indiana residents at the project location and new capital investment in Indiana.

Hoosier Business Investment Credit

The Hoosier Business Investment Credit is created by IC 6-3.1-26. This program was created to foster job creation and create higher wages in Indiana. This program provides a credit against a taxpayer's adjusted gross income tax, financial institutions tax, or insurance premiums tax liability. The credit must

be claimed on the taxpayer's annual state income tax return filed with the Indiana Department of Revenue. The credit is administered by the Indiana Economic Development Corporation (IEDC) and may not exceed 10% of the taxpayer's qualified investment in a taxable year for qualified investment that is not a logistics investment and 25% of the qualified investment made in a taxable year if the qualified investment is a logistics investment. Qualified investment is defined as the amount of the taxpayer's expenditures in Indiana for the purchase of new telecommunications, production, manufacturing, fabrication, assembly, extraction, mining, processing, refining, finishing, distribution, transportation, or logistical distribution equipment; the purchase of new computers and related equipment; costs associated with the modernization of existing telecommunications, production, manufacturing, fabrication, assembly, extraction, mining, processing, refining, finishing, distribution, transportation, or logistical distribution facilities; onsite infrastructure improvements; the construction of new telecommunications, production, manufacturing, fabrication, assembly, extraction, mining, processing, refining, finishing, distribution, transportation, or logistical distribution facilities; costs associated with retooling existing machinery and equipment; costs associated with the construction of special purpose building and foundations for use in the computer, software, biological sciences, or telecommunications industry; costs associated with the purchase of machinery, equipment or special purpose buildings used to make motion pictures or audio productions; and a logistics investment as further described in IC 6-3.1-26-8.5 that are certified by the IEDC under this chapter as being eligible for the credit. The term does not include property that can be readily moved outside Indiana. In order to award a tax credit under this program, the IEDC must determine the following conditions exist, the applicant's project will raise the total earnings of employees of the applicant in Indiana or substantially enhance the logistics industry by creating new jobs, preserving existing jobs that otherwise would be lost, increasing wages in Indiana, or improving the overall Indiana economy, in the case of a logistics investment being claimed by the applicant; the applicant's project is economically sound and will benefit the people of Indiana by increasing opportunities for employment and strengthening the economy of Indiana; receiving the tax credit is a major factor in the applicant's decision to go forward with the project and not receiving the tax credit will result in the applicant not raising the total earnings of the applicant's employees in Indiana, or other employees in Indiana in the case of a logistics investment being claimed by the applicant;

awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data; the credit is not prohibited by the relocation of jobs from one location in Indiana to another location in Indiana; in the case of a qualified investment that is not being claimed as a logistics investment by the applicant, the average wage that will be paid by the taxpayer to its employees (excluding highly compensated employees) at the location after the credit is given will be at least equal to one hundred fifty percent (150%) of the hourly minimum wage under IC 22-2-2-4 or its equivalent. The tax credit will be recaptured if the IEDC determines the taxpayer is noncompliant with the requirements of the tax credit agreement or all of the provisions of IC 6-3.1-26. The State has made no other commitments other than to reduce the applicable taxes as part of this program. In order to receive a tax credit, the taxpayer must commit to the creation or retention of full-time, permanent jobs for Indiana residents at the project location and new capital investment in Indiana.

Industrial Recovery Credit

The Industrial Recovery Credit is created by IC 6-3.1-11. This program was created to foster the rehabilitation of property located within an industrial recovery site. This program provides a credit against a taxpayer's adjusted gross income tax, financial institutions tax, or insurance premiums tax liability. The credit must be claimed on the taxpayer's annual state income tax return filed with the Indiana Department of Revenue. The credit is administered by the Indiana Economic Development Corporation (IEDC) and may not exceed 15% for a plant that was in service at least fifteen years ago but less than thirty years ago, 20% for a plant that was placed in service at least thirty years ago but less than forty years ago, and 25% if a plant was placed in service at least forty years ago. Qualified investment is defined as the amount of the taxpayer's expenditures for rehabilitation of property located within an industrial recovery site. Rehabilitation is defined as the remodeling repair, or betterment of real property in any manner or enlargement or extension of real property. Plant is defined as a building or complex of buildings used, or designed and constructed for use, in production, manufacturing, fabrication, assembly, processing, refining, finishing, or warehousing of tangible personal property, whether the tangible personal property is or was for sale to third parties or for use by the owner in the owner's business. In order to award a tax credit under this program, the IEDC must consider the following factors; the level of distress in the surrounding community caused by

the loss of jobs at the vacant industrial facility; evidence of support for the designation by residents, businesses, and private organizations in the surrounding community; evidence of a commitment by private or governmental entities to assist in the financing of improvements or redevelopment activities benefiting the vacant industrial facility; whether the industrial recovery site is within an economic revitalization area designated under IC 6-1.1-12.1. The tax credit will be recaptured if the IEDC determines the taxpayer is noncompliant with the requirements of the tax credit agreement or all of the provisions of IC 6-3.1-11. The State has made no other commitments other than to reduce the applicable taxes as part of this program. In order to receive a tax credit, the taxpayer must commit to new capital investment in Indiana within the statutory parameters.

Research Expense Credit

The Research Expense Credit is created by IC 6-3.1-4. The program was created to incentivize research investment in Indiana. This program provides a credit against a taxpayer's adjusted gross income tax liability. The credit must be claimed on the taxpayer's annual state income tax return filed with the Indiana Department of Revenue. The program is administered by the Indiana Economic Development Corporation (IEDC), and the credit may be calculated one of two ways, listed below, as elected by the taxpayer. For Indiana qualified research expense incurred after December 31, 2007, the credit is equal to 15% of the Indiana qualified research expense less the taxpayer's base amount of Indiana qualified research expense, up to \$1,000,000. For qualified research expense in excess of \$1,000,000, the credit amount is equal to 10%. For Indiana qualified research expense incurred after December 31, 2009, the taxpayer's research expense tax credit is equal to 10% of the part of the taxpayer's Indiana qualified research expense for the taxable year that exceeds 50% of the taxpayer's average Indiana qualified research expense for the 3 taxable years preceding the taxable year for which the credit is being determined. If the taxpayer did not have Indiana qualified research expense in any 1 of the 3 taxable years preceding the taxable year for which the credit is being determined, the amount of the research expense tax credit is equal to 5% of the taxpayer's Indiana qualified research expense for the taxable year. Indiana qualified research expense is defined as qualified research expense that is incurred for research conducted in Indiana. Qualified research expense means qualified research expense as defined in Section 41(b) of the Internal Revenue Code. The tax credit will be

recaptured if the IEDC determines the taxpayer is noncompliant with the requirements of the tax credit agreement or all of the provisions of IC 6-3.1-4. The State has made no other commitments other than to reduce the applicable taxes as part of this program.

Venture Capital Investment Credit

The Venture Capital Investment Credit is created by IC 6-3.1-24. This credit was created to improve access to capital for fast growing Indiana companies by providing individual and corporate investors an incentive to invest in early stage firms. This program provides a credit against a taxpayer's adjusted gross income tax, financial institutions tax, insurance premiums tax, or state gross retail and use tax liability. The credit must be claimed on the taxpayer's state income tax return or returns filed with the Indiana Department of Revenue. The credit is administered by the Indiana Economic Development Corporation (IEDC) and is equal to 20% of the taxpayer's qualified investment capital provided to the qualified Indiana business or \$1,000,000, whichever is less. Qualified Indiana business is defined as an independently owned and operated business that is certified as a qualified Indiana business by the IEDC. Qualified investment capital is defined as debt or equity capital that is provided to a qualified Indiana business. However, the term does not include debt that is provided by a financial institution (as defined in IC 5-13-4-10) after May 15, 2005 and is secured by a valid mortgage, security agreement, or other agreement or document that establishes a collateral or security position for the financial institution that is senior to all collateral or security interests of other taxpayers that provide debt or equity capital to the qualified Indiana business. In order to award a tax credit under this program, the IEDC must certify the taxpayer's proposed investment plan. The proposed investment plan must include the name and address of the taxpayer, the name and address

of each proposed recipient of the taxpayer's proposed investment; the amount of the proposed investment; a copy of the certification issued by the IEDC stating the business being invested in is a qualified Indiana business, and any other information required by the IEDC. The IEDC must determine that the proposed investment would qualify for the taxpayer credit under this program, and the amount of proposed investment would not result in the total amount of tax credits certified for the calendar year exceeding \$12,500,000. The total amount of credits that may be approved by the IEDC for a calendar year may not exceed \$12,500,000. The tax credit will be recaptured if the IEDC determines the taxpayer is noncompliant with the requirements of the tax credit agreement or all of the provisions of IC 6-3.1-24. The State has made no other commitments other than to reduce the applicable taxes as part of this program.

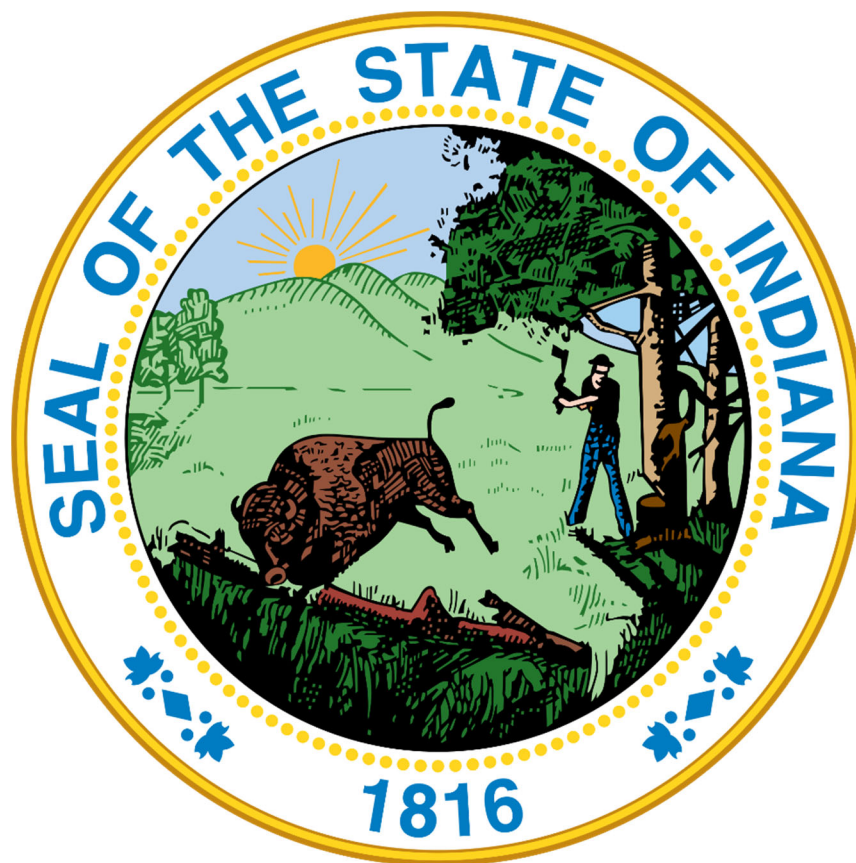
Neighborhood Assistance Program Credit

The Neighborhood Assistance Program (NAP) Credit is created by IC 6-3.1-9. The IHCDA distributes state tax credits to eligible non-profit organizations through an application approval process that they use to raise funds for their activities of community services, crime prevention, education, job training, and neighborhood assistance in economically disadvantaged areas or households. Each fiscal year, NAP State tax credits are capped at \$2.5 million and the maximum credit per donor is \$25,000. NAP tax credits are distributed to donors at 50% of the contribution amount and are subtracted from a donor's adjusted gross income or financial institutions tax liability on their annual state income tax returns. Unused portions of the credit may not be carried forward or carried back and the credit is nonrefundable. The State has made no other commitments other than to reduce the applicable taxes as part of this program.

The state tax abatements for the fiscal year ended June 30, 2019 are:

Tax Abatement Program	Amount of Taxes Abated
Coal Gasification Technology Investment Credit	
Corporate Income Tax	15,000
Community Revitalization Enhancement District Credit	
Individual Income Tax	1,059
Corporate Income Tax	(D)
Economic Development for a Growing Economy (EDGE) Credit	
Individual Income Tax	7,747
Corporate Income Tax	58,413
Hoosier Business Investment Credit	
Individual Income Tax	807
Corporate Income Tax	1,844
Industrial Recovery Credit	
Individual Income Tax	70
Corporate Income Tax	(D)
Neighborhood Assistance Credit	
Individual Income Tax	1,895
Corporate Income Tax	(D)
Research Expense Credit	
Individual Income Tax	24,922
Corporate Income Tax	52,019
Venture Capital Investment Credit	
Individual Income Tax	4,922
Corporate Income Tax	(D)
<i>(D) - Non-disclosable per Indiana Code 6-8.1-7-2.</i>	

REQUIRED SUPPLEMENTARY INFORMATION



Schedule of Contributions
Employee Retirement Systems and Plans
State Police Retirement Fund
 (amounts expressed in thousands)

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010
Actuarially determined contribution	\$ 30,860	\$ 25,857	\$ 20,556	\$ 19,455	\$ 17,119	\$ 17,271	\$ 18,058	\$ 18,210	\$ 16,046	\$ 18,110
Contributions in relation to the actuarially determined contribution	29,901	25,002	20,556	18,073	13,451	14,005	47,588	16,059	13,240	13,352
Contribution deficiency (excess)	959	855	-	1,382	3,668	3,266	(29,530)	2,151	2,806	4,758
Covered payroll	88,103	87,972	75,731	68,786	68,219	68,490	63,347	66,083	64,948	66,603
Contributions as a percentage of covered payroll	33.9%	28.4%	27.1%	26.3%	19.7%	20.4%	75.1%	24.3%	20.4%	20.0%

Notes to Schedule:

Valuation date

June 30, 2019

Actuarial cost method

Entry age normal cost

Amortization method

Over the average remaining service of all plan participants

Remaining amortization period

As of June 30, 2019 the amortization period is 11.631 years.

Asset valuation method

Not applicable

Inflation

2.25%

Salary increases

3.5% for the pre-1987 plan; For the 1987 plan, 9% at ages 26 and younger, annual increase reduced 0.5% per year reaching 4% at age 36, annual increases of 4% at ages 36 and older. New salary matrix effective July 1, 2018 is reflected.

Investment rate of return

2.79% net of pension plan investment expense, including inflation. 2.96% as of June 30, 2018. Rate is S&P Municipal Bond 20 year high grade rate index.

Retirement age

Pre-1987 Plan - Retirement rates are based on age with 10% assumed to retire at ages 42-45, 7.5% at ages 46-54, 10% at 55, 12.5% at 56, 15% at 57, 20% at 58, 40% at ages 59 and older, except 100% at 65 (with at least 20 years of service). Based on experience study through June 30, 2010.

1987 Plan - Retirement rates are based on years of service with 15% assumed to retire at 25 years of service, 12.5% at 26 years, 10% at 27 years, 7.5% at years 28 and 29, 10% at 30 years, 12.5% at 31 years, 15% at 32 years, 40% at 33 years, and 27.5% at 34 or more years, except 100% at age 65 (with at least 25 years of service). Based on experience study through June 30, 2010.

Mortality

RP-2014 Blue Collar Mortality Tables adjusted to 2006 with MP-2017 Mortality Improvement Scale.

Other information

Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.

Actuarially determined contribution includes the statutory pension contribution and the statutory supplemental contribution

**Schedule of Contributions
Employee Retirement Systems and Plans
State Police Supplemental Trust
(amounts expressed in thousands)**

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010
Actuarially determined contribution	\$ 5,383	\$ 5,049	\$ 5,308	\$ 4,904	\$ 5,195	\$ 4,029	\$ 4,525	\$ 4,167	\$ 4,343	\$ 4,451
Contributions in relation to the actuarially determined contribution	3,983	4,343	4,259	4,677	4,342	4,545	3,746	4,199	3,573	3,555
Contribution deficiency (excess)	1,400	706	1,049	227	853	(516)	779	(32)	770	896
Covered payroll	88,103	87,972	75,731	68,786	68,219	68,490	63,347	66,083	64,948	66,603
Contributions as a percentage of covered payroll	4.5%	4.9%	5.6%	6.8%	6.4%	6.6%	5.9%	6.4%	5.5%	5.3%

Notes to Schedule:

Valuation date
June 30, 2019

Actuarial cost method
Entry age normal cost

Amortization method
Over the average remaining service of all plan participants

Remaining amortization period
As of June 30, 2019 the amortization period is 11.631 years.

Asset valuation method
Not applicable

Inflation
2.25%

Salary increases
3.5% for the pre-1987 plan; For the 1987 plan, 9% at ages 26 and younger, annual increase reduced 0.5% per year reaching 4% at age 36, annual increases of 4% at ages 36 and older. New salary matrix effective July 1, 2018 is reflected.

Investment rate of return
2.79% net of pension plan investment expense, including inflation. 2.96% as of June 30, 2018. Rate is S&P Municipal Bond 20 year high grade rate index.

Retirement age
Pre-1987 Plan - Retirement rates are based on age with 10% assumed to retire at ages 42-45, 7.5% at ages 46-54, 10% at 55, 12.5% at 56, 15% at 57, 20% at 58, 40% at ages 59 and older, except 100% at 65 (with at least 20 years of service). Based on experience study through June 30, 2010.

1987 Plan - Retirement rates are based on years of service with 15% assumed to retire at 25 years of service, 12.5% at 26 years, 10% at 27 years, 7.5% at years 28 and 29, 10% at 30 years, 12.5% at 31 years, 15% at 32 years, 40% at 33 years, and 27.5% at 34 or more years, except 100% at age 65 (with at least 25 years of service). Based on experience study through June 30, 2010.

Mortality
RP-2014 Blue Collar Mortality Tables adjusted to 2006 with MP-2017 Mortality Improvement Scale.

Other information
Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.

Schedule of Contributions
Employee Retirement Systems and Plans
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan (EG&C Plan)
 (amounts expressed in thousands)

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	\$ 4,874	\$ 4,393	\$ 4,033	\$ 4,078	\$ 4,820	\$ 5,341	\$ 4,794
Contributions in relation to the actuarially determined contribution	6,982	6,175	5,691	5,297	5,215	5,359	19,740
Contribution deficiency (excess)	(2,108)	(1,782)	(1,658)	(1,219)	(395)	(18)	(14,946)
Covered payroll	33,272	29,387	27,428	25,526	25,133	25,825	24,675
Contributions as a percentage of covered payroll	21.0%	21.0%	20.7%	20.8%	20.7%	20.8%	80.0%

Notes to Schedule:

Valuation date
 Actuarially determined contribution rates are calculated as of June 30, with an effective date of January 1

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

20 years, closed

Asset valuation method

5 year smoothing of gains and losses on the fair value of assets subject to a 20% corridor

Inflation

2.25%

Salary increases

2.5%

Investment rate of return

6.75%

Mortality

RP-2014 Blue Collar Mortality and RP-2014 Disability Tables, with Social Security Administration generational improvement scale from 2006

Other information

The actuarially determined contribution amounts are based on the average of the actuarially determined contribution rates developed in the actuarial valuations completed one year and two years prior to the beginning of the fiscal year, multiplied by actual payroll during the fiscal year. Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Contributions
Employee Retirement Systems and Plans
Prosecuting Attorneys' Retirement Fund
 (amounts expressed in thousands)

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	\$ 3,543	\$ 2,533	\$ 2,148	\$ 1,381	\$ 1,419	\$ 2,345	\$ 2,542
Contributions in relation to the actuarially determined contribution	3,216	3,014	1,486	1,440	1,063	1,174	19,443
Contribution deficiency (excess)	327	(481)	662	(59)	356	1,171	(16,901)
Covered payroll	21,791	21,578	22,635	21,372	21,145	20,608	18,805
Contributions as a percentage of covered payroll	14.8%	14.0%	6.6%	6.7%	5.0%	5.7%	103.4%

Notes to Schedule:

Valuation date

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contribution are reported.

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

20 years, closed

Asset valuation method

5 year smoothing of gains and losses on the fair value of assets subject to a 20% corridor

Inflation

2.25%

Salary increases

4.0%

Investment rate of return

6.75%

Mortality

RP-2014 White Collar and RP-2014 Disability Mortality Tables, with Social Security Administration generational improvement scale from 2006

Other information

The actuarially determined contribution amounts are developed in the actuarial valuations completed one year prior to the beginning of the fiscal year. Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Contributions
Employee Retirement Systems and Plans
Legislators' Defined Benefit Plan
(amounts expressed in thousands)

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	\$ 240	\$ 237	\$ 170	\$ 138	\$ 119	\$ 138	\$ 140
Contributions in relation to the actuarially determined contribution	269	237	135	138	131	138	150
Contribution deficiency (excess)	(29)	-	35	-	(12)	-	(10)
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Valuation date
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contribution are reported.

Actuarial cost method

Entry age normal (Level Percent of Payroll) for accounting and Traditional Unit Credit for funding

Amortization method

Level dollar

Remaining amortization period

5 years, closed

Asset valuation method

5 year smoothing of gains and losses on the fair value of assets subject to a 20% corridor

Inflation

2.25%

Salary increases

2.25%

Investment rate of return

6.75%

Retirement age

Mortality

RP-2014 White Collar and RP-2014 Disability Mortality Tables, with Social Security Administration generational improvement scale from 2006

Other information

Based on the actuarial assumptions and methods, an actuarially determined contribution amount is computed. The INPRS Board of Trustees considers this information when requesting appropriations from the State. Member census data as of the prior end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project liabilities computed as of prior year end to the current year measurement date. N/A is not applicable as this is a closed plan with no payroll.

The effort and costs to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Contributions
Employee Retirement Systems and Plans
Judges' Retirement System
 (amounts expressed in thousands)

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	\$ 14,862	\$ 14,853	\$ 14,335	\$ 17,485	\$ 18,865	\$ 27,648	\$ 25,458
Contributions in relation to the actuarially determined contribution	16,031	15,117	16,824	16,946	21,020	20,895	111,419
Contribution deficiency (excess)	(1,169)	(264)	(2,489)	539	(2,155)	6,753	(85,961)
Covered payroll	56,380	53,350	54,755	51,382	48,582	46,041	47,595
Contributions as a percentage of covered payroll	28.4%	28.3%	30.7%	33.0%	43.3%	45.4%	234.1%

Notes to Schedule:

Valuation date

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contribution are reported.

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

20 years, closed

Asset valuation method

5 year smoothing of gains and losses on the fair value of assets subject to a 20% corridor

Inflation

2.25%

Salary increases

2.5%

Investment rate of return

6.75%

Mortality

RP-2014 White Collar and RP-2014 Disability Mortality Tables, with Social Security Administration generational improvement scale from 2001

Other information

The actuarially determined contribution amounts are developed in the actuarial valuations completed one year prior to the beginning of the fiscal year. Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Contributions
Employee Retirement Systems and Plans
Public Employees' Retirement Fund
(amounts expressed in thousands)

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	\$ 152,307	\$ 148,871	\$ 140,631	\$ 143,499	\$ 133,755	\$ 134,976	\$ 114,353
Contributions in relation to the actuarially determined contribution	152,307	148,871	140,631	143,499	133,755	134,976	114,353
Contribution deficiency (excess)	-	-	-	-	-	-	-
State's covered payroll	1,349,423	1,305,016	1,276,857	1,199,921	1,162,622	1,213,031	1,173,716
Contributions as a percentage of covered payroll	11.3%	11.4%	11.0%	12.0%	11.5%	11.1%	9.7%

Notes to Schedule:

Valuation date
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Actuarial cost method
 Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

20 years, closed

Asset valuation method

5 year smoothing of gains and losses on the fair value of assets subject to a 20% corridor.

Inflation

2.25%

Salary increases

2.50% - 4.25%

Investment rate of return

6.75%

Mortality

RP-2014 Total Data Set and RP-2014 Disability Mortality Tables, with Social Security Administration generational improvement scale from 2006.

Other information

The INPRS Board sets, at its discretion, the State's employer contribution rate upon considering the results of the actuarial valuation and other analysis as appropriate. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/14 was 11.17%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/15 was 10.55%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/16 was 9.80%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/17 was 10.11%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/18 was 9.89%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/19 was 10.03%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actual dollar amount of the State's contributions depends on the actual payroll for the fiscal year.

Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Contributions
Employee Retirement Systems and Plans
Teachers' Retirement Fund Pre-1996 Account
 (amounts expressed in thousands)

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Statutorily determined contribution	\$ 944,027	\$ 918,021	\$ 871,141	\$ 887,643	\$ 845,774	\$ 825,617	\$ 1,003,847
Contributions in relation to the statutorily required contribution	944,027	918,021	871,141	887,643	845,774	825,617	1,003,847
Contribution deficiency (excess)	-	-	-	-	-	-	-

Notes to Schedule:

Valuation date

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

5 years, closed

Asset valuation method

5 year smoothing of gains and losses on the fair value of assets subject to a 20% corridor.

Inflation

2.25%

Salary increases

2.5% - 12.5%

Investment rate of return

6.75%

Mortality

RP-2014 White Collar and RP-2014 Disability Mortality Tables, with Social Security Administration generational improvement scale from 2006.

Other information

Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Contributions
Employee Retirement Systems and Plans
Teachers' Retirement Fund 1996 Account
(amounts expressed in thousands)

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	\$ 833	\$ 814	\$ 879	\$ 758	\$ 772	\$ 735	\$ 761
Contributions in relation to the actuarially determined contribution	150,833	814	879	758	772	735	761
Contribution deficiency (excess)	(150,000)	-	-	-	-	-	-
State's covered payroll	11,224	11,016	11,722	10,108	10,288	10,380	10,150
Contributions as a percentage of covered payroll	1343.8%	7.4%	7.5%	7.5%	7.5%	7.1%	7.5%

Notes to Schedule:

Valuation date
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

20 years, closed

Asset valuation method

5 year smoothing of gains and losses on the fair value of assets subject to a 20% corridor.

Inflation

2.25%

Salary increases

2.5% - 12.5%

Investment rate of return

6.75%

Mortality

RP-2014 White Collar and RP-2014 Disability Mortality Tables, with Social Security Administration generational improvement scale from 2006.

Other information

Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Contributions
Other Postemployment Benefit Plans
State Personnel Healthcare Plan
 (amounts expressed in thousands)

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010
Actuarially determined contribution	\$ 3,276	\$ 3,042	\$ 3,060	\$ 1,538	\$ 1,839	\$ 1,010	\$ 941	\$ 2,964	\$ 4,664	\$ 6,292
Contributions in relation to the actuarially determined contribution	3,337	3,384	4,802	2,977	3,567	3,200	4,203	33,850	16,922	1,913
Contribution deficiency (excess)	(61)	(342)	(1,742)	(1,439)	(1,728)	(2,190)	(3,262)	(30,886)	(12,258)	4,379
Covered-employee payroll	1,346,186	1,296,877	1,245,383	1,148,771	1,180,296	1,219,424	1,178,197	1,170,773	1,184,288	1,251,207
Contributions as a percentage of covered-employee payroll	0.2%	0.3%	0.4%	0.3%	0.3%	0.3%	0.4%	2.9%	1.4%	0.2%

Notes to Schedule:

Valuation date
 June 30, 2019 with no adjustments to get to the June 30, 2019 measurement date. Liabilities as of July 1, 2017 projected to July 1, 2018 on a "no loss / no gain" basis

Actuarial cost method
 Entry age normal (Level Percent of Payroll)

Amortization method
 Level dollar

Amortization period
 28 years

Inflation
 2.25%

Healthcare cost trend rates
 8.5% initial, decreasing 0.5% per year to an ultimate rate of 4.5%

Salary increases
 2.25% for general wage inflation plus merit and productivity increases of 2.0% ages 20 and 30; 1.5% age 40; and 1.0% age 50 (sample rates at select ages only)

Investment rate of return
 3.87% as of July 1, 2018 and 3.51% as of June 30, 2019

Retirement age
 Annual retirement rates follow the PERF, PARF, and Judges' retirement system rates

Mortality
 Pre and post retirement mortality rates are based on SS-2012 Employee and Annuitant Mortality Table fully generational using SSA scale

Other information
 Census data as of June 30, 2019 was used in the valuation.

Schedule of Contributions
Other Postemployment Benefit Plans
Indiana State Police Healthcare Plan
 (amounts expressed in thousands)

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010
Actuarially determined contribution	\$ 18,356	\$ 35,042	\$ 34,980	\$ 30,630	\$ 29,064	\$ 26,030	\$ 27,419	\$ 27,794	\$ 30,155	\$ 42,106
Contributions in relation to the actuarially determined contribution	23,018	25,814	26,871	34,862	25,320	24,835	11,684	18,627	13,787	9,009
Contribution deficiency (excess)	(4,662)	9,228	8,109	(4,232)	3,744	1,195	15,735	9,167	16,368	33,097
Covered-employee payroll	120,447	107,914	98,683	91,753	92,130	93,630	83,680	92,494	92,845	N/A
Contributions as a percentage of covered-employee payroll	19.1%	23.9%	27.2%	38.0%	27.5%	26.5%	12.5%	20.1%	14.8%	N/A

Notes to Schedule:

Valuation date: June 30, 2019 with no adjustments to get to the June 30, 2019 measurement date. Liabilities as of July 1, 2018 are based on an actuarial valuation date of July 1, 2017 projected to July 1, 2018 on a "no loss / no gain" basis.

Actuarial cost method: Entry age normal (Level Percent of Payroll)

Amortization method: Level dollar

Amortization period: 28 years

Inflation: 2.25%

Healthcare cost trend rates: 8% initial, decreasing 0.5% per year to an ultimate rate of 4.5%

Salary increases: 2.25% for general wage inflation plus 0.25% for merit and productivity increases for all ages

Investment rate of return: 3.87% as of July 1, 2018 and 3.51% as of June 30, 2019

Retirement age: Annual retirement rates are based on ISP's 2011 experience study

Mortality: SS-2012 Total Dataset Mortality Table with blue collar adjustment fully generational using SSA scale

Other information: Census data as of June 30, 2019 was used in the valuation.

N/A is not available.

Schedule of Contributions
Other Postemployment Benefit Plans
Conservation and Excise Police Healthcare Plan
 (amounts expressed in thousands)

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010
Actuarially determined contribution	\$ 3,774	\$ 3,831	\$ 3,349	\$ 3,313	\$ 3,124	\$ 2,822	\$ 3,053	\$ 3,675	\$ 4,423	\$ 5,373
Contributions in relation to the actuarially determined contribution	4,021	6,241	3,718	3,575	2,437	2,482	2,893	6,889	1,336	1,303
Contribution deficiency (excess)	(247)	(2,410)	(369)	(262)	687	340	160	(3,214)	3,087	4,070
Covered-employee payroll	18,883	16,981	15,602	14,497	15,106	15,969	16,038	15,541	16,283	N/A
Contributions as a percentage of covered-employee payroll	21.3%	36.8%	23.8%	24.7%	16.1%	15.5%	18.0%	44.3%	8.2%	N/A

Notes to Schedule:

Valuation date
 June 30, 2019 with no adjustments to get to the June 30, 2019 measurement date. Liabilities as of July 1, 2018 are based on an actuarial valuation date of July 1, 2017 projected to July 1, 2018 on a "no loss / no gain" basis

Actuarial cost method
 Entry age normal (Level Percent of Payroll)

Amortization method
 Level dollar

Amortization period
 28 years

Inflation
 2.25%

Healthcare cost trend rates
 8% initial, decreasing 0.5% per year to an ultimate rate of 4.5%

Salary increases
 2.25% for general wage inflation plus 0.25% for merit and productivity increases

Investment rate of return
 3.87% as of July 1, 2018 and 3.51% as of June 30, 2019

Retirement age
 Age 45 = 3%; ages 46-49 = 2%; age 50 = 3%; ages 51-59 = 15%; ages 60-64 = 40%; and age 65+ = 100%

Mortality
 Pre and post-retirement mortality rates are based on SS-2012 Total Dataset Mortality Table with blue collar adjustment fully generational using SSA scale

Other information
 Census data as of June 30, 2019 was used in the valuation.
 N/A is not available.

**Schedule of Changes in Net Pension Liability and Related Ratios
Employee Retirement Systems and Plans
State Police Retirement Fund
(amounts expressed in thousands)**

	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Total pension liability						
Service cost	\$ 15,926	\$ 14,409	\$ 14,537	\$ 14,356	\$ 13,747	\$ 13,576
Interest	43,156	39,358	37,930	35,912	34,935	33,758
Changes of benefit terms	-	-	-	275	269	147
Differences between expected and actual experience	(5,963)	42,319	(562)	4,765	778	1,112
Changes of assumptions	8,070	(6,232)	(5)	9,230	775	533
Benefit payments, including refunds of employee contributions	(35,060)	(34,228)	(33,677)	(34,955)	(32,923)	(30,724)
Net change in total pension liability	26,129	55,626	18,223	29,583	17,581	18,402
Total pension liability, beginning	644,229	588,603	570,380	540,797	523,216	504,814
Total pension liability, ending	\$ 670,358	\$ 644,229	\$ 588,603	\$ 570,380	\$ 540,797	\$ 523,216
Plan fiduciary net position						
Contributions, employer	\$ 25,002	\$ 20,556	\$ 18,073	\$ 13,451	\$ 14,005	\$ 47,588
Contributions, employee	4,683	3,997	4,043	3,967	3,763	3,786
Net investment income	23,078	41,977	(10,454)	(990)	44,883	29,787
Benefit payments, including refunds of employee contributions	(35,060)	(34,228)	(33,677)	(34,955)	(32,923)	(30,724)
Administrative expense	(381)	(388)	(306)	(300)	(307)	(261)
Other	1	1	1	-	(11)	2
Net change in plan fiduciary net position	17,323	31,915	(22,320)	(18,827)	29,410	50,178
Plan fiduciary net position, beginning	458,766	426,851	449,171	467,998	438,588	388,410
Plan fiduciary net position, ending	\$ 476,089	\$ 458,766	\$ 426,851	\$ 449,171	\$ 467,998	\$ 438,588
Net pension liability	\$ 194,269	\$ 185,463	\$ 161,752	\$ 121,209	\$ 72,799	\$ 84,628
Plan fiduciary net position as a percentage of the total pension liability	71.0%	71.2%	72.5%	78.7%	86.5%	83.8%
Covered payroll	87,972	75,035	68,139	67,628	68,490	63,347
Net pension liability as a percentage of covered payroll	220.8%	247.2%	237.4%	179.2%	106.3%	133.6%

Notes to Schedule:

Measurement date: Actuarial valuation reports from the prior fiscal year

Benefit changes. There were no changes in benefit terms during the fiscal year

Changes of assumptions. 6/30/2018 Mortality Assumption: Mortality rates for healthy members were based on the RP-2014 Total Dataset Mortality Tables adjusted to 2006 with MP-2017 Mortality Improvement Scale. Mortality rates for disabled members were based on the RP-2014 Mortality tables for disabled members adjusted to 2006 with MP-2017 Mortality Improvement Scale. The mortality improvement scale was changed to the MP-2017 Scale. 6/30/2017 Mortality Assumption: The mortality improvement scale was changed to the MP-2016 Scale. 6/30/2016 Mortality Assumption: Mortality rates for healthy members were based on the RP-2014 Blue Collar Mortality Tables adjusted to 2006 with MP-2015 Mortality Improvement Scale. Mortality rates for disabled members were based on the RP-2014 Mortality tables for disabled members adjusted to 2006 with MP-2015 Mortality Improvement Scale. 6/30/2015 Mortality Assumption: Mortality rates for healthy members were based on the RP-2014 Blue Collar Mortality Tables adjusted to 2006 with MP-2015 Mortality Improvement Scale. Mortality rates for disabled members were based on the RP-2014 Mortality tables for disabled members adjusted to 2006 with MP-2015 Mortality Improvement Scale. 6/30/2014 Mortality Assumption: Mortality rates for healthy members were based on the 2014 separate non-annuitant and annuitant mortality tables (separate male and female tables) as published by the IRS. Mortality rates for disabled members were based on the same tables increased by 115% for disabled retirements and disabled terminations with deferred benefits. 6/30/2013 Mortality Assumption: Mortality rates for healthy members were based on the 2013 separate non-annuitant and annuitant mortality tables (separate male and female tables) as published by the IRS. Mortality rates for disabled members were based on the same tables increased by 115% for disabled retirements and disabled terminations with deferred benefit

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Changes in Net Pension Liability and Related Ratios
Employee Retirement Systems and Plans
State Police Supplemental Trust
(amounts expressed in thousands)

	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>
Total pension liability			
Service cost	\$ 4,112	\$ 4,422	\$ 3,776
Interest	663	582	1,143
Differences between expected and actual experience	(880)	(59)	(476)
Changes of assumptions	(63)	(645)	4,125
Benefit payments, including refunds of employee contributions, and administrative and other expenses	(4,343)	(4,259)	(4,677)
Net change in total pension liability	(511)	41	3,891
Total pension liability, beginning	17,084	17,043	13,152
Total pension liability, ending	<u>\$ 16,573</u>	<u>\$ 17,084</u>	<u>\$ 17,043</u>
Plan fiduciary net position as a percentage of the total pension liability	0.0%	0.0%	0.0%
Covered payroll	87,972	75,731	68,786
Net pension liability as a percentage of covered payroll	18.8%	22.6%	24.8%

Notes to Schedule:

Benefit changes. There were no changes in benefit terms during the fiscal year.

Measurement date: Actuarial valuation report from the prior fiscal year.

Changes of assumptions. Mortality rates for healthy members were based on the RP-2014 Total Dataset Mortality Tables adjusted from 2006 using MP-2018 Mortality Improvement Scale. Mortality rates for disabled members were based on the RP-2014 Mortality tables for disabled members adjusted from 2006 using MP-2018 Mortality Improvement Scale.

2.98% discount rate, net of pension plan investment expense, including inflation at June 30, 2018. Discount rate of 3.13% as of June 30, 2017. Rate is S&P Municipal Bond 20 year high grade rate index.

Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported. For the July 1, 2016 actuarial valuation, the inflation assumption was reduced from 3.50% to 2.25%.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2016 for GASB-S73 purposes.

Schedule of Changes in Net Pension Liability and Related Ratios
Employee Retirement Systems and Plans
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan
 (amounts expressed in thousands)

	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Total pension liability						
Service cost	\$ 3,369	\$ 3,550	\$ 3,011	\$ 3,905	\$ 3,841	\$ 3,811
Interest	9,619	9,389	8,955	8,384	8,031	7,740
Differences between expected and actual experience	(587)	120	470	845	(430)	(1,845)
Changes of assumptions	(8,015)	(2,578)	-	2,669	-	(40)
Benefit payments, including refunds of employee contributions	(6,935)	(6,826)	(6,245)	(6,608)	(5,938)	(4,836)
Member reassignments	-	(26)	(21)	-	-	(15)
Other	1	9	(1)	-	-	-
Net change in total pension liability	(2,548)	3,638	6,169	9,195	5,504	4,815
Total pension liability, beginning	142,603	138,965	132,796	123,601	118,097	113,282
Total pension liability, ending	\$ 140,055	\$ 142,603	\$ 138,965	\$ 132,796	\$ 123,601	\$ 118,097
Plan fiduciary net position						
Contributions, employer	\$ 6,175	\$ 5,691	\$ 5,367	\$ 5,215	\$ 5,359	\$ 19,740
Contributions, employee	1,172	1,102	1,016	1,004	1,019	1,006
Net investment income	11,189	8,869	1,313	(71)	13,339	4,702
Benefit payments, including refunds of employee contributions	(6,935)	(6,825)	(6,245)	(6,609)	(5,938)	(4,836)
Administrative expense	(136)	(124)	(139)	(158)	(141)	(121)
Member reassignments	-	(26)	(21)	-	-	(15)
Other	10	-	-	-	-	-
Net change in plan fiduciary net position	11,475	8,687	1,291	(619)	13,638	20,476
Plan fiduciary net position, beginning	120,016	111,329	110,038	110,657	97,019	76,543
Plan fiduciary net position, ending	\$ 131,491	\$ 120,016	\$ 111,329	\$ 110,038	\$ 110,657	\$ 97,019
Net pension liability	\$ 8,564	\$ 22,587	\$ 27,636	\$ 22,758	\$ 12,944	\$ 21,078
Plan fiduciary net position as a percentage of the total pension liability	93.9%	84.2%	80.1%	82.9%	89.5%	82.2%
Covered payroll	29,387	27,428	25,526	25,133	25,825	24,675
Net pension liability as a percentage of covered payroll	29.1%	82.4%	108.3%	90.6%	50.1%	85.4%

Notes to Schedule:

Measurement date: Actuarial valuation reports from the prior fiscal year.

Benefit changes: There were no changes to the plan that impacted the pension benefits during the fiscal year

Changes of assumptions: An assumption study was performed in April of 2015 resulting in an update to the following assumptions: 1) The inflation assumption changed from 3.0% per year to 2.25% per year; 2) the future salary increases assumption changed from 3.25% to 2.5% per year; 3) the mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) Blue Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report; 4) the retirement assumption changed to reflect higher likelihood of retirement at certain ages; 5) the termination assumption changed from an age-base table to a service-based table; and 6) the dependent assumption was adjusted to reflect recent experience

For disabled members, in 2017 the RP-2014 (with MP-2014 improvement removed) Disability Mortality Table was assumed instead of the RP-2014 (with MP-2014 improvement removed) Healthy Annuitant Mortality Tables with collar adjustments

As of June 30, 2018, in lieu of a COLA on January 1, 2019, members in pay were provided a 13th check on October 1, 2018. It is assumed a 13th check would continue for the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, were assumed:

0.4% beginning on January 1, 2022

0.5% beginning on January 1, 2034

0.6% beginning on January 1, 2039

The effort and cost to recreate financial statement information for 10 years was not practical
 Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes

Schedule of Changes in Net Pension Liability and Related Ratios
Employee Retirement Systems and Plans
Prosecuting Attorneys' Retirement Fund
(amounts expressed in thousands)

	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Total pension liability						
Service cost	\$ 1,947	\$ 1,650	\$ 1,626	\$ 1,603	\$ 1,587	\$ 1,568
Interest	6,521	5,714	5,239	4,409	4,207	3,816
Changes of benefit terms	-	6,547	-	-	-	1,346
Differences between expected and actual experience	2,156	1,996	4,058	4,551	-	1,474
Changes of assumptions	-	(216)	-	5,216	-	(109)
Benefit payments, including refunds of employee contributions	(3,995)	(4,069)	(3,747)	(3,254)	(2,398)	(2,235)
Other	-	-	(2)	-	-	-
Net change in total pension liability	6,629	11,622	7,174	12,525	3,396	5,860
Total pension liability, beginning	96,655	85,033	77,861	65,336	61,940	56,080
Total pension liability, ending	\$ 103,284	\$ 96,655	\$ 85,035	\$ 77,861	\$ 65,336	\$ 61,940
Plan fiduciary net position						
Contributions, employer	\$ 3,014	\$ 1,486	\$ 1,440	\$ 1,063	\$ 1,174	\$ 19,443
Contributions, employee	1,295	1,357	1,279	1,269	1,334	1,271
Net investment income	5,218	4,167	589	(34)	6,581	1,897
Benefit payments, including refunds of employee contributions	(3,995)	(4,069)	(3,747)	(3,254)	(2,398)	(2,235)
Administrative expense	(88)	(158)	(193)	(127)	(108)	(145)
Other	-	-	-	-	4	-
Net change in plan fiduciary net position	5,444	2,783	(632)	(1,083)	6,587	20,231
Plan fiduciary net position, beginning	55,575	52,792	53,424	54,507	47,920	27,689
Plan fiduciary net position, ending	\$ 61,019	\$ 55,575	\$ 52,792	\$ 53,424	\$ 54,507	\$ 47,920
Net pension liability	\$ 42,265	\$ 41,080	\$ 32,243	\$ 24,437	\$ 10,829	\$ 14,020
Plan fiduciary net position as a percentage of the total pension liability	59.1%	57.5%	62.1%	68.6%	83.4%	77.4%
Covered payroll	21,578	22,635	21,372	21,145	20,608	18,805
Net pension liability as a percentage of covered payroll	195.9%	181.5%	150.9%	115.6%	52.5%	74.6%

Notes to Schedule:

Measurement date: Actuarial valuation reports from the prior fiscal year.

Benefit changes. Per 2016 Senate Enrolled Act No. 265, the PERF offset reflected in the PARF benefit formula was changed to be the actual PERF benefit amount the member is receiving for members who commence their PERF benefit before their PARF benefit. As a result of this change, for current active and inactive vested members, the PERF benefit commencement timing assumption was updated to 75% assumed to commence their PERF benefit at the earliest PERF eligibility and 25% assumed to commence their PERF benefit at PARF commencement. In 2013, HB 1057 changed the benefits in the Prosecuting Attorneys' Retirement Fund to be comparable to the Judges' Retirement Fund.

Changes of assumptions. In 2013, the interest crediting rate on member contributions was changed to 3.5% from 5.5%. An assumption study was performed in April of 2015 resulting in an update to the following assumptions: 1) The inflation assumption changed from 3.0% per year to 2.25% per year 2) The mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report; and 3) the retirement assumption changed from an age and points-based table to an age and service-based table, reflecting higher rates of retirement after 22 years of service. In 2017, for disabled members, the mortality assumption was updated from the RP-2014 (with MP-2014 improvement removed) White collar Mortality tables to the RP-2014 (with MP-2014 improvement removed) Disability Mortality tables.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of Changes in Net Pension Liability and Related Ratios
Employee Retirement Systems and Plans
Legislators' Defined Benefit Plan
(amounts expressed in thousands)**

	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Total pension liability						
Service cost	\$ -	\$ 1	\$ 2	\$ 3	\$ 3	\$ 2
Interest	245	259	280	269	277	291
Differences between expected and actual experience	(85)	(113)	(233)	(68)	(36)	(140)
Changes of assumptions	(121)	-	-	325	-	-
Benefit payments, including refunds of employee contributions	(359)	(358)	(359)	(370)	(363)	(365)
Net change in total pension liability	(320)	(211)	(310)	159	(119)	(212)
Total pension liability, beginning	3,804	4,015	4,325	4,166	4,285	4,497
Total pension liability, ending	\$ 3,484	\$ 3,804	\$ 4,015	\$ 4,325	\$ 4,166	\$ 4,285
Plan fiduciary net position						
Contributions, employer	\$ 237	\$ 135	\$ 138	\$ 131	\$ 138	\$ 150
Net investment income	263	221	27	(5)	439	201
Benefit payments, including refunds of employee contributions	(359)	(356)	(359)	(370)	(363)	(365)
Administrative expense	(64)	(53)	(61)	(71)	(62)	(34)
Net change in plan fiduciary net position	77	(53)	(255)	(315)	152	(48)
Plan fiduciary net position, beginning	2,865	2,918	3,174	3,489	3,337	3,385
Plan fiduciary net position, ending	\$ 2,942	\$ 2,865	\$ 2,919	\$ 3,174	\$ 3,489	\$ 3,337
Net pension liability	\$ 542	\$ 939	\$ 1,096	\$ 1,151	\$ 677	\$ 948
Plan fiduciary net position as a percentage of the total pension liability	84.4%	75.3%	72.7%	73.4%	83.7%	77.9%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Measurement date: Actuarial valuation reports from the prior fiscal year.

Benefit changes. There were no changes to the plan that impacted the pension benefits during the fiscal year.

Changes of assumptions. An assumption study was performed in April of 2015 resulting in an update to the following 'assumptions: 1) The inflation assumption changed from 3.0% per year to 2.25% per year; and 2) The mortality 'assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report. For disabled members, in 2017, the RP-2014 (with MP-2014 improvement removed) Disability Mortality Table was assumed instead of the RP-2014 (with MP-2014 improvement removed) Healthy Annuitant Mortality Tables with collar adjustments.

As of June 30, 2018, in lieu of a COLA on January 1, 2019, members in pay were provided a 13th check on October 1, 2018. It is assumed a 13th check would continue for the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, were assumed:

0.4% beginning on January 1, 2022

0.5% beginning on January 1, 2034

0.6% beginning on January 1, 2039

N/A is not applicable as this is a closed plan with no payroll.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Changes in Net Pension Liability and Related Ratios
Employee Retirement Systems and Plans
Judges' Retirement System
(amounts expressed in thousands)

	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Total pension liability						
Service cost	\$ 14,886	\$ 14,762	\$ 13,870	\$ 15,283	\$ 15,302	\$ 16,084
Interest	35,565	34,083	31,889	31,753	30,992	30,047
Differences between expected and actual experience	(3,090)	(3,107)	7,182	8,411	(16,026)	(13,603)
Changes of assumptions	-	(1,213)	-	(31,926)	-	186
Benefit payments, including refunds of employee contributions	(23,621)	(22,099)	(20,922)	(19,432)	(18,527)	(17,579)
Member reassignments	-	-	-	-	4	121
Other	219	183	162	-	-	-
Net change in total pension liability	<u>23,959</u>	<u>22,609</u>	<u>32,181</u>	<u>4,089</u>	<u>11,745</u>	<u>15,256</u>
Total pension liability, beginning	<u>523,735</u>	<u>501,126</u>	<u>468,945</u>	<u>464,855</u>	<u>453,110</u>	<u>437,854</u>
Total pension liability, ending	<u>\$ 547,694</u>	<u>\$ 523,735</u>	<u>\$ 501,126</u>	<u>\$ 468,944</u>	<u>\$ 464,855</u>	<u>\$ 453,110</u>
Plan fiduciary net position						
Contributions, employer	\$ 15,117	\$ 16,824	\$ 16,946	\$ 21,020	\$ 20,895	\$ 111,419
Contributions, employee	3,418	3,468	3,239	3,292	2,856	2,631
Net investment income	44,104	35,196	5,323	(102)	51,890	16,955
Benefit payments, including refunds of employee contributions	(23,623)	(22,101)	(20,922)	(19,432)	(18,527)	(17,579)
Administrative expense	(119)	(124)	(148)	(165)	(146)	(126)
Member reassignments	-	-	-	-	4	121
Other	-	-	-	9	6	5
Net change in plan fiduciary net position	<u>38,897</u>	<u>33,263</u>	<u>4,438</u>	<u>4,622</u>	<u>56,978</u>	<u>113,426</u>
Plan fiduciary net position, beginning	<u>475,055</u>	<u>441,790</u>	<u>437,352</u>	<u>432,730</u>	<u>375,752</u>	<u>262,326</u>
Plan fiduciary net position, ending	<u>\$ 513,952</u>	<u>\$ 475,053</u>	<u>\$ 441,790</u>	<u>\$ 437,352</u>	<u>\$ 432,730</u>	<u>\$ 375,752</u>
Net pension liability	<u>\$ 33,742</u>	<u>\$ 48,682</u>	<u>\$ 59,336</u>	<u>\$ 31,592</u>	<u>\$ 32,125</u>	<u>\$ 77,358</u>
Plan fiduciary net position as a percentage of the total pension liability	93.8%	90.7%	88.2%	93.3%	93.1%	82.9%
Covered payroll	53,350	54,755	51,382	48,582	46,041	47,595
Net pension liability as a percentage of covered payroll	63.2%	88.9%	115.5%	65.0%	69.8%	162.5%

Notes to Schedule:

Measurement date: Actuarial valuation reports from the prior fiscal year

Benefit changes. There were no changes to the plan that impacted the pension benefits during the fiscal year

Changes of assumptions. An assumption study was performed in April of 2015 resulting in an update to the following assumptions: 1) The inflation assumption changed from 3.0% per year to 2.25% per year; 2) the future salary increases assumption changed from 4.0% to 2.5% per year; 3) the cost-of-living assumption decreased from 4.0% to 2.5% per year; 4) the mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scal AA to the RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report; 5) the retirement assumption changed from an age-based table to an age and service based table, reflecting higher rates of retirement after 22 years of service; 6) the termination assumption changed from an age-based table to 3% for all members; and 7) the dependent assumption was adjusted to reflect recent experience. For disabled members, in 2017 the RP-201 (with MP-2014 improvement removed) Disability Mortality Table was assumed instead of the RP-2014 (with MP-2014 improvement removed) Healthy Annuity Mortality Tables with collar adjustments.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of the State's Proportionate Share of the Net Pension Liability
Employee Retirement Systems and Plans
Public Employees' Retirement Fund
(amounts expressed in thousands)**

	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
State's proportion of the net pension liability (asset)	25.58%	25.74%	25.04%	24.27%	24.85%	24.45%
State's proportionate share of the net pension liability (asset)	\$ 868,814	\$ 1,148,261	\$ 1,136,293	\$ 988,605	\$ 652,920	\$ 837,311
State's covered payroll	1,305,016	1,276,857	1,199,921	1,162,622	1,213,031	1,173,716
State's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	66.6%	89.9%	94.7%	85.0%	53.8%	71.3%
Plan fiduciary net position as a percentage of the total pension liability	78.9%	76.6%	75.3%	77.3%	84.3%	78.8%

Notes to Schedule:

Measurement date: Actuarial valuation reports from the prior fiscal year.
Benefit changes. There were no changes to the plan that impacted pension benefits during the fiscal year.
Plan amendments. In 2014, HB 1075 impacted the PERF by reducing the Annuity Savings Account (ASA) interest crediting rate on annuities from 7.5% to 5.75% effective October 1, 2014. Effective October 1, 2015 the rate becomes the greater of 4.5% or market rate. On January 1, 2017, the ASA annuities are allowed to be outsourced to a third party provider. Beginning January 1, 2018 ASA annuitizations were accommodated through a third party provider.
 During FYE 2018, the Annuity Savings Accounts were completely separated from the defined benefit plan, and so are no longer relevant to the valuation process.
Changes of assumptions. An assumption study was performed in April of 2015 resulting in an update to the following assumptions: 1) the inflation assumption changed from 3.00% to 2.25% per year; 2) the future salary increase assumption changed from an age-based table ranging from 3.25% to 4.5% to an age-based table ranging from 2.50% to 4.25%; 3) the mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Table projected on a fully generationally basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee report; 4) the retirement assumption was updated based on recent experience. Additionally, for actives who are eligible for early retirement (reduced benefit), 33% are assumed to commence benefits immediate and 67% are assumed to commence benefits at unreduced retirement eligibility. If eligible for an unreduced retirement benefit upon termination from employment, 100% commence immediately; 5) the termination assumption was updated based on recent experience. For members earning less than \$20,000, the tables were updated from a select and ultimate table to just an ultimate table as there is little correlation with service. For members earning more than \$20,000, the table were updated from using a 5-year select period to a 10-year select period to correspond with the vesting schedule; 6) the disability assumption was updated based on recent experience; and 7) the ASA annuitization assumptions was updated from 50% of members assumed to annuitize their ASA balance to 60% of members assumed to annuitize their ASA balance prior to January 1, 2018. For disabled members, in 2017, the RP-2014 (with MP-2014 improvement removed) Disability Mortality Table was assumed instead of the RP-2014 (with MP-2014 improvement removed) Healthy Annuitant Mortality Tables with collar adjustments.
 As of June 30, 2018, in lieu of a COLA on January 1, 2019, members in pay were provided a 13th check on October 1, 2018. It is assumed a 13th check would continue for the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, were assumed:
 0.4% beginning on January 1, 2022
 0.5% beginning on January 1, 2034
 0.6% beginning on January 1, 2039

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of the State's Proportionate Share of the Net Pension Liability
Employee Retirement Systems and Plans
Teachers' Retirement Fund Pre-1996 Account
(amounts expressed in thousands)**

	6/30/2018 100.00%	6/30/2017 100.00%	6/30/2016 100.00%	6/30/2015 100.00%	6/30/2014 100.00%	6/30/2013 100.00%
State's proportion of the net pension liability (asset)	\$ 10,871,842	\$ 11,919,139	\$ 12,052,671	\$ 11,917,837	\$ 10,853,349	\$ 11,248,396
State's proportionate share of the net pension liability (asset)	25.5%	28.8%	28.4%	30.0%	33.6%	31.7%

Plan fiduciary net position as a percentage of the total pension liability

Notes to Schedule:

Measurement date: Actuarial valuation reports from the prior fiscal year.

Benefit changes. Beginning July 1, 2017, the minimum pension benefit paid to a regularly retired member receiving an unreduced pension benefit is \$185 per month.

Plan amendments. In 2014, HB 1075 impacted the TRF Pre-1996 Account by reducing the Annuity Savings Account (ASA) interest crediting rate on annuities from 7.5% to 5.75% effective October 1, 2014. Effective October 1, 2015 the rate becomes the greater of 4.5% or market rate.

Beginning January 1, 2018 ASA annuitizations were accommodated through a third party provider.

Changes of assumptions. An assumption study was performed in April of 2015 resulting in an update to the following assumptions: 1) the inflation assumption changed from 3.00% to 2.25% per year; 2) the future salary increase assumption changed from a table ranging from 3.00% to 12.50% to a table ranging from 2.50% to 12.50%; 3) the mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 White Collar Mortality Table with Social Security Administration generational projection scale from 2006; 4) the retirement assumption was updated based on recent experience; and 5) the termination assumption was updated based on recent experience. For disabled members, in 2017 the mortality assumption was changed to the RP-2014 Disabled Mortality Table with generational improvements from 2006 based on the 2014 Social Security Administration Trustee's Report.

As of June 30, 2018, in lieu of a COLA on January 1, 2019, members in pay were provided a 13th check on October 1, 2018. It is assumed a 13th check would continue for the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, were assumed:

- 0.4% beginning on January 1, 2022
- 0.5% beginning on January 1, 2034
- 0.6% beginning on January 1, 2039

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of the State's Proportionate Share of the Net Pension Liability
Employee Retirement Systems and Plans
Teachers' Retirement Fund 1996 Account
(amounts expressed in thousands)

	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
State's proportion of the net pension liability (asset)	0.35%	0.39%	0.35%	0.38%	0.40%	0.42%
State's proportionate share of the net pension liability (asset)	\$ 389	\$ 2,571	\$ 2,739	\$ 1,977	\$ 191	\$ 1,310
State's covered payroll	11,016	11,722	10,108	10,288	10,380	10,150
State's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	3.5%	21.9%	27.1%	19.2%	1.8%	12.9%
Plan fiduciary net position as a percentage of the total pension liability	98.0%	90.4%	87.8%	91.1%	99.1%	93.4%

Notes to Schedule:

Measurement date: Actuarial valuation reports from the prior fiscal year.
Benefit changes: Beginning July 1, 2017, the minimum pension benefit paid to a regularly retired member receiving an unreduced pension benefit is \$185/month. Plan amendments: In 2014, HB 1075 impacted the PERF by reducing the Annuity Savings Account (ASA) interest crediting rate on annuities from 7.5% to 5.75% effective October 1, 2014. Effective October 1, 2015 the rate becomes the greater of 4.5% or market rate. Beginning January 1, 2018 ASA annuitizations were accommodated through a third party provider.
Changes of assumptions: An assumption study was performed in April of 2015 resulting in an update to the following assumptions: 1) The inflation assumption changed from 3.00% to 2.25% per year; 2) the future salary increases assumption changed from a table ranging from 3.00% to 12.50% to a table ranging from 2.50% to 12.50%; 3) the mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to 'the RP-2014 White Collar Mortality Table with Social Security Administration generational projection scale from 2006; 4) the retirement assumption was updated based on recent experience; and 5) the termination assumption was updated based on recent experience. For disabled members, in 2017 the mortality assumption was changed to the RP-2014 Disabled Mortality Table with generational improvements from 2006 based on the 2014 Social Security Administration Trustee's Report. As of June 30, 2018, in lieu of a COLA on January 1, 2019, members in pay were provided a 13th check on October 1, 2018. It is assumed a 13th check would continue for the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, were assumed:
 0.4% beginning on January 1, 2022
 0.5% beginning on January 1, 2034
 0.6% beginning on January 1, 2039

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Changes in the Net OPEB Liability and Related Ratios
Other Postemployment Benefit Plans
State Personnel Healthcare Plan
(amounts expressed in thousands)

	6/30/2019	6/30/2018	6/30/2017
Total OPEB liability			
Service cost	\$ 1,934	\$ 2,113	\$ 2,334
Interest	1,851	1,910	1,536
Differences between expected and actual experience	6,587	(5,332)	(121)
Changes of assumptions	2,803	(1,164)	(1,081)
Benefit payments	(3,276)	(3,042)	(4,404)
Net change in total OPEB liability	9,899	(5,515)	(1,736)
Total OPEB liability, beginning	47,525	53,040	54,776
Total OPEB liability, ending	<u>\$ 57,424</u>	<u>\$ 47,525</u>	<u>\$ 53,040</u>
Plan fiduciary net position			
Contributions, employer	\$ 3,337	\$ 3,384	\$ 4,802
Net investment income	1,007	547	292
Benefit payments	(3,276)	(3,042)	(4,404)
Administrative expense	(354)	(398)	(418)
Net change in plan fiduciary net position	714	491	272
Plan fiduciary net position, beginning	45,489	44,998	44,726
Plan fiduciary net position, ending	<u>\$ 46,203</u>	<u>\$ 45,489</u>	<u>\$ 44,998</u>
Net OPEB liability	<u>\$ 11,221</u>	<u>\$ 2,036</u>	<u>\$ 8,042</u>
Plan fiduciary net position as a percentage of the total OPEB liability	80.5%	95.7%	84.8%
Covered-employee payroll	1,346,186	1,296,877	1,245,383
Net OPEB liability as a percentage of covered-employee payroll	0.8%	0.2%	0.6%

Notes to Schedule:*Changes of assumptions:*

1. Trend rates for medical and prescription drug benefits have an initial rate of 8% decreasing by 0.50% annually to an ultimate rate of 4.5%.
2. Discount rate was updated to 3.26% as of June 30, 2019 for accounting disclosure purposes. The rate was 3.87% as of July 1, 2018, and 3.56 as of July 1, 2017.
3. The termination assumption for those earning less than \$20,000 per year was updated to follow the follow the PERF termination rates as of June 30, 2018 for this group.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2017 for GASB-S74 purposes.

Schedule of Changes in the Net OPEB Liability and Related Ratios
Other Postemployment Benefit Plans
Indiana State Police Healthcare Plan
(amounts expressed in thousands)

	6/30/2019	6/30/2018	6/30/2017
Total OPEB liability			
Service cost	\$ 8,531	\$ 17,811	\$ 24,701
Interest	12,778	19,726	16,987
Changes of benefit terms	3,254	(196,574)	(34,808)
Differences between expected and actual experience	(78,676)	(21,242)	3,921
Changes of assumptions	(66,154)	(27,946)	(48,451)
Benefit payments	(5,805)	(6,994)	(8,656)
Net change in total OPEB liability	(126,072)	(215,219)	(46,306)
Total OPEB liability, beginning	324,517	539,736	586,042
Total OPEB liability, ending	\$ 198,445	\$ 324,517	\$ 539,736
Plan fiduciary net position			
Contributions, employer	\$ 23,937	\$ 25,814	\$ 26,871
Contributions, employee	857	404	473
Net investment income	2,109	1,422	508
Benefit payments	(5,805)	(6,994)	(8,656)
Administrative expense	(492)	(606)	(589)
Net change in plan fiduciary net position	20,606	20,040	18,607
Plan fiduciary net position, beginning	117,363	97,323	78,716
Plan fiduciary net position, ending	\$ 137,969	\$ 117,363	\$ 97,323
Net OPEB liability	\$ 60,476	\$ 207,154	\$ 442,413
Plan fiduciary net position as a percentage of the total OPEB liability	69.5%	36.2%	18.0%
Covered-employee payroll	120,447	107,914	98,693
Net OPEB liability as a percentage of covered-employee payroll	50.2%	192.0%	448.3%

Notes to Schedule:*Changes of assumptions:*

1. Trend rates for medical and prescription drug benefits have an initial rate of 8% decreasing by 0.50% annually to an ultimate rate of 4.5%.
2. Discount rate was updated to 6.20% as of June 30, 2019 for accounting disclosure purposes. The rate was 3.87% as of July 1, 2018, and 3.56 as of July 1, 2017.

Changes in benefit terms:

1. Effective on January 1, 2019, all post-65 Medicare eligible retirees were removed from the ISP's traditional health plan. They will be covered under a Medicare Advantage Plan through Anthem and a Medicare Part D plan with premiums paid fully by the retiree.
2. Effective July 1, 2019, the life insurance benefit for retirees was modified such that all retirees (regardless of date of retirement) will receive a \$20,000 benefit.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2017 for GASB-S74 purposes.

Schedule of Changes in the Net OPEB Liability and Related Ratios
Other Postemployment Benefit Plans
Conservation and Excise Police Healthcare Plan
(amounts expressed in thousands)

	6/30/2019	6/30/2018	6/30/2017
Total OPEB liability			
Service cost	\$ 1,840	\$ 1,795	\$ 2,327
Interest	2,410	2,035	1,956
Changes of benefit terms	2,113	-	(7,023)
Differences between expected and actual experience	4,353	5,739	(1,654)
Changes of assumptions	6,223	(3,387)	(5,925)
Benefit payments	(943)	(1,303)	(1,305)
Net change in total OPEB liability	15,996	4,879	(11,624)
Total OPEB liability, beginning	60,903	56,024	67,648
Total OPEB liability, ending	<u>\$ 76,899</u>	<u>\$ 60,903</u>	<u>\$ 56,024</u>
Plan fiduciary net position			
Contributions, employer	\$ 4,021	\$ 6,241	\$ 3,718
Net investment income	493	213	79
Benefit payments	(943)	(1,303)	(1,305)
Administrative expense	(84)	(91)	(82)
Net change in plan fiduciary net position	3,487	5,060	2,410
Plan fiduciary net position, beginning	20,236	15,176	12,766
Plan fiduciary net position, ending	<u>\$ 23,723</u>	<u>\$ 20,236</u>	<u>\$ 15,176</u>
Net OPEB liability	<u>\$ 53,176</u>	<u>\$ 40,667</u>	<u>\$ 40,848</u>
Plan fiduciary net position as a percentage of the total OPEB liability	30.8%	33.2%	27.1%
Covered-employee payroll	18,883	16,981	15,602
Net OPEB liability as a percentage of covered-employee payroll	281.6%	239.5%	261.8%

Notes to Schedule:*Changes of assumptions:*

1. Trend rates for medical and prescription drug benefits have an initial rate of 8% decreasing by 0.50% annually to an ultimate rate of 4.5%.
2. Discount rate was updated to 3.36% as of June 30, 2019 for accounting disclosure purposes. The rate was 3.87% as of July 1, 2018, and 3.56 as of July 1, 2017.

Change in benefit terms:

1. Effective on January 1, 2020, all post-65 Medicare eligible retirees will be removed from the CEP's traditional health plan. They will be covered under a Medicare Advantage Plan through Anthem and a Medicare Part D plan with premiums assumed to be paid fully by the retiree. Since the premiums charged to retirees are lower than the full cost of coverage, there is still a GASB liability for this benefit.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2017 for GASB-S74 purposes.

Schedule of Changes in the Total OPEB Liability and Related Ratios
Other Postemployment Benefit Plans
Legislators Retiree Healthcare Plan
(amounts expressed in thousands)

	6/30/2019	6/30/2018	6/30/2017
Total OPEB liability			
Service cost	\$ 114	\$ 120	\$ 165
Interest	381	420	338
Changes of benefit terms	(1,063)	-	-
Differences between expected and actual experience	(1,137)	(1,527)	864
Changes of assumptions	335	(385)	(681)
Benefit payments	(535)	(620)	(555)
Net change in total OPEB liability	<u>(1,905)</u>	<u>(1,992)</u>	<u>131</u>
Total OPEB liability, beginning	<u>9,995</u>	<u>11,987</u>	<u>11,856</u>
Total OPEB liability, ending	<u>\$ 8,090</u>	<u>\$ 9,995</u>	<u>\$ 11,987</u>
Covered-employee payroll	6,184	5,443	5,540
Total OPEB liability as a percentage of covered-employee payroll	130.8%	183.6%	216.4%

Notes to Schedule:*Changes of assumptions:*

1. Trend rates for medical and prescription drug benefits have an initial rate of 8% decreasing by 0.50% annually to an ultimate rate of 4.5%.
2. Discount rate was updated to 3.51% as of June 30, 2019 for accounting disclosure purposes. The rate was 3.87% as of July 1, 2018, and 3.56 as of July 1, 2017.

Changes in benefit terms:

1. Effective on January 1, 2019, all post-65 Medicare eligible retirees were removed from the ISP's traditional health plan. They will be covered under a Medicare Advantage Plan through Anthem and a Medicare Part D plan with premiums paid fully by the retiree. This change is reflected for Legislature actives and retirees covered under the ISP's plan.

The effort and cost to recreate financial statement information for 10 years was not practical.

**Schedule of Investment Returns
Annual Money-Weighted Rate of Return, Net of Investment Expense
Other Postemployment Benefit Plans**

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Single-employer defined benefit other postemployment benefit plan:			
State Personnel Healthcare Plan (SPP)	2.2%	1.2%	0.7%
Indiana State Police Healthcare Plan (ISPP)	2.4%	1.3%	0.6%
Conservation and Excise Police Healthcare Plan (CEPP)	2.3%	1.2%	0.6%

Note:

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2017 for GASB-S74 purposes.

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. The General Assembly enacts the budget through passage of specific appropriations.

The budget bill is enacted as the Appropriations Act that the Governor may veto, subject to legislative override. 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 appropriation, fund, or agency 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: (1) the uses and purposes to which the funds are transferred are uses and purposes which the agency is permitted or required to perform; and (2) and the transfers are within the same agency of the state to which the appropriation was originally made. 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 (such as 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, 2019
(amounts expressed in thousands)

	General Fund			
	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues:				
Taxes:				
Income	\$ 6,971,284	\$ 6,971,284	\$ 6,883,388	\$ (87,896)
Sales	7,885,810	7,885,810	8,011,308	125,498
Fuels	-	-	1,927	1,927
Gaming	401,700	401,700	47,330	(354,370)
Alcohol and tobacco	256,600	256,600	251,822	(4,778)
Insurance	246,277	246,277	251,552	5,275
Other	280,230	280,230	365,064	84,834
Total taxes	16,041,901	16,041,901	15,812,391	(229,510)
Current service charges	290,456	290,456	287,680	(2,776)
Investment income	24,349	24,349	131,268	106,919
Sales/rents	418	418	128	(290)
Grants	-	-	1,767	1,767
Other	22,600	22,600	42,745	20,145
Total revenues	16,379,724	16,379,724	16,275,979	(103,745)
Expenditures:				
Current:				
General government	913,331	1,947,381	1,071,047	876,334
Public safety	1,516,256	1,175,432	1,190,634	(15,202)
Health	45,127	46,145	47,155	(1,010)
Welfare	4,375,037	1,475,348	998,731	476,617
Conservation, culture and development	183,581	144,427	118,366	26,061
Education	10,570,149	10,608,810	10,536,294	72,516
Transportation	71,598	250,498	127,224	123,274
Debt service:				
Capital lease principal	-	-	2,081	(2,081)
Capital lease interest	-	-	281	(281)
Total expenditures	17,675,079	15,648,041	14,091,813	1,556,228
Excess of revenues over (under) expenditures	(1,295,355)	731,683	2,184,166	(1,452,483)
Other financing sources (uses):				
Total other financing sources (uses)	(1,663,238)	(1,663,238)	(1,663,238)	-
Net change in fund balances	\$ (2,958,593)	\$ (931,555)	520,928	\$ 1,452,483
Fund balances July 1, as restated			2,730,249	
Fund balances June 30			\$ 3,251,177	

Continued on next page

Public Welfare-Medicaid Assistance				Department of Health and Human Services			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,000,106	1,000,106	1,029,599	29,493	815	815	1,330	515
-	-	-	-	-	-	-	-
8,455,494	8,455,494	9,056,681	601,187	1,605,681	1,605,681	1,473,625	(132,056)
4	4	-	(4)	100	100	68	(32)
<u>9,455,604</u>	<u>9,455,604</u>	<u>10,086,280</u>	<u>630,676</u>	<u>1,606,596</u>	<u>1,606,596</u>	<u>1,475,023</u>	<u>(131,573)</u>
-	-	-	-	2,354	40,616	25,489	15,127
-	-	-	-	3,255	20,442	9,581	10,861
-	-	-	-	78,745	265,926	158,692	107,234
18,278	19,487,973	12,482,913	7,005,060	788,196	2,863,528	1,594,149	1,269,379
-	-	-	-	1,729	8,231	5,272	2,959
-	-	-	-	1,202	9,989	9,619	370
-	-	-	-	-	6	-	6
-	-	-	-	-	-	56	(56)
-	-	-	-	-	-	1	(1)
<u>18,278</u>	<u>19,487,973</u>	<u>12,482,913</u>	<u>7,005,060</u>	<u>875,481</u>	<u>3,208,738</u>	<u>1,802,859</u>	<u>1,405,879</u>
9,437,326	(10,032,369)	(2,396,633)	(7,635,736)	731,115	(1,602,142)	(327,836)	(1,274,306)
2,364,192	2,364,192	2,364,192	-	332,032	332,032	332,032	-
<u>\$ 11,801,518</u>	<u>\$ (7,668,177)</u>	<u>(32,441)</u>	<u>\$ 7,635,736</u>	<u>\$ 1,063,147</u>	<u>\$ (1,270,110)</u>	<u>4,196</u>	<u>\$ 1,274,306</u>
		561,926				(305,087)	
		<u>\$ 529,485</u>				<u>\$ (300,891)</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 ASSISTANCE	US DEPARTMENT OF HEALTH & HUMAN SERVICES	Total
Net change in fund balances (budgetary basis)	\$ 520,928	\$ (32,441)	\$ 4,196	\$ 492,684
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)	23,688	97,837	49,256	170,782
Expenditures are recorded when the liability is incurred (GAAP) as opposed to when payment is made (budgetary)	(175,840)	(117,788)	1,523	(292,105)
Net change in fund balances (GAAP basis)	\$ 368,776	\$ (52,392)	\$ 54,976	\$ 371,360

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

Roads	Average International Roughness Index (IRI), Right Wheel Path (RWP)		
	2019	2018	2017
Interstate Roads (excluding Rest Areas and Weigh Stations)	86.7	74.9	77.6
NHS Roads - Non-Interstate (excluding Rest Areas and Weigh Stations)	96.0	95.6	95.1
Non-NHS Roads	114.7	105.2	105.4

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 that is perfectly smooth to ratings above 170 for a pavement that warrants replacement. The condition index is used to classify roads in excellent condition (0-79), good condition (80-114), satisfactory condition (115-149), fair condition (150-169), and poor condition (170 and above). It is the State's policy to maintain a network average of no more than 101 IRI (RWP). 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) for each fiscal year. The data is evaluated and compared to standard criteria by the end of the fiscal year.

Bridges	Average Sufficiency Rating		
	2019	2018	2017
Interstate Bridges	91.4%	91.5%	90.9%
NHS Bridges - Non-Interstate	92.8%	91.6%	91.7%
Non-NHS Bridges	90.5%	90.4%	90.5%

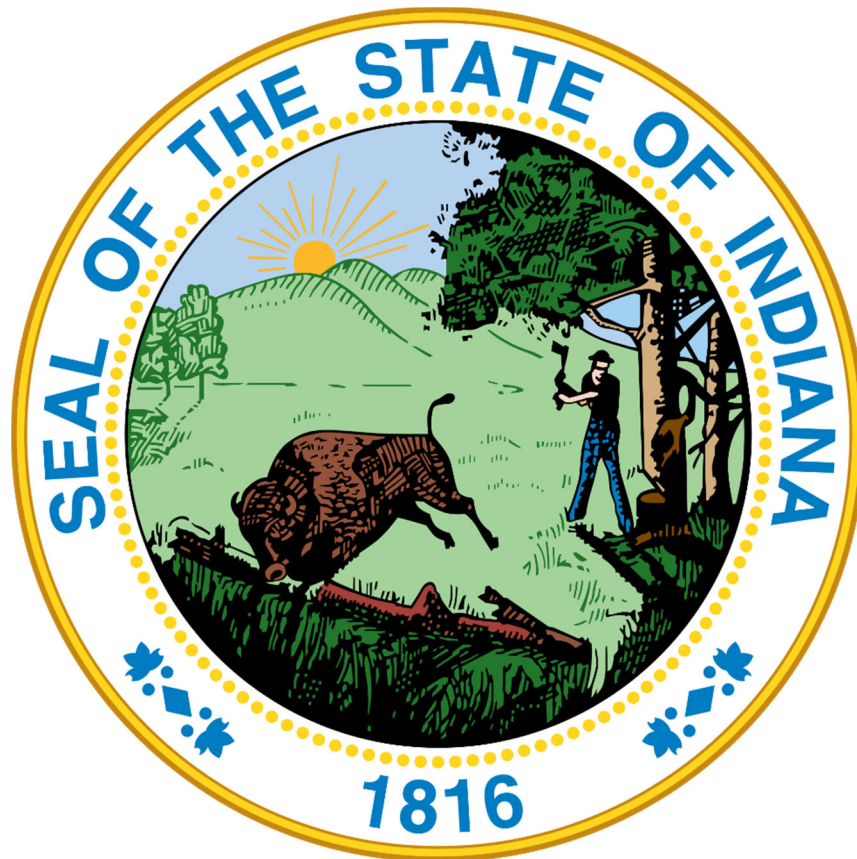
The condition of the State's bridges is measured based on a sufficiency rating, which is based on a weighted average of four factors indicative of a bridge's sufficiency to remain in service. The sufficiency rating uses a measurement scale that ranges from zero for an entirely insufficient or deficient 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 Planned-to-Actual Maintenance/Preservation
(amounts expressed in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Roads					
Interstate Roads (including Rest Areas and Weigh Stations):					
Planned	\$ 252,209	\$ 72,028	\$ 246,165	\$ 126,191	\$ 89,148
Actual	219,806	20,210	171,413	125,283	104,327
NHS and Non-NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)					
Planned	418,752	408,266	393,319	277,605	146,134
Actual	391,955	338,622	344,826	220,215	167,298
Roads at State Institutions and Properties					
Planned	-	3,934	-	260	-
Actual	-	-	453	241	-
Total					
Planned	670,961	484,228	639,484	404,056	235,282
Actual	611,761	358,832	516,692	345,739	271,625
Bridges					
Interstate Bridges					
Planned	\$ 135,011	\$ 132,093	\$ 106,125	\$ 57,794	\$ 59,637
Actual	99,363	104,728	141,487	82,044	44,736
NHS Bridges - Non-Interstate					
Planned	47,383	74,995	46,003	31,892	46,121
Actual	43,850	46,264	42,633	33,116	38,240
Non-NHS Bridges					
Planned	73,802	193,724	93,649	82,601	79,775
Actual	64,696	186,513	102,920	77,573	67,345
Bridges at State Institutions and Properties					
Planned	-	-	-	-	-
Actual	-	-	-	-	-
Total					
Planned	256,196	400,812	245,777	172,287	185,533
Actual	207,909	337,505	287,040	192,733	150,321

Source: Indiana Department of Transportation

OTHER SUPPLEMENTARY INFORMATION



NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Funds of material significance are presented separately in these combining statements. All other funds are included under the description "Other Non-Major Special Revenue Funds."

The following funds are used to account for transportation and motor vehicle related programs:

- Major Moves Construction Fund
- Motor Vehicle Highway
- Motor Vehicle Commission
- Road & Street, Primary Highway
- State Highway Fund

The following funds are used to account for health and environmental programs:

- Indiana Check-Up Plan
- Patients Compensation Fund
- Tobacco Settlement Fund

The following funds are used to receive and distribute certain revenues to the proper sources:

- State Gaming Fund
- Build Indiana Fund

The following fund is used to account for federal and non-federal programs:

- Fund 6000 Programs

The following fund is used to provide low interest construction and technology loans for qualifying schools:

- Common School Fund

The following funds are used to account for federal grant programs:

- U.S. Department of Agriculture
- U.S. Department of Labor
- U.S. Department of Transportation
- U.S. Department of Education

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Capital project funds account for financial resources to be used by the State for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds). Funds of material significance are presented separately in these combining statements. All other funds are included under the description "Other Non-Major Capital Projects Funds."

State Police Building Commission Fund – This fund accounts for new construction, rehabilitation and preventative maintenance for this state commission.

Post War Construction Fund – This fund accounts for new construction, rehabilitation and preventative maintenance of penal, benevolent and charitable institutions of the state.

PERMANENT FUNDS

Permanent Funds account for resources of the State that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support State programs. Funds of material significance are presented separately in these combining statements. All other funds are included under the description "Other Non-Major Permanent Funds."

Next Level Indiana Trust Fund – This fund is created per IC 8-14-15.1-5 and holds title to proceeds transferred to the trust under IC 8-15.5-11, including those held in the Next Generation Trust Fund under IC 8-14-15-5 as previously in effect before July 1, 2017, to be used exclusively for the provision of highways, roads, and bridges for the benefit of the people of Indiana and the users of those facilities.

State of Indiana
Balance Sheet
Non-Major Governmental Funds
June 30, 2019
(amounts expressed in thousands)

	Non-Major Special Revenue Funds	Non-Major Capital Projects Funds	Non-Major Permanent Funds	Total
ASSETS				
Cash, cash equivalents and investments-unrestricted	\$ 3,959,454	\$ 74,421	\$ 579,156	\$ 4,613,031
Cash, cash equivalents and investments-restricted	3,549	-	-	3,549
Securities lending collateral	-	-	5	5
Receivables:				
Taxes (net of allowance for uncollectible accounts)	180,799	1,128	-	181,927
Accounts	60,736	91	-	60,827
Grants	187,302	-	-	187,302
Interest	1,404	-	11	1,415
Interfund loans	11,047	-	-	11,047
Due from component unit	15,384	-	-	15,384
Prepaid expenditures	44	-	-	44
Loans	314,505	-	-	314,505
Other	236	-	32	268
Total assets	<u>4,734,460</u>	<u>75,640</u>	<u>579,204</u>	<u>5,389,304</u>
Total assets and deferred outflow of resources	<u>\$ 4,734,460</u>	<u>\$ 75,640</u>	<u>\$ 579,204</u>	<u>\$ 5,389,304</u>
LIABILITIES				
Accounts payable	\$ 296,400	\$ 639	\$ -	\$ 297,039
Salaries and benefits payable	25,099	106	-	25,205
Interfund loans	20,626	-	-	20,626
Interfunds services used	2,792	9	-	2,801
Intergovernmental payable	162,654	-	-	162,654
Tax refunds payable	8,321	-	-	8,321
Accrued liability for compensated absences-current	1,845	4	-	1,849
Other payables	247	-	32	279
Securities lending collateral	-	-	5	5
Total liabilities	<u>517,984</u>	<u>758</u>	<u>37</u>	<u>518,779</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	71,084	2	-	71,086
Total deferred inflow of resources	<u>71,084</u>	<u>2</u>	<u>-</u>	<u>71,086</u>
FUND BALANCE				
Nonspendable	44	-	502,835	502,879
Restricted	3,549	-	-	3,549
Committed	827,280	-	76,332	903,612
Assigned	3,384,142	74,880	-	3,459,022
Unassigned	(69,623)	-	-	(69,623)
Total fund balance	<u>4,145,392</u>	<u>74,880</u>	<u>579,167</u>	<u>4,799,439</u>
Total liabilities, deferred inflow of resources, and fund balance	<u>\$ 4,734,460</u>	<u>\$ 75,640</u>	<u>\$ 579,204</u>	<u>\$ 5,389,304</u>

State of Indiana
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Non-Major Special Revenue Funds</u>	<u>Non-Major Capital Projects Funds</u>	<u>Non-Major Permanent Funds</u>	<u>Total</u>
Revenues:				
Taxes:				
Sales	\$ 77,560	\$ -	\$ -	\$ 77,560
Fuels	1,493,706	-	-	1,493,706
Gaming	572,641	-	-	572,641
Alcohol and tobacco	143,264	20,004	-	163,268
Insurance	4,880	-	-	4,880
Financial Institutions	173,518	-	-	173,518
Other	2,650	-	-	2,650
Total taxes	<u>2,468,219</u>	<u>20,004</u>	<u>-</u>	<u>2,488,223</u>
Current service charges	2,115,223	4,822	-	2,120,045
Investment income	37,095	-	36,236	73,331
Sales/rents	17,154	62	-	17,216
Grants	3,688,744	1,455	-	3,690,199
Other	72,801	45	-	72,846
	<u>8,399,236</u>	<u>26,388</u>	<u>36,236</u>	<u>8,461,860</u>
Expenditures:				
Current:				
General government	362,563	-	18	362,581
Public safety	535,981	-	-	535,981
Health	199,958	-	-	199,958
Welfare	1,150,504	-	-	1,150,504
Conservation, culture and development	446,714	-	80	446,794
Education	1,126,394	-	-	1,126,394
Transportation	2,861,532	-	1,890	2,863,422
Debt service:				
Capital lease principal	68,675	-	-	68,675
Capital lease interest	45,228	-	-	45,228
Capital outlay	-	20,842	-	20,842
	<u>6,797,549</u>	<u>20,842</u>	<u>1,988</u>	<u>6,820,379</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,601,687</u>	<u>5,546</u>	<u>34,248</u>	<u>1,641,481</u>
Other financing sources (uses):				
Transfers in	2,124,452	2,212	-	2,126,664
Transfers (out)	(3,158,647)	-	-	(3,158,647)
Issuance of capital lease	5,849	-	-	5,849
	<u>(1,028,346)</u>	<u>2,212</u>	<u>-</u>	<u>(1,026,134)</u>
Net change in fund balances	573,341	7,758	34,248	615,347
Fund Balance July 1, as restated	<u>3,572,051</u>	<u>67,122</u>	<u>544,919</u>	<u>4,184,092</u>
Fund Balance June 30	<u>\$ 4,145,392</u>	<u>\$ 74,880</u>	<u>\$ 579,167</u>	<u>\$ 4,799,439</u>

State of Indiana
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2019
(amounts expressed in thousands)

	STATE GAMING FUND	MOTOR VEHICLE HIGHWAY	MOTOR VEHICLE COMMISSION	BUILD INDIANA FUND
ASSETS				
Cash, cash equivalents and investments-unrestricted	\$ 1,255	\$ 112,884	\$ 67,956	\$ 7,637
Cash, cash equivalents and investments-restricted	-	-	-	-
Receivables:				
Taxes (net of allowance for uncollectible accounts)	21,916	44,600	-	-
Accounts	42	5,378	7,418	-
Grants	-	-	-	-
Interest	-	3	-	-
Interfund loans	-	8,000	-	-
Due from component unit	-	-	-	15,384
Prepaid expenditures	-	-	-	-
Loans	-	-	-	-
Other	-	-	-	-
Total assets	<u>23,213</u>	<u>170,865</u>	<u>75,374</u>	<u>23,021</u>
Total assets and deferred outflow of resources	<u>\$ 23,213</u>	<u>\$ 170,865</u>	<u>\$ 75,374</u>	<u>\$ 23,021</u>
LIABILITIES				
Accounts payable	\$ 1	\$ 1	\$ 3,065	\$ 192
Salaries and benefits payable	112	-	2,211	3
Interfund loans	-	-	-	-
Interfunds services used	31	3	259	-
Intergovernmental payable	2,985	42,761	-	-
Tax refunds payable	-	5,164	-	-
Accrued liability for compensated absences-current	11	-	145	-
Other payables	-	-	-	-
Total liabilities	<u>3,140</u>	<u>47,929</u>	<u>5,680</u>	<u>195</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	-	190	-	-
Total deferred inflow of resources	<u>-</u>	<u>190</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	8,954	-	-	-
Assigned	11,119	122,746	69,694	22,826
Unassigned	-	-	-	-
Total fund balance	<u>20,073</u>	<u>122,746</u>	<u>69,694</u>	<u>22,826</u>
Total liabilities, deferred inflow of resources, and fund balance	<u>\$ 23,213</u>	<u>\$ 170,865</u>	<u>\$ 75,374</u>	<u>\$ 23,021</u>

STATE HIGHWAY FUND	MAJOR MOVES CONSTRUCTION FUND	INDIANA CHECK UP PLAN	FUND 6000 PROGRAMS	PATIENTS COMPENSATION FUND
\$ 854,462	\$ 708,141	\$ 190,827	\$ 330,015	\$ 260,279
-	-	-	-	-
3,211	-	17,214	10,013	-
17,869	-	-	3,235	1
-	-	-	-	-
-	-	-	152	1,023
-	-	-	2,355	-
-	-	-	-	-
-	-	-	-	-
8,207	-	-	78	-
-	45	-	10	87
<u>883,749</u>	<u>708,186</u>	<u>208,041</u>	<u>345,858</u>	<u>261,390</u>
\$ 883,749	\$ 708,186	\$ 208,041	\$ 345,858	\$ 261,390
\$ 17,385	\$ 9,316	\$ 7,260	\$ 82,614	\$ 6,893
9,403	-	-	1,056	25
8,000	-	-	-	-
885	-	-	120	5
-	-	-	281	-
4	-	-	13	-
684	-	-	92	2
3	45	-	10	87
<u>36,364</u>	<u>9,361</u>	<u>7,260</u>	<u>84,186</u>	<u>7,012</u>
114	-	7,323	1,171	-
<u>114</u>	<u>-</u>	<u>7,323</u>	<u>1,171</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	193,458	5,851	-
847,271	698,825	-	254,650	254,378
-	-	-	-	-
<u>847,271</u>	<u>698,825</u>	<u>193,458</u>	<u>260,501</u>	<u>254,378</u>
\$ 883,749	\$ 708,186	\$ 208,041	\$ 345,858	\$ 261,390

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State of Indiana
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2019
(amounts expressed in thousands)

	ROAD & STREET, PRIMARY HIGHWAY	TOBACCO SETTLEMENT FUND	COMMON SCHOOL FUND	US DEPARTMENT OF AGRICULTURE
ASSETS				
Cash, cash equivalents and investments-unrestricted	\$ 27,843	\$ 128,585	\$ 281,860	\$ 15,550
Cash, cash equivalents and investments-restricted	-	-	-	-
Receivables:				
Taxes (net of allowance for uncollectible accounts)	12,845	-	-	-
Accounts	1,079	-	46	-
Grants	-	2	-	9,993
Interest	-	-	-	-
Interfund loans	-	-	-	-
Due from component unit	-	-	-	-
Prepaid expenditures	-	-	-	-
Loans	-	-	305,629	-
Other	-	14	66	-
Total assets	<u>41,767</u>	<u>128,601</u>	<u>587,601</u>	<u>25,543</u>
Total assets and deferred outflow of resources	<u>\$ 41,767</u>	<u>\$ 128,601</u>	<u>\$ 587,601</u>	<u>\$ 25,543</u>
LIABILITIES				
Accounts payable	\$ -	\$ 3,859	\$ 18	\$ 4,118
Salaries and benefits payable	-	19	-	263
Interfund loans	-	-	-	-
Interfunds services used	-	14	-	25
Intergovernmental payable	12,212	-	-	17,482
Tax refunds payable	-	-	-	-
Accrued liability for compensated absences-current	-	-	-	18
Other payables	-	14	66	-
Total liabilities	<u>12,212</u>	<u>3,906</u>	<u>84</u>	<u>21,906</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	3	2	-	1,335
Total deferred inflow of resources	<u>3</u>	<u>2</u>	<u>-</u>	<u>1,335</u>
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	587,517	-
Assigned	29,552	124,693	-	2,302
Unassigned	-	-	-	-
Total fund balance	<u>29,552</u>	<u>124,693</u>	<u>587,517</u>	<u>2,302</u>
Total liabilities, deferred inflow of resources, and fund balance	<u>\$ 41,767</u>	<u>\$ 128,601</u>	<u>\$ 587,601</u>	<u>\$ 25,543</u>

US DEPARTMENT OF LABOR	US DEPARTMENT OF TRANSPORTATION	US DEPARTMENT OF EDUCATION	OTHER NON- MAJOR SPECIAL REVENUE FUNDS	TOTAL
\$ -	\$ 339,340	\$ 27,490	\$ 605,330	\$ 3,959,454
-	-	-	3,549	3,549
-	-	-	71,000	180,799
136	882	-	24,650	60,736
8,316	95,732	3,848	69,411	187,302
-	-	-	226	1,404
-	-	-	692	11,047
-	-	-	-	15,384
-	44	-	-	44
-	-	-	591	314,505
-	-	-	14	236
<u>8,452</u>	<u>435,998</u>	<u>31,338</u>	<u>775,463</u>	<u>4,734,460</u>
\$ 8,452	\$ 435,998	\$ 31,338	\$ 775,463	\$ 4,734,460
\$ 3,470	\$ 98,629	\$ 7,403	\$ 52,176	\$ 296,400
2,032	78	1,078	8,819	25,099
9,579	-	-	3,047	20,626
389	21	76	964	2,792
-	-	85,147	1,786	162,654
-	-	-	3,140	8,321
160	4	79	650	1,845
-	-	-	22	247
<u>15,630</u>	<u>98,732</u>	<u>93,783</u>	<u>70,604</u>	<u>517,984</u>
-	-	-	60,946	71,084
-	-	-	60,946	71,084
-	44	-	-	44
-	-	-	3,549	3,549
-	-	-	31,500	827,280
-	337,222	-	608,864	3,384,142
(7,178)	-	(62,445)	-	(69,623)
<u>(7,178)</u>	<u>337,266</u>	<u>(62,445)</u>	<u>643,913</u>	<u>4,145,392</u>
\$ 8,452	\$ 435,998	\$ 31,338	\$ 775,463	\$ 4,734,460

State of Indiana
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	STATE GAMING FUND	MOTOR VEHICLE HIGHWAY	MOTOR VEHICLE COMMISSION	BUILD INDIANA FUND
Revenues:				
Taxes:				
Sales	\$ -	\$ 64,261	\$ -	\$ -
Fuels	-	1,004,462	-	-
Gaming	552,902	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Financial Institutions	-	-	-	-
Other	-	-	-	-
Total taxes	552,902	1,068,723	-	-
Current service charges	2,281	277,507	115,908	251,359
Investment income	-	61	-	-
Sales/rents	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
Total revenues	555,183	1,346,291	115,908	251,359
Expenditures:				
Current:				
General government	119,463	-	-	365
Public safety	-	(52)	96,812	-
Health	-	-	-	-
Welfare	-	-	-	-
Conservation, culture and development	-	-	-	1,092
Education	-	-	-	2,836
Transportation	-	511,639	-	2,265
Debt service:				
Capital lease principal	-	-	9	-
Capital lease interest	-	-	-	-
Total expenditures	119,463	511,587	96,821	6,558
Excess (deficiency) of revenues over (under) expenditures	435,720	834,704	19,087	244,801
Other financing sources (uses):				
Transfers in	1,103	-	-	3,350
Transfers (out)	(431,525)	(828,008)	(10,803)	(246,586)
Issuance of capital lease	-	-	-	-
Total other financing sources (uses)	(430,422)	(828,008)	(10,803)	(243,236)
Net change in fund balances	5,298	6,696	8,284	1,565
Fund Balance July 1, as restated	14,775	116,050	61,410	21,261
Fund Balance June 30	\$ 20,073	\$ 122,746	\$ 69,694	\$ 22,826

<u>STATE HIGHWAY FUND</u>	<u>MAJOR MOVES CONSTRUCTION FUND</u>	<u>INDIANA CHECK- UP PLAN</u>	<u>FUND 6000 PROGRAMS</u>	<u>PATIENTS COMPENSATION FUND</u>
\$ 926	\$ -	\$ -	\$ 2,368	\$ -
282,048	-	-	-	-
-	-	-	227	-
-	-	107,431	-	-
-	-	-	-	-
-	-	-	173,518	-
-	-	-	18	-
<u>282,974</u>	<u>-</u>	<u>107,431</u>	<u>176,131</u>	<u>-</u>
39,959	400,000	195,129	130,781	160,895
114	22,316	-	1,461	7,317
2,691	-	-	5,263	-
(10)	-	7	17,370	-
<u>65,252</u>	<u>-</u>	<u>-</u>	<u>5,854</u>	<u>-</u>
<u>390,980</u>	<u>422,316</u>	<u>302,567</u>	<u>336,860</u>	<u>168,212</u>
-	-	-	115,605	-
-	-	-	50,047	108,926
-	-	9,825	2,001	4,980
-	-	-	8,037	-
-	2,523	-	10,016	-
-	-	-	13,137	-
<u>371,450</u>	<u>41,332</u>	<u>-</u>	<u>1,388</u>	<u>-</u>
67,921	-	-	620	-
<u>45,107</u>	<u>-</u>	<u>-</u>	<u>115</u>	<u>-</u>
<u>484,478</u>	<u>43,855</u>	<u>9,825</u>	<u>200,966</u>	<u>113,906</u>
<u>(93,498)</u>	<u>378,461</u>	<u>292,742</u>	<u>135,894</u>	<u>54,306</u>
991,589	3,520	-	47,823	-
(641,413)	(46,545)	(298,040)	(165,474)	(16)
-	-	-	5,849	-
<u>350,176</u>	<u>(43,025)</u>	<u>(298,040)</u>	<u>(111,802)</u>	<u>(16)</u>
256,678	335,436	(5,298)	24,092	54,290
<u>590,593</u>	<u>363,389</u>	<u>198,756</u>	<u>236,409</u>	<u>200,088</u>
<u>\$ 847,271</u>	<u>\$ 698,825</u>	<u>\$ 193,458</u>	<u>\$ 260,501</u>	<u>\$ 254,378</u>

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State of Indiana
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	ROAD & STREET, PRIMARY HIGHWAY	TOBACCO SETTLEMENT FUND	COMMON SCHOOL FUND	US DEPARTMENT OF AGRICULTURE
Revenues:				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Fuels	114,328	-	-	-
Gaming	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Financial Institutions	-	-	-	-
Other	-	-	-	-
Total taxes	114,328	-	-	-
Current service charges	7,614	136,679	2,392	51
Investment income	-	43	1,547	-
Sales/rents	-	-	-	-
Grants	-	(2)	-	1,470,354
Other	-	-	2,160	216
Total revenues	121,942	136,720	6,099	1,470,621
Expenditures:				
Current:				
General government	-	-	525	4,091
Public safety	-	-	-	4,589
Health	-	50,450	-	126,640
Welfare	-	250	-	964,258
Conservation, culture and development	-	-	-	2,576
Education	-	14,350	-	432,664
Transportation	133,272	-	-	-
Debt service:				
Capital lease principal	-	-	-	-
Capital lease interest	-	-	-	-
Total expenditures	133,272	65,050	525	1,534,818
Excess (deficiency) of revenues over expenditures	(11,330)	71,670	5,574	(64,197)
Other financing sources (uses):				
Transfers in	-	4,547	-	79,026
Transfers (out)	-	(74,008)	-	(800)
Issuance of capital lease	-	-	-	-
Total other financing sources (uses)	-	(69,461)	-	78,226
Net change in fund balances	(11,330)	2,209	5,574	14,029
Fund Balance July 1, as restated	40,882	122,484	581,943	(11,727)
Fund Balance June 30	\$ 29,552	\$ 124,693	\$ 587,517	\$ 2,302

<u>US DEPARTMENT OF LABOR</u>	<u>US DEPARTMENT OF TRANSPORTATION</u>	<u>US DEPARTMENT OF EDUCATION</u>	<u>OTHER NON- MAJOR SPECIAL REVENUE FUNDS</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 10,005	\$ 77,560
-	-	-	92,868	1,493,706
-	-	-	19,512	572,641
-	-	-	35,833	143,264
-	-	-	4,880	4,880
-	-	-	-	173,518
-	-	-	2,632	2,650
-	-	-	165,730	2,468,219
96	-	-	394,572	2,115,223
-	-	-	4,236	37,095
-	-	-	9,200	17,154
119,656	1,087,607	722,672	271,090	3,688,744
-	-	-	(681)	72,801
<u>119,752</u>	<u>1,087,607</u>	<u>722,672</u>	<u>844,147</u>	<u>8,399,236</u>
-	1,079	710	120,725	362,563
5,654	22,475	1,704	245,826	535,981
-	66	-	5,996	199,958
-	-	78,996	98,963	1,150,504
116,879	1,384	33,054	279,190	446,714
-	-	658,434	4,973	1,126,394
-	1,667,530	-	132,656	2,861,532
125	-	-	-	68,675
6	-	-	-	45,228
<u>122,664</u>	<u>1,692,534</u>	<u>772,898</u>	<u>888,329</u>	<u>6,797,549</u>
<u>(2,912)</u>	<u>(604,927)</u>	<u>(50,226)</u>	<u>(44,182)</u>	<u>1,601,687</u>
3,640	622,367	31,515	335,972	2,124,452
(1,387)	(117,371)	(1,228)	(295,443)	(3,158,647)
-	-	-	-	5,849
<u>2,253</u>	<u>504,996</u>	<u>30,287</u>	<u>40,529</u>	<u>(1,028,346)</u>
(659)	(99,931)	(19,939)	(3,653)	573,341
<u>(6,519)</u>	<u>437,197</u>	<u>(42,506)</u>	<u>647,566</u>	<u>3,572,051</u>
<u>\$ (7,178)</u>	<u>\$ 337,266</u>	<u>\$ (62,445)</u>	<u>\$ 643,913</u>	<u>\$ 4,145,392</u>

State of Indiana
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2019
(amounts expressed in thousands)

	State Police Building Commission	Post War Construction	Other Non-Major Capital Projects Funds	Total
ASSETS				
Cash, cash equivalents and investments- unrestricted	\$ 4,765	\$ 60,902	\$ 8,754	\$ 74,421
Receivables:				
Taxes (net of allowance for uncollectible accounts)	-	1,128	-	1,128
Accounts	91	-	-	91
Total assets	<u>4,856</u>	<u>62,030</u>	<u>8,754</u>	<u>75,640</u>
Total assets and deferred outflow of resources	<u>\$ 4,856</u>	<u>\$ 62,030</u>	<u>\$ 8,754</u>	<u>\$ 75,640</u>
LIABILITIES				
Accounts payable	\$ 7	\$ 599	\$ 33	\$ 639
Salaries and benefits payable	-	-	106	106
Interfunds services used	-	-	9	9
Accrued liability for compensated absences- current	-	-	4	4
Total liabilities	<u>7</u>	<u>599</u>	<u>152</u>	<u>758</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	-	2	-	2
Total deferred inflow of resources	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>
FUND BALANCE				
Assigned	4,849	61,429	8,602	74,880
Total fund balance	<u>4,849</u>	<u>61,429</u>	<u>8,602</u>	<u>74,880</u>
Total liabilities, deferred inflow of resources, and fund balance	<u>\$ 4,856</u>	<u>\$ 62,030</u>	<u>\$ 8,754</u>	<u>\$ 75,640</u>

State of Indiana
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Non-Major Capital Projects Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	State Police Building Commission	Post War Construction	Other Non-Major Capital Projects Funds	Total
Revenues:				
Taxes:				
Alcohol and tobacco	\$ -	\$ 20,004	\$ -	\$ 20,004
Total taxes	-	20,004	-	20,004
Current service charges	1,996	-	2,826	4,822
Sales/rents	-	-	62	62
Grants	-	-	1,455	1,455
Other	-	-	45	45
Total revenues	1,996	20,004	4,388	26,388
Expenditures:				
Capital outlay	630	14,130	6,082	20,842
Total expenditures	630	14,130	6,082	20,842
Excess (deficiency) of revenues over (under) expenditures	1,366	5,874	(1,694)	5,546
Other financing sources (uses):				
Transfers in	-	284	1,928	2,212
Total other financing sources (uses)	-	284	1,928	2,212
Net change in fund balances	1,366	6,158	234	7,758
Fund Balance July 1, as restated	3,483	55,271	8,368	67,122
Fund Balance June 30	\$ 4,849	\$ 61,429	\$ 8,602	\$ 74,880

State of Indiana
Combining Balance Sheet
Non-Major Permanent Funds
June 30, 2019

(amounts expressed in thousands)

	Next Level/Generation Trust Fund	Other Non-Major Permanent Funds	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash, cash equivalents and investments- unrestricted	\$ 575,903	\$ 3,253	\$ 579,156
Securities lending collateral	5	-	5
Receivables:			
Interest	7	4	11
Other	32	-	32
Total assets	<u>575,947</u>	<u>3,257</u>	<u>579,204</u>
Total assets and deferred outflow of resources	<u>\$ 575,947</u>	<u>\$ 3,257</u>	<u>\$ 579,204</u>
LIABILITIES			
Other payables	\$ 32	\$ -	\$ 32
Securities lending collateral	5	-	5
Total liabilities	<u>37</u>	<u>-</u>	<u>37</u>
FUND BALANCE			
Nonspendable	500,000	2,835	502,835
Committed	75,910	422	76,332
Total fund balance	<u>575,910</u>	<u>3,257</u>	<u>579,167</u>
Total liabilities, deferred inflow of resources, and fund balance	<u>\$ 575,947</u>	<u>\$ 3,257</u>	<u>\$ 579,204</u>

State of Indiana
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Non-Major Permanent Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Next Level/Generation Trust Fund</u>	<u>Other Non-Major Permanent Funds</u>	<u>Total</u>
Revenues:			
Taxes:			
Investment income	\$ 36,062	\$ 174	\$ 36,236
Total revenues	<u>36,062</u>	<u>174</u>	<u>36,236</u>
Expenditures:			
Current:			
General government	-	18	18
Conservation, culture and development	-	80	80
Transportation	1,890	-	1,890
Total expenditures	<u>1,890</u>	<u>98</u>	<u>1,988</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,172</u>	<u>76</u>	<u>34,248</u>
Net change in fund balances	34,172	76	34,248
Fund Balance July 1, as restated	<u>541,738</u>	<u>3,181</u>	<u>544,919</u>
Fund Balance June 30	<u>\$ 575,910</u>	<u>\$ 3,257</u>	<u>\$ 579,167</u>

State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Budgetary Basis)
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	State Gaming Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	548,771	548,771	546,045	(2,726)
Unemployment	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Financial institutions	-	-	-	-
Other	-	-	-	-
Total taxes	<u>548,771</u>	<u>548,771</u>	<u>546,045</u>	<u>(2,726)</u>
Current service charges	2,041	2,041	3,390	1,349
Investment income	-	-	-	-
Sales/rents	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
Total revenues	<u>550,812</u>	<u>550,812</u>	<u>549,435</u>	<u>(1,377)</u>
Expenditures:				
Current:				
General government	7,420	588,066	120,541	467,525
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Conservation, culture and development	-	-	-	-
Education	-	-	-	-
Transportation	-	-	-	-
Debt service:				
Capital lease principal	-	-	-	-
Capital lease interest	-	-	-	-
Total expenditures	<u>7,420</u>	<u>588,066</u>	<u>120,541</u>	<u>467,525</u>
Excess of revenues over (under) expenditures	543,392	(37,254)	428,894	(466,148)
Other financing sources (uses):				
Total other financing sources (uses)	<u>(430,422)</u>	<u>(430,422)</u>	<u>(430,422)</u>	<u>-</u>
Net change in fund balances	<u>\$ 112,970</u>	<u>\$ (467,676)</u>	(1,528)	<u>\$ 466,148</u>
Fund balances July 1, as restated			<u>2,782</u>	
Fund balances June 30			<u>\$ 1,254</u>	

Motor Vehicle Highway Fund				Motor Vehicle Commission			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60,546	60,546	64,196	3,650	-	-	-	-
931,527	931,527	992,613	61,086	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
992,073	992,073	1,056,809	64,736	-	-	-	-
267,507	267,507	288,714	21,207	107,766	107,766	115,165	7,399
61	61	63	2	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,259,641</u>	<u>1,259,641</u>	<u>1,345,586</u>	<u>85,945</u>	<u>107,766</u>	<u>107,766</u>	<u>115,165</u>	<u>7,399</u>
-	-	-	-	-	-	-	-
-	-	-	-	186,472	88,373	94,981	(6,608)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,370	1,352,203	522,323	829,880	-	-	-	-
-	-	-	-	-	-	9	(9)
-	-	-	-	-	-	-	-
<u>3,370</u>	<u>1,352,203</u>	<u>522,323</u>	<u>829,880</u>	<u>186,472</u>	<u>88,373</u>	<u>94,990</u>	<u>(6,617)</u>
1,256,271	(92,562)	823,263	(915,825)	(78,706)	19,393	20,175	(782)
(828,008)	(828,008)	(828,008)	-	(10,803)	(10,803)	(10,803)	-
<u>\$ 428,263</u>	<u>\$ (920,570)</u>	(4,745)	<u>\$ 915,825</u>	<u>\$ (89,509)</u>	<u>\$ 8,590</u>	9,372	<u>\$ 782</u>
		125,628				58,563	
		<u>\$ 120,883</u>				<u>\$ 67,935</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, 2019
(amounts expressed in thousands)

	Build Indiana Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	-	-	-	-
Unemployment	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Financial institutions	-	-	-	-
Other	-	-	-	-
Total taxes	-	-	-	-
Current service charges	253,833	253,833	248,965	(4,868)
Investment income	-	-	-	-
Sales/rents	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
Total revenues	<u>253,833</u>	<u>253,833</u>	<u>248,965</u>	<u>(4,868)</u>
Expenditures:				
Current:				
General government	6,687	237,123	365	236,758
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Conservation, culture and development	-	1,092	1,092	-
Education	6,941	499	2,840	(2,341)
Transportation	1,615	1,647	2,345	(698)
Debt service:				
Principal	-	-	-	-
Interest, finance fees	-	-	-	-
Total expenditures	<u>15,243</u>	<u>240,361</u>	<u>6,642</u>	<u>233,719</u>
Excess of revenues over (under) expenditures	238,590	13,472	242,323	(228,851)
Other financing sources (uses):				
Total other financing sources (uses)	<u>(243,236)</u>	<u>(243,236)</u>	<u>(243,236)</u>	<u>-</u>
Net change in fund balances	<u>\$ (4,646)</u>	<u>\$ (229,764)</u>	(913)	<u>\$ 228,851</u>
Fund balances July 1, as restated			<u>8,551</u>	
Fund balances June 30			<u>\$ 7,638</u>	

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State Highway Fund				Major Moves Construction Fund			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
278,445	278,445	279,661	1,216	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
278,445	278,445	279,661	1,216	-	-	-	-
39,940	39,940	41,908	1,968	-	-	400,000	400,000
53	53	114	61	3,928	3,928	11,421	7,493
1,229	1,229	2,510	1,281	-	-	-	-
216	216	-	(216)	-	-	-	-
77,724	77,724	64,584	(13,140)	-	-	-	-
397,607	397,607	388,777	(8,830)	3,928	3,928	411,421	407,493
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	3,520	-	-	-
-	-	-	-	-	-	-	-
1,207,415	783,949	374,567	409,382	393,721	104,811	30,583	74,228
-	-	67,921	(67,921)	-	-	-	-
-	-	45,107	(45,107)	-	-	-	-
1,207,415	783,949	487,595	296,354	397,241	104,811	30,583	74,228
(809,808)	(386,342)	(98,818)	(287,524)	(393,313)	(100,883)	380,838	(481,721)
350,176	350,176	350,176	-	(43,025)	(43,025)	(43,025)	-
<u>\$ (459,632)</u>	<u>\$ (36,166)</u>	251,358	<u>\$ 287,524</u>	<u>\$ (436,338)</u>	<u>\$ (143,908)</u>	337,813	<u>\$ 481,721</u>
		620,646				367,428	
		<u>\$ 872,004</u>				<u>\$ 705,241</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, 2019
(amounts expressed in thousands)

	Indiana Check-Up Plan			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	-	-	-	-
Unemployment	-	-	-	-
Alcohol and tobacco	110,898	110,898	107,093	(3,805)
Insurance	-	-	-	-
Financial institutions	-	-	-	-
Other	-	-	-	-
Total taxes	<u>110,898</u>	<u>110,898</u>	<u>107,093</u>	<u>(3,805)</u>
Current service charges	144,898	144,898	195,129	50,231
Investment income	-	-	-	-
Sales/rents	-	-	-	-
Grants	-	-	7	7
Other	-	-	-	-
Total revenues	<u>255,796</u>	<u>255,796</u>	<u>302,229</u>	<u>46,433</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health	131,723	35,929	6,973	28,956
Welfare	-	-	-	-
Conservation, culture and development	-	-	-	-
Education	-	-	-	-
Transportation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest, finance fees	-	-	-	-
Total expenditures	<u>131,723</u>	<u>35,929</u>	<u>6,973</u>	<u>28,956</u>
Excess of revenues over (under) expenditures	124,073	219,867	295,256	(75,389)
Other financing sources (uses):				
Total other financing sources (uses)	<u>(298,040)</u>	<u>(298,040)</u>	<u>(298,040)</u>	<u>-</u>
Net change in fund balances	<u>\$ (173,967)</u>	<u>\$ (78,173)</u>	<u>(2,784)</u>	<u>\$ 75,389</u>
Fund balances July 1, as restated			<u>193,605</u>	
Fund balances June 30			<u>\$ 190,821</u>	

Fund 6000 Programs				Patients Compensation Fund			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,285	2,285	2,368	83	-	-	-	-
-	-	-	-	-	-	-	-
236	236	227	(9)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
105,944	105,944	165,087	59,143	-	-	-	-
13,260	13,260	1,424	(11,836)	-	-	-	-
121,725	121,725	169,106	47,381	-	-	-	-
128,895	128,895	130,924	2,029	151,005	151,005	160,972	9,967
534	534	1,102	568	1,840	1,840	3,071	1,231
5,441	5,441	5,280	(161)	-	-	-	-
20,884	20,884	17,424	(3,460)	-	-	-	-
8,260	8,260	5,601	(2,659)	-	-	-	-
<u>285,739</u>	<u>285,739</u>	<u>329,437</u>	<u>43,698</u>	<u>152,845</u>	<u>152,845</u>	<u>164,043</u>	<u>11,198</u>
20,613	337,533	115,240	222,293	-	-	-	-
21,165	83,581	40,635	42,946	1,530	367,442	112,475	254,967
2,547	8,981	2,163	6,818	-	-	-	-
4,714	3,933	7,741	(3,808)	-	-	-	-
3,674	26,379	9,920	16,459	-	-	-	-
1,212	23,257	13,259	9,998	-	-	-	-
4,040	1,478	1,388	90	-	-	-	-
-	-	620	(620)	-	-	-	-
-	-	115	(115)	-	-	-	-
<u>57,965</u>	<u>485,142</u>	<u>191,081</u>	<u>294,061</u>	<u>1,530</u>	<u>367,442</u>	<u>112,475</u>	<u>254,967</u>
227,774	(199,403)	138,356	(337,759)	151,315	(214,597)	51,568	(266,165)
<u>(117,651)</u>	<u>(117,651)</u>	<u>(117,651)</u>	<u>-</u>	<u>(16)</u>	<u>(16)</u>	<u>(16)</u>	<u>-</u>
<u>\$ 110,123</u>	<u>\$ (317,054)</u>	<u>20,705</u>	<u>\$ 337,759</u>	<u>\$ 151,299</u>	<u>\$ (214,613)</u>	<u>51,552</u>	<u>\$ 266,165</u>
		<u>237,469</u>				<u>205,978</u>	
		<u>\$ 258,174</u>				<u>\$ 257,530</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, 2019
(amounts expressed in thousands)

	Road and Street, Primary Highway			
	Budget		Actual	Variance to
	Original	Final		Final Budget
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	124,302	124,302	119,225	(5,077)
Gaming	-	-	-	-
Unemployment	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Financial institutions	-	-	-	-
Other	-	-	-	-
Total taxes	<u>124,302</u>	<u>124,302</u>	<u>119,225</u>	<u>(5,077)</u>
Current service charges	19,974	19,974	7,460	(12,514)
Investment income	-	-	-	-
Sales/rents	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
Total revenues	<u>144,276</u>	<u>144,276</u>	<u>126,685</u>	<u>(17,591)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Conservation, culture and development	-	-	-	-
Education	-	-	-	-
Transportation	-	540,139	134,358	405,781
Debt service:				
Principal	-	-	-	-
Interest, finance fees	-	-	-	-
Total expenditures	<u>-</u>	<u>540,139</u>	<u>134,358</u>	<u>405,781</u>
Excess of revenues over (under) expenditures	144,276	(395,863)	(7,673)	(388,190)
Other financing sources (uses):				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 144,276</u>	<u>\$ (395,863)</u>	<u>(7,673)</u>	<u>\$ 388,190</u>
Fund balances July 1, as restated			<u>35,516</u>	
Fund balances June 30			<u>\$ 27,843</u>	

Tobacco Settlement Fund				Common School Fund			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
143,614	143,614	136,679	(6,935)	2,622	2,622	2,392	(230)
3	3	29	26	-	-	-	-
-	-	-	-	-	-	-	-
3	3	-	(3)	-	-	-	-
5	5	-	(5)	580	580	2,750	2,170
143,625	143,625	136,708	(6,917)	3,202	3,202	5,142	1,940
-	-	-	-	-	2,104	-	2,104
-	-	-	-	-	-	-	-
140,278	60,430	51,117	9,313	-	-	-	-
12,430	1	-	1	-	-	-	-
-	-	-	-	-	-	-	-
8,890	14,578	13,612	966	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
161,598	75,009	64,729	10,280	-	2,104	-	2,104
(17,973)	68,616	71,979	(3,363)	3,202	1,098	5,142	(4,044)
(69,461)	(69,461)	(69,461)	-	-	-	-	-
<u>\$ (87,434)</u>	<u>\$ (845)</u>	2,518	<u>\$ 3,363</u>	<u>\$ 3,202</u>	<u>\$ 1,098</u>	5,142	<u>\$ 4,044</u>
		126,060				581,783	
		<u>\$ 128,578</u>				<u>\$ 586,925</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, 2019
(amounts expressed in thousands)

	U.S. Department of Agriculture			
	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	-	-	-	-
Unemployment	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Financial institutions	-	-	-	-
Other	-	-	-	-
Total taxes	-	-	-	-
Current service charges	1	1	51	50
Investment income	-	-	-	-
Sales/rents	-	-	-	-
Grants	1,547,545	1,547,545	1,451,315	(96,230)
Other	-	-	216	216
Total revenues	<u>1,547,546</u>	<u>1,547,546</u>	<u>1,451,582</u>	<u>(95,964)</u>
Expenditures:				
Current:				
General government	1,247	10,466	4,055	6,411
Public safety	1	7,727	4,608	3,119
Health	12,592	254,037	126,201	127,836
Welfare	14,603	2,665,802	964,711	1,701,091
Conservation, culture and development	748	10,143	2,660	7,483
Education	3,469	559,638	432,402	127,236
Transportation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest, finance fees	-	-	-	-
Total expenditures	<u>32,660</u>	<u>3,507,813</u>	<u>1,534,637</u>	<u>1,973,176</u>
Excess of revenues over (under) expenditures	1,514,886	(1,960,267)	(83,055)	(1,877,212)
Other financing sources (uses):				
Total other financing sources (uses)	<u>78,226</u>	<u>78,226</u>	<u>78,226</u>	<u>-</u>
Net change in fund balances	<u>\$ 1,593,112</u>	<u>\$ (1,882,041)</u>	<u>(4,829)</u>	<u>\$ 1,877,212</u>
Fund balances July 1, as restated			<u>30,262</u>	
Fund balances June 30			<u>\$ 25,433</u>	

U.S. Department of Labor				U.S. Department of Transportation			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
547	547	96	(451)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
118,825	118,825	119,706	881	1,019,834	1,019,834	1,075,734	55,900
3	3	-	(3)	75	75	-	(75)
<u>119,375</u>	<u>119,375</u>	<u>119,802</u>	<u>427</u>	<u>1,019,909</u>	<u>1,019,909</u>	<u>1,075,734</u>	<u>55,825</u>
-	-	-	-	-	4,289	1,079	3,210
29	10,837	5,634	5,203	7,152	70,385	22,323	48,062
-	-	-	-	-	535	66	469
-	3,933	-	3,933	-	13	-	13
32,144	218,743	116,271	102,472	3,572	3,455	1,294	2,161
-	525	-	525	-	-	-	-
-	-	-	-	1,607,902	3,368,239	1,702,485	1,665,754
-	-	125	(125)	-	-	-	-
-	-	6	(6)	-	-	-	-
<u>32,173</u>	<u>234,038</u>	<u>122,036</u>	<u>112,002</u>	<u>1,618,626</u>	<u>3,446,916</u>	<u>1,727,247</u>	<u>1,719,669</u>
87,202	(114,663)	(2,234)	(112,429)	(598,717)	(2,427,007)	(651,513)	(1,775,494)
<u>2,253</u>	<u>2,253</u>	<u>2,253</u>	<u>-</u>	<u>504,996</u>	<u>504,996</u>	<u>504,996</u>	<u>-</u>
<u>\$ 89,455</u>	<u>\$ (112,410)</u>	<u>19</u>	<u>\$ 112,429</u>	<u>\$ (93,721)</u>	<u>\$ (1,922,011)</u>	<u>(146,517)</u>	<u>\$ 1,775,494</u>
		(2,079)				569,467	
		<u>\$ (2,060)</u>				<u>\$ 422,950</u>	

continued on next page

State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Budgetary Basis)
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	U.S. Department of Education			
	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	-	-	-	-
Unemployment	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Financial institutions	-	-	-	-
Other	-	-	-	-
Total taxes	-	-	-	-
Current service charges	-	-	-	-
Investment income	-	-	-	-
Sales/rents	-	-	-	-
Grants	769,651	769,651	722,788	(46,863)
Other	-	-	-	-
Total revenues	<u>769,651</u>	<u>769,651</u>	<u>722,788</u>	<u>(46,863)</u>
Expenditures:				
Current:				
General government	-	1,192	710	482
Public safety	534	2,580	1,728	852
Health	-	-	-	-
Welfare	28,171	255,776	80,103	175,673
Conservation, culture and development	10,882	40,537	31,539	8,998
Education	74,335	877,392	646,717	230,675
Transportation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest, finance fees	-	-	-	-
Total expenditures	<u>113,922</u>	<u>1,177,477</u>	<u>760,797</u>	<u>416,680</u>
Excess of revenues over (under) expenditures	655,729	(407,826)	(38,009)	(369,817)
Other financing sources (uses):				
Total other financing sources (uses)	<u>30,287</u>	<u>30,287</u>	<u>30,287</u>	<u>-</u>
Net change in fund balances	<u>\$ 686,016</u>	<u>\$ (377,539)</u>	<u>(7,722)</u>	<u>\$ 369,817</u>
Fund balances July 1, as restated			<u>38,816</u>	
Fund balances June 30			<u>\$ 31,094</u>	

	Other Non-Major Special Revenue Funds			
	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues:				
Taxes:				
Income	\$ 201	\$ 201	\$ -	\$ (201)
Sales	9,657	9,657	10,006	349
Fuels	96,678	96,678	93,516	(3,162)
Gaming	25,714	25,714	26,670	956
Unemployment	-	-	-	-
Alcohol and tobacco	36,300	36,300	35,905	(395)
Insurance	4,642	4,642	4,880	238
Financial institutions	-	-	-	-
Other	1,909	1,909	2,731	822
Total taxes	175,101	175,101	173,708	(1,393)
Current service charges	351,373	351,373	383,991	32,618
Investment income	1,884	1,884	2,946	1,062
Sales/rents	8,992	8,992	2,824	(6,168)
Grants	322,036	322,036	295,267	(26,769)
Other	1,766	1,766	1,246	(520)
Total revenues	861,152	861,152	859,982	(1,170)
Expenditures:				
Current:				
General government	92,809	389,753	117,035	272,718
Public safety	297,341	620,171	242,409	377,762
Health	9,632	8,130	6,086	2,044
Welfare	100,807	972,218	93,799	878,419
Conservation, culture and development	211,827	638,093	285,579	352,514
Education	3,480	19,032	4,453	14,579
Transportation	108,962	201,546	132,380	69,166
Debt service:				
Principal	824,859,484	-	-	-
Interest, finance fees	-	-	-	-
Total expenditures	825,684,342	2,848,943	881,741	1,967,202
Excess of revenues over (under) expenditures	(824,823,190)	(1,987,791)	(21,759)	(1,966,032)
Other financing sources (uses):				
Total other financing sources (uses)	(115,316)	(115,316)	40,528	155,844
Net change in fund balances	\$ (824,938,506)	\$ (2,103,107)	18,769	\$ 2,121,876
Fund balances July 1, as restated			626,273	
Fund balances June 30			\$ 645,042	

Budget/GAAP Reconciliation Nonmajor Special Revenue 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)	Nonmajor Special Revenue Funds
Net change in fund balances (budgetary basis)	\$ 520,540
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)	26,491
Expenditures are recorded when the liability is incurred (GAAP) as opposed to when payment is made (budgetary)	16,564
Funds not subject to legally adopted budget	<u>9,747</u>
Net change in fund balances (GAAP basis)	<u><u>\$ 573,341</u></u>

NON-MAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise Funds account for operations established to provide services to the general public in a manner similar to private business enterprises. Cost of providing the goods or services are financed or recovered primarily through fees and user charges. The non-major enterprise funds are as follows:

Residual Malpractice Insurance Authority – IC 34-18-17 created the Residual Malpractice Insurance Authority to make malpractice liability insurance available to those who cannot obtain this coverage through other insurers. The Indiana Department of Insurance is the designated residual malpractice insurance authority per State law. Revenues are from the premiums collected.

Inns and Concessions - This fund accounts for the operations of various State Park Inns which provide lodging throughout the year for park tourists, and for the restaurant and concessions at Fort Benjamin Harrison.

State of Indiana
Combining Statement of Fund Net Position
Non-Major Enterprise Funds
June 30, 2019

(amounts expressed in thousands)

	Residual Malpractice Insurance Authority	Inns and Concessions	Total
Assets			
Current assets:			
Cash, cash equivalents and investments - unrestricted	\$ 67,390	\$ 14,012	\$ 81,402
Receivables:			
Accounts	41	429	470
Interest	270	-	270
Inventory	-	720	720
Prepaid expenses	-	61	61
Other assets	25	-	25
Total current assets	<u>67,726</u>	<u>15,222</u>	<u>82,948</u>
Noncurrent assets:			
Capital assets:			
Capital assets being depreciated/amortized	-	993	993
less accumulated depreciation/amortization	-	(588)	(588)
Total capital assets, net of depreciation/amortization	<u>-</u>	<u>405</u>	<u>405</u>
Total noncurrent assets	<u>-</u>	<u>405</u>	<u>405</u>
Total assets	<u>67,726</u>	<u>15,627</u>	<u>83,353</u>
Liabilities			
Current liabilities:			
Accounts payable	-	519	519
Claims payable	1,689	-	1,689
Salaries and benefits payable	-	512	512
Accrued liability for compensated absences	-	218	218
Unearned revenue	328	4,360	4,688
Other liabilities	2	243	245
Total current liabilities	<u>2,019</u>	<u>5,852</u>	<u>7,871</u>
Noncurrent liabilities:			
Accrued liability for compensated absences	-	561	561
Claims payable	21,689	-	21,689
Total noncurrent liabilities	<u>21,689</u>	<u>561</u>	<u>22,250</u>
Total liabilities	<u>23,708</u>	<u>6,413</u>	<u>30,121</u>
Net position			
Net investment in capital assets	-	405	405
Restricted-expendable:			
Unrestricted (deficit)	44,018	8,809	52,827
Total net position	<u>\$ 44,018</u>	<u>\$ 9,214</u>	<u>\$ 53,232</u>

State of Indiana
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Non-Major Enterprise Funds
For the Fiscal Year Ended June 30, 2019

(amounts expressed in thousands)

	Residual Malpractice Insurance Authority	Inns and Concessions	Total
Operating revenues:			
Sales/rents/premiums	\$ 655	\$ 26,122	\$ 26,777
Other	-	148	148
	655	26,270	26,925
Total operating revenues	655	26,270	26,925
Cost of sales	-	5,399	5,399
Gross margin	655	20,871	21,526
Operating expenses:			
General and administrative expense	549	17,735	18,284
Claims expense	466	-	466
Depreciation and amortization	-	57	57
Other	-	19	19
Total operating expenses	1,015	17,811	18,826
Operating income (loss)	(360)	3,060	2,700
Nonoperating revenues (expenses):			
Interest and other investment income	4,606	86	4,692
Gain (Loss) on disposition of assets	-	14	14
Total nonoperating revenues (expenses)	4,606	100	4,706
Income before contributions and transfers	4,246	3,160	7,406
Transfers (out)	-	(1,986)	(1,986)
Change in net position	4,246	1,174	5,420
Total net position, July 1, as restated	39,772	8,040	47,812
Total net position, June 30	\$ 44,018	\$ 9,214	\$ 53,232

State of Indiana

Combining Statement of Cash Flows

Non-Major Enterprise Funds

For the Fiscal Year Ended June 30, 2019

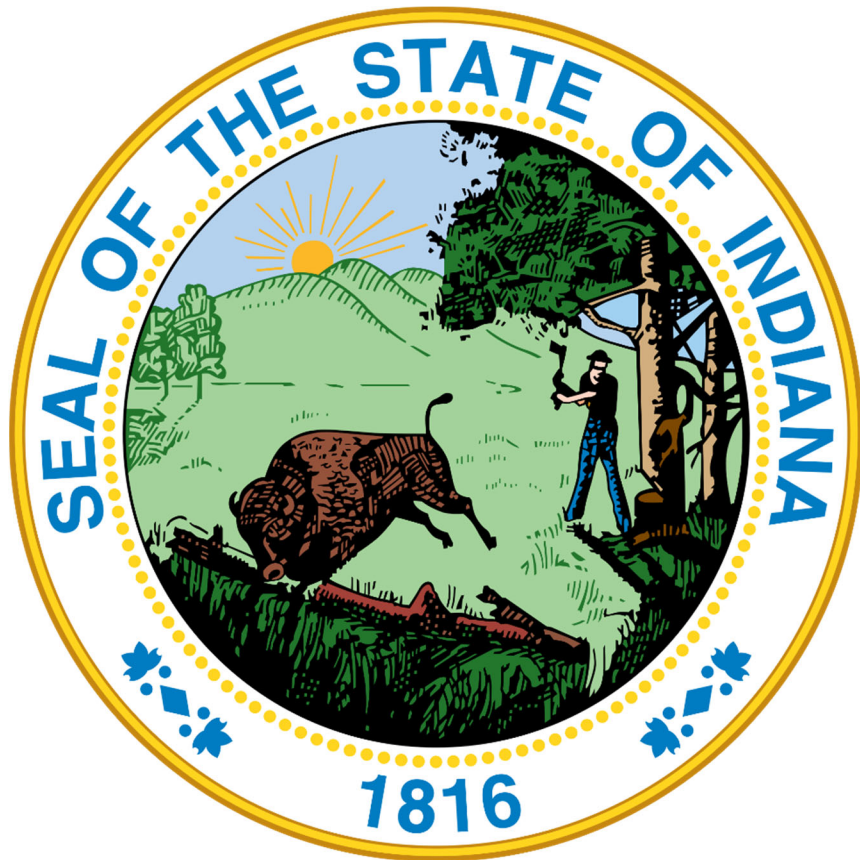
(amounts expressed in thousands)

	Residual Malpractice Insurance Authority	Inns and Concessions	Total
Cash flows from operating activities:			
Cash received from customers	\$ 594	\$ 26,390	\$ 26,984
Cash paid for general and administrative	(560)	(17,805)	(18,365)
Cash paid to suppliers	-	(5,425)	(5,425)
Cash paid for claims expense	(1,634)	-	(1,634)
Net cash provided (used) by operating activities	(1,600)	3,160	1,560
Cash flows from noncapital financing activities:			
Transfers out	-	(1,986)	(1,986)
Net cash provided (used) by noncapital financing activities	-	(1,986)	(1,986)
Cash flows from capital and related financing activities:			
Acquisition/construction of capital assets	-	(254)	(254)
Net cash provided (used) by capital and related financing activities	-	(254)	(254)
Cash flows from investing activities:			
Proceeds from sales of investments	6,500	-	6,500
Purchase of investments	(8,020)	(800)	(8,820)
Interest income (expense) on investments	1,089	86	1,175
Net cash provided (used) by investing activities	(431)	(714)	(1,145)
Net increase (decrease) in cash and cash equivalents	(2,031)	206	(1,825)
Cash and cash equivalents, July 1	4,422	12,671	17,093
Cash and cash equivalents, June 30	\$ 2,391	\$ 12,877	\$ 15,268
Reconciliation of cash , cash equivalents and investments:			
Cash and cash equivalents unrestricted at end of year	\$ 2,391	\$ 12,877	\$ 15,268
Investments unrestricted	64,999	1,135	66,134
Cash, cash equivalents and investments per balance sheet	\$ 67,390	\$ 14,012	\$ 81,402
Noncash investing, capital and financing activities:			
Increase (Decrease) in fair value of investments	\$ (1,520)	\$ -	\$ (1,520)

State of Indiana
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Fiscal Year Ended June 30, 2019

(amounts expressed in thousands)

	Residual Malpractice Insurance Authority	Inns and Concessions	Total
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (360)	\$ 3,060	\$ 2,700
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation/amortization expense	-	57	57
(Increase) decrease in receivables	59	(78)	(19)
(Increase) decrease in inventory	-	(26)	(26)
(Increase) decrease in prepaid expenses	-	17	17
Increase (decrease) in claims payable	(1,168)	-	(1,168)
Increase (decrease) in accounts payable	-	(120)	(120)
Increase (decrease) in unearned revenue	(117)	198	81
Increase (decrease) in salaries payable	-	51	51
Increase (decrease) in compensated absences	-	16	16
Increase (decrease) in other payables	(14)	(15)	(29)
Net cash provided (used) by operating activities	<u>\$ (1,600)</u>	<u>\$ 3,160</u>	<u>\$ 1,560</u>



INTERNAL SERVICE FUNDS

Internal Service Funds account for the operations of State agencies that supply goods or services to other agencies of governmental units on a cost-reimbursement basis.

Institutional Industries - This fund accounts for revenues and expenses incurred from the operation of inmate employment programs. Goods produced or manufactured as a result of such programs are sold to state agencies and political subdivisions of the State as well as to the general public.

Administrative Services Revolving – This fund is used to account for the following rotary funds.

Information Technology Services provides telecommunications and data processing services to State agencies. Revenues consist of charges to user agencies.

Motor Pool Rotary Fund accounts for the operation and maintenance of State garages including the servicing and repair of all automotive equipment owned or controlled by the State. Revenues consist of charges to user agencies.

Printing Rotary Fund accounts for the operation of the State Print Shop, which provides printing services to other State agencies. Revenues consist of charges to user agencies.

General Services Rotary accounts for postal service charges to agencies. Revenues consist of charges to user agencies.

Aviation Rotary Fund accounts for the operation and maintenance of state aircraft. Revenues consist of charges to user agencies.

Self-Insurance Funds - The self-insurance funds consist of the **State Police Health Insurance Fund, State Employee Disability Fund, State Employee Health Insurance Fund, and the Conservation and Excise Officers Health Insurance Fund**. These funds administer health insurance and disability plans for state employees, state police personnel, and conservation and excise police officers as well as for certain school corporations.

State Personnel Department - This fund accounts for revenues and expenses incurred by the Indiana State Personnel Department for providing human resource services to the executive branch of the government.

Accounting Centralization - This fund accounts for revenues and expenses incurred by the Indiana State Budget Agency for providing centralized accounting services to some smaller state agencies.

**State of Indiana
Combining Statement of Net Position
Internal Service Funds
June 30, 2019**
(amounts expressed in thousands)

	Institutional Industries	Administrative Services Revolving	State Police Health Insurance Fund	State Employee Disability Fund	State Employee Health Insurance Fund	Conservation and Excise Officers Health Insurance Fund	State Personnel Department Fund	Accounting Centralization	Total
Assets									
Current assets:									
Cash, cash equivalents and investments - unrestricted	\$ 3,122	\$ 38,611	\$ 16,229	\$ 12,975	\$ 126,324	\$ 2,575	\$ 1,942	\$ 16	\$ 201,794
Receivables:									
Accounts	2,877	1,025	1,328	1,197	15,845	208	77	-	22,557
Interfund services provided	435	9,579	-	-	-	-	-	-	10,014
Inventory	4,019	127	-	-	-	-	-	-	4,146
Prepaid expenses	-	4,000	-	-	-	-	-	-	4,000
Total current assets	10,453	53,342	17,557	14,172	142,169	2,783	2,019	16	242,511
Noncurrent assets:									
Capital assets:									
Capital assets being depreciated/amortized	13,461	97,805	-	-	1,281	-	-	-	112,547
less accumulated depreciation/amortization	(10,342)	(45,542)	-	-	(227)	-	-	-	(56,111)
Total capital assets, net of depreciation/amortization	3,119	52,263	-	-	1,054	-	-	-	56,436
Total noncurrent assets	3,119	52,263	-	-	1,054	-	-	-	56,436
Total assets	13,572	105,605	17,557	14,172	143,223	2,783	2,019	16	298,947
Deferred Outflows of Resources									
Related to pensions	967	3,158	-	-	-	-	770	39	4,934
Related to OPEB	20	65	-	-	-	-	16	1	102
Total deferred outflows of resources	987	3,223	-	-	-	-	786	40	5,036
Liabilities									
Current liabilities:									
Accounts payable	1,625	2,814	3,634	4,018	44,062	829	58	-	57,040
Salaries and benefits payable	321	1,369	-	-	50	-	384	9	2,133
Accrued liability for compensated absences	294	2,111	-	-	42	-	366	26	2,839
Unearned revenue	12	211	-	-	-	-	-	-	223
Other liabilities	4	-	-	-	-	-	-	-	4
Total current liabilities	2,256	6,505	3,634	4,018	44,154	829	808	35	62,239
Noncurrent liabilities:									
Accrued liability for compensated absences	285	2,218	-	-	39	-	380	26	2,948
Net pension liability	4,257	13,901	-	-	-	-	3,388	174	21,720
OPEB Liability	10	33	-	-	-	-	8	-	51
Total noncurrent liabilities	4,552	16,152	-	-	39	-	3,776	200	24,719
Total liabilities	6,808	22,657	3,634	4,018	44,193	829	4,584	235	86,958
Deferred Inflows of Resources									
Related to pensions	714	2,330	-	-	-	-	568	29	3,641
Related to OPEB	27	89	-	-	-	-	22	1	139
Total deferred inflows of resources	741	2,419	-	-	-	-	590	30	3,780
Net position									
Net investment in capital assets	3,119	52,263	-	-	1,054	-	-	-	56,436
Unrestricted (deficit)	3,891	31,489	13,923	10,154	97,976	1,954	(2,369)	(209)	156,809
Total net position	\$ 7,010	\$ 83,752	\$ 13,923	\$ 10,154	\$ 99,030	\$ 1,954	\$ (2,369)	\$ (209)	\$ 213,245

**State of Indiana
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2019**

(amounts expressed in thousands)

	Institutional Industries	Administrative Services Revolving	State Police Health Insurance Fund	State Employee Disability Fund	State Employee Health Insurance Fund	Conservation and Excise Officers Health Insurance Fund	State Personnel Department Fund	Accounting Centralization	Total
Operating revenues:									
Sales/rents/premiums	\$ 35,066	\$ 130,801	\$ 40,726	\$ 6,824	\$ 377,721	\$ 6,535	\$ -	\$ -	\$ 597,673
Charges for services	-	75	-	-	-	-	11,084	393	11,552
Other	-	-	-	1,435	-	-	-	-	1,435
Total operating revenues	35,066	130,876	40,726	8,259	377,721	6,535	11,084	393	610,660
Cost of sales	18,227	1,624	-	-	-	-	-	-	19,851
Gross margin	16,839	129,252	40,726	8,259	377,721	6,535	11,084	393	590,809
Operating expenses:									
General and administrative expense	14,337	120,014	2,212	814	15,984	373	11,109	375	165,218
Health / disability benefit payments	-	-	31,234	16,381	341,394	6,089	-	-	395,098
Depreciation and amortization	237	13,294	-	-	44	-	-	-	13,575
Total operating expenses	14,574	133,308	33,446	17,195	357,422	6,462	11,109	375	573,891
Operating income (loss)	2,265	(4,056)	7,280	(8,936)	20,299	73	(25)	18	16,918
Nonoperating revenues (expenses):									
Interest and other investment income	4	-	-	-	-	-	-	-	4
Gain (Loss) on disposition of assets	4	573	-	-	-	-	-	-	577
Contributions to other postemployment benefits	-	-	(8,606)	(387)	(3,900)	(1,087)	-	-	(13,980)
Other	-	14	-	-	-	-	-	-	14
Total nonoperating revenues (expenses)	8	587	(8,606)	(387)	(3,900)	(1,087)	-	-	(13,385)
Income before contributions and transfers	2,273	(3,469)	(1,326)	(9,323)	16,399	(1,014)	(25)	18	3,533
Capital contributions	-	17,608	-	-	-	-	-	-	17,608
Transfers in	467	1,282	-	-	-	-	-	-	1,749
Transfers (out)	(766)	-	-	-	-	-	-	-	(766)
Change in net position	1,974	15,421	(1,326)	(9,323)	16,399	(1,014)	(25)	18	22,124
Total net position, July 1, as restated	5,036	68,331	15,249	19,477	82,631	2,968	(2,344)	(227)	191,121
Total net position, June 30	\$ 7,010	\$ 83,752	\$ 13,923	\$ 10,154	\$ 99,030	\$ 1,954	\$ (2,369)	\$ (209)	\$ 213,245

State of Indiana
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

	Institutional Industries	Administrative Services Revolving	State Police Health Insurance Fund	State Employee Disability Fund	State Employee Health Insurance Fund	Conservation and Excise Officers Health Insurance Fund	State Personnel Department Fund	Accounting Centralization	Total
Cash flows from operating activities:									
Cash received from customers	\$ 27,948	\$ 15,748	\$ 40,703	\$ 8,718	\$ 379,751	\$ 6,610	\$ 11,061	\$ 393	\$ 490,932
Cash received from interfund services provided	7,316	115,236	-	-	-	-	-	-	122,552
Cash paid for general and administrative	(14,633)	(121,464)	(2,212)	(814)	(17,585)	(373)	(10,753)	(377)	(168,211)
Cash paid for salary/health/disability benefit payments	-	-	(31,119)	(15,547)	(332,318)	(6,101)	-	-	(385,085)
Cash paid to suppliers	(19,250)	(1,638)	-	-	-	-	-	-	(20,888)
Net cash provided (used) by operating activities	1,381	7,882	7,372	(7,643)	29,848	136	308	16	39,300
Cash flows from noncapital financing activities:									
Transfers in	467	1,281	-	-	-	-	-	-	1,748
Transfers out	(766)	-	-	-	-	-	-	-	(766)
Contributions to other postemployment benefits	-	-	(8,606)	(387)	(3,900)	(1,087)	-	-	(13,980)
Other	-	14	-	-	-	-	-	-	14
Net cash provided (used) by noncapital financing activities	(299)	1,295	(8,606)	(387)	(3,900)	(1,087)	-	-	(12,984)
Cash flows from capital and related financing activities:									
Acquisition/construction of capital assets	-	(23,856)	-	-	(1)	-	-	-	(23,857)
Proceeds from sale of assets	4	1,294	-	-	-	-	-	-	1,298
Capital contributions	-	17,608	-	-	-	-	-	-	17,608
Net cash provided (used) by capital and related financing activities	4	(4,954)	-	-	(1)	-	-	-	(4,951)
Cash flows from investing activities:									
Interest income (expense) on investments	4	-	-	-	-	-	-	-	4
Net cash provided (used) by investing activities	4	-	-	-	-	-	-	-	4
Net increase (decrease) in cash and cash equivalents	1,090	4,223	(1,234)	(8,030)	25,947	(951)	308	16	21,369
Cash and cash equivalents, July 1	2,032	34,388	17,463	21,005	100,377	3,526	1,634	-	180,425
Cash and cash equivalents, June 30	\$ 3,122	\$ 38,611	\$ 16,229	\$ 12,975	\$ 126,324	\$ 2,575	\$ 1,942	\$ 16	\$ 201,794
Reconciliation of cash, cash equivalents and investments:									
Cash and cash equivalents unrestricted at end of year	\$ 3,122	\$ 38,611	\$ 16,229	\$ 12,975	\$ 126,324	\$ 2,575	\$ 1,942	\$ 16	\$ 201,794
Cash, cash equivalents and investments per balance sheet	\$ 3,122	\$ 38,611	\$ 16,229	\$ 12,975	\$ 126,324	\$ 2,575	\$ 1,942	\$ 16	\$ 201,794

State of Indiana
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

	Institutional Industries	Administrative Services Revolving	State Police Health Insurance Fund	State Employee Disability Fund	State Employee Health Insurance Fund	Conservation and Excise Officers Health Insurance Fund	State Personnel Department Fund	Accounting Centralization	Total
Operating income (loss)	\$ 2,265	\$ (4,066)	\$ 7,280	\$ (8,936)	\$ 20,299	\$ 73	\$ (25)	\$ 18	\$ 16,918
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:									
Depreciation/amortization expense	237	13,285	-	-	44	-	-	-	13,576
(Increase) decrease in receivables	198	226	(23)	459	2,030	75	(24)	-	2,941
(Increase) decrease in interfund services provided	(11)	(328)	-	-	-	-	-	-	(339)
(Increase) decrease in inventory	(853)	(14)	-	-	-	-	-	-	(867)
(Increase) decrease in prepaid expenses	-	(4,000)	-	-	-	-	-	-	(4,000)
(Increase) decrease in deferred outflows	811	2,345	-	-	-	-	494	29	3,679
Increase (decrease) in accounts payable	(169)	2,395	115	834	7,464	(12)	63	-	10,690
Increase (decrease) in unearned revenue	10	-	-	-	-	-	-	-	10
Increase (decrease) in salaries payable	(15)	76	-	-	(1)	-	41	(3)	98
Increase (decrease) in compensated absences	(36)	362	-	-	12	-	88	2	428
Increase (decrease) in net pension liabilities	(1,714)	(4,585)	-	-	-	-	(861)	(56)	(7,216)
Increase (decrease) in net OPEB liabilities	(32)	(96)	-	-	-	-	(22)	(2)	(152)
Increase (decrease) in deferred inflows	690	2,262	-	-	-	-	554	28	3,534
Net cash provided (used) by operating activities	\$ 1,381	\$ 7,882	\$ 7,372	\$ (7,643)	\$ 29,848	\$ 136	\$ 308	\$ 16	\$ 39,300

Reconciliation of operating income to net cash provided (used) by operating activities:

Operating income (loss)

Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:

Depreciation/amortization expense

(Increase) decrease in receivables

(Increase) decrease in interfund services provided

(Increase) decrease in inventory

(Increase) decrease in prepaid expenses

(Increase) decrease in deferred outflows

Increase (decrease) in accounts payable

Increase (decrease) in unearned revenue

Increase (decrease) in salaries payable

Increase (decrease) in compensated absences

Increase (decrease) in net pension liabilities

Increase (decrease) in net OPEB liabilities

Increase (decrease) in deferred inflows

Net cash provided (used) by operating activities

FIDUCIARY FUNDS

Fiduciary funds account for assets held by or on behalf of the government in a trustee capacity or as an agent on behalf of others.

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, and other post-employment benefit plans.

State Police Pension Fund - This fund is used to account for assets held for a defined benefit, single-employer public employee retirement system administered by the Indiana State Police.

State Police Supplemental Trust - This fund is used to account for a defined benefit, single-employer public employee retirement system that provides additional benefits under the supplemental pension trust agreement administered by the Treasurer of the State of Indiana with the Indiana State Police.

State Employee Retiree Health Benefit Trust Fund-DB - This fund is used to account for assets held for the State's defined benefit, single-employer OPEB plans: the State Personnel Plan (SPP) administered by the State Personnel Department; Indiana State Police Plan (ISPP) administered by the Indiana State Police; and the Conservation and Excise Police Plan (CEPP) administered by the Indiana State Excise Police and Indiana Conservation Officers Health Insurance Committee.

State Employee Retiree Health Benefit Trust Fund-DC - This fund is used to account for assets held for a defined contribution, single-employer OPEB plan administered by the State Budget Agency.

Indiana Public Retirement System – INPRS administers and manages public pension plans including the Public Employees' Retirement Fund (PERF), the Teachers' Retirement Fund (TRF), the Prosecuting Attorney's Retirement Fund (PARF), the 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund), the Legislators Retirement System (LRS), the Judges Retirement System (JRS), and the State Excise, Gaming Agent, Gaming Control Officers and Conservation Enforcement Officers' Retirement Plan (EG&C). The PERF, TRF, and 1977 Fund plans are cost-sharing, multiple-employer defined benefit plans. The LRS plan has both a single-employer defined benefit plan and a single-employer defined contribution plan. The PARF, JRS, and EG&C plans are single-employer defined benefit plans. INPRS also oversees three non-retirement funds which are the Pension Relief Fund, the Public Safety Officers' Special Death Benefit Fund and the State Employees' Death Benefit Fund.

FIDUCIARY FUNDS

PRIVATE-PURPOSE TRUST FUNDS

Private-Purpose trust funds are used to account for trust arrangements in which both the principal and interest may be spent for the benefit of individuals, private organizations or other governments.

Abandoned Property Fund - This fund is used to administer abandoned property of individuals, private organizations and other governments held by the State.

Private-Purpose Trust Fund - This fund is used to account for a group of fund centers under which principal and interest benefit individuals, private organizations, or other governments.

AGENCY FUNDS

Agency funds account for resources that are custodial in nature. They generally are amounts held by the State of Indiana on behalf of third parties.

Employee Payroll, Withholding and Benefits Funds - These funds are used for the disposition of various payroll-related deductions and contributions such as social security and insurance contributions.

Local Distributions Fund - This fund is composed of accounts used to distribute revenue collections to local units of government based upon statutory formulas.

Child Support Fund - This fund is used for the collection and distribution of child support payments.

Department of Insurance Fund - This fund includes security deposits of insurance companies, health maintenance organizations and third party administrators as required.

Other Agency Funds – This category comprises various escrows, revenue collection, and agency accounts for which the State acts in an agent capacity until proper disposition of the assets can be made.

State of Indiana
Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
June 30, 2019

(amounts expressed in thousands)

	Primary Government				Fiduciary in Nature Component Unit	
	State Police Pension Fund	State Police Supplemental Trust	State Employee Retiree Health Benefit Trust Fund - DB	State Employee Retiree Health Benefit Trust Fund - DC	Indiana Public Retirement System	Total
Assets						
Cash, cash equivalents and non-pension investments	\$ 30,713	\$ -	\$ 36,943	\$ 225,454	\$ 3,185	\$ 296,295
Securities lending collateral	-	-	-	-	102,422	102,422
Receivables:						
Contributions	406	74	172	2,644	31,202	34,498
Interest	623	-	861	1,194	98,368	101,046
Securities lending	-	-	-	270	-	270
Member loans	73	-	-	-	-	73
From investment sales	2,463	-	-	-	8,713,504	8,715,967
Total receivables	3,565	74	1,033	4,108	8,843,074	8,851,854
Pension and other employee benefit investments at fair value:						
Short term investments	-	-	-	-	1,792,549	1,792,549
Equity Securities	211,895	-	-	-	9,200,946	9,412,841
Debt Securities	130,314	-	170,717	131,042	13,305,766	13,737,839
Other	116,327	-	-	-	12,639,458	12,755,785
Total investments at fair value	458,536	-	170,717	131,042	36,938,719	37,699,014
Other assets	-	-	-	-	201	201
Property, plant and equipment net of accumulated depreciation	15	-	-	-	4,911	4,926
Total assets	492,829	74	208,693	360,604	45,892,512	46,954,712
Liabilities						
Accounts/escrows payable	99	-	-	24	7,737	7,860
Securities lending payable	-	-	-	270	-	270
Benefits payable	-	74	798	263	109,443	110,578
Investment purchases payable	1,437	-	-	-	8,968,459	8,969,896
Securities purchased payable	-	-	-	-	634,592	634,592
Securities lending collateral	-	-	-	-	102,422	102,422
Other	-	-	-	-	1,506	1,506
Total liabilities	1,536	74	798	557	9,824,159	9,827,124
Net Position						
Restricted for:						
Employees' pension benefits	491,293	-	-	-	36,053,120	36,544,413
OPEB benefits	-	-	207,895	360,047	-	567,942
Future death benefits	-	-	-	-	15,233	15,233
Total net position	\$ 491,293	\$ -	\$ 207,895	\$ 360,047	\$ 36,068,353	\$ 37,127,588

State of Indiana
Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Year Ended June 30, 2019

(amounts expressed in thousands)

	Primary Government				Fiduciary in Nature Component Unit	Total
	State Police Pension Fund	State Police Supplemental Trust	State Employee Retiree Health Benefit Trust Fund - DB	State Employee Retiree Health Benefit Trust Fund - DC	Indiana Public Retirement System	
Additions:						
Member contributions	\$ 5,289	\$ -	\$ -	\$ -	\$ 361,373	\$ 366,662
Employer contributions	29,902	3,983	30,376	29,929	1,161,582	1,255,772
Contributions from the State of Indiana	-	-	-	-	1,145,125	1,145,125
Net investment income (loss)	20,334	-	4,466	10,677	2,537,915	2,573,392
Less investment expense	(1,541)	-	-	-	(210,181)	(211,722)
Federal reimbursements	-	-	618	-	-	618
Other	-	-	300	208	1,831	2,339
Total additions	53,984	3,983	35,760	40,814	4,997,645	5,132,186
Deductions:						
Pension and disability benefits	38,373	3,238	-	-	2,408,830	2,450,441
Retiree health benefits	-	-	10,023	18,171	-	28,194
Death benefits	-	-	-	-	2,001	2,001
Refunds of contributions and interest	18	-	-	-	447,103	447,121
Administrative	389	109	930	2,828	41,398	45,654
Pension relief distributions	-	-	-	-	212,239	212,239
Other	-	636	-	207	284	1,127
Total deductions	38,780	3,983	10,953	21,206	3,111,855	3,186,777
Net increase (decrease) in net position	15,204	-	24,807	19,608	1,885,790	1,945,409
Net position restricted for pension and other employee benefits, July 1, as restated:						
Pension benefits	476,089	-	-	-	34,167,784	34,643,873
OPEB benefits	-	-	183,088	340,439	-	523,527
Future death benefits	-	-	-	-	14,779	14,779
Net position restricted for pension and other employee benefits, June 30, as restated	\$ 491,293	\$ -	\$ 207,895	\$ 360,047	\$ 36,068,353	\$ 37,127,588

State of Indiana
Combining Statement of Net Position
Private-Purpose Trust Funds
June 30, 2019

(amounts expressed in thousands)

	<u>Abandoned Property Fund</u>	<u>Private Purpose Trust Fund</u>	<u>Total</u>
ASSETS			
Cash, cash equivalents and non-pension investments	\$ 45,081	\$ 39,961	\$ 85,042
Receivables:			
Accounts	799	155	954
Interest	-	111	111
Securities lending	-	8	8
Total receivables	<u>799</u>	<u>274</u>	<u>1,073</u>
Total assets	<u>45,880</u>	<u>40,235</u>	<u>86,115</u>
LIABILITIES			
Accounts/escrows payable	210	-	210
Salaries and benefits payable	95	-	95
Securities purchased payable	-	8	8
Total liabilities	<u>305</u>	<u>8</u>	<u>313</u>
NET POSITION			
Restricted for:			
Trust beneficiaries	<u>45,575</u>	<u>40,227</u>	<u>85,802</u>
Total net position	<u>\$ 45,575</u>	<u>\$ 40,227</u>	<u>\$ 85,802</u>

State of Indiana
Combining Statement of Changes in Net Position
Private-Purpose Trust Funds
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Abandoned Property Fund</u>	<u>Private-Purpose Trust Fund</u>	<u>Total</u>
Additions:			
Current Service Charge	\$ -	\$ 9,898	\$ 9,898
Investment Income	10	986	996
Member Contributions	-	87	87
Donations/escheats	111,354	-	111,354
	<u>111,364</u>	<u>10,971</u>	<u>122,335</u>
Deductions:			
Payments to participants/beneficiaries	<u>97,830</u>	<u>9,739</u>	<u>107,569</u>
	<u>97,830</u>	<u>9,739</u>	<u>107,569</u>
Net increase (decrease) in net position	13,534	1,232	14,766
Net position, July 1, as restated	<u>32,041</u>	<u>38,995</u>	<u>71,036</u>
Net position, June 30	<u>\$ 45,575</u>	<u>\$ 40,227</u>	<u>\$ 85,802</u>

State of Indiana
Combining Statement of Net Position
Agency Funds
June 30, 2019
 (amounts expressed in thousands)

	Employee Payroll, Withholding and Benefits	Local Distributions	Child Support	Department of Insurance	Other Agency Funds	Total
Assets:						
Cash, cash equivalents and investments	\$ 1,173	\$ 803,435	\$ 17,788	\$ 222,576	\$ 54,051	\$ 1,099,023
Receivables:						
Taxes	-	18,477	-	-	785	19,262
Accounts	-	-	-	-	86	86
Total assets	\$ 1,173	\$ 821,912	\$ 17,788	\$ 222,576	\$ 54,922	\$ 1,118,371
Liabilities:						
Accounts/escrows payable	\$ 1,173	\$ 821,912	\$ 17,788	\$ 222,576	\$ 54,922	\$ 1,118,371
Total liabilities	\$ 1,173	\$ 821,912	\$ 17,788	\$ 222,576	\$ 54,922	\$ 1,118,371

State of Indiana
Combining Statement of Changes In Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2019

(amounts expressed in thousands)

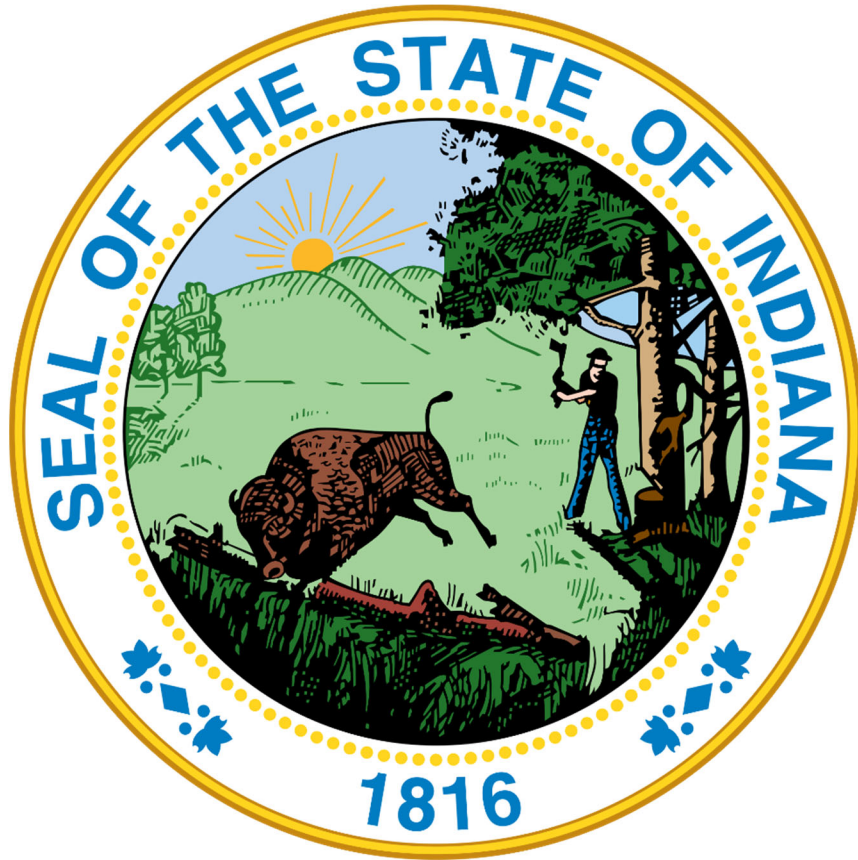
	Balance, July 1	Additions	Deductions	Balance, June 30
Employee Payroll, Withholding and Benefits				
Assets:				
Cash, cash equivalents, and investments	\$ 1,080	\$ 2,449,339	\$ 2,449,246	\$ 1,173
Total assets	<u>\$ 1,080</u>	<u>\$ 2,449,339</u>	<u>\$ 2,449,246</u>	<u>\$ 1,173</u>
Liabilities:				
Accounts / escrows payable	\$ 1,080	\$ 2,449,339	\$ 2,449,246	\$ 1,173
Total liabilities	<u>\$ 1,080</u>	<u>\$ 2,449,339</u>	<u>\$ 2,449,246</u>	<u>\$ 1,173</u>
Local Distributions				
Assets:				
Cash, cash equivalents, and investments	\$ 543,396	\$ 3,296,036	\$ 3,035,997	\$ 803,435
Receivables	18,443	18,477	18,443	18,477
Total assets	<u>\$ 561,839</u>	<u>\$ 3,314,513</u>	<u>\$ 3,054,440</u>	<u>\$ 821,912</u>
Liabilities:				
Accounts / escrows payable	\$ 561,839	\$ 3,314,513	\$ 3,054,440	\$ 821,912
Total liabilities	<u>\$ 561,839</u>	<u>\$ 3,314,513</u>	<u>\$ 3,054,440</u>	<u>\$ 821,912</u>
Child Support				
Assets:				
Cash, cash equivalents, and investments	\$ 17,978	\$ 815,722	\$ 815,912	\$ 17,788
Total assets	<u>\$ 17,978</u>	<u>\$ 815,722</u>	<u>\$ 815,912</u>	<u>\$ 17,788</u>
Liabilities:				
Accounts / escrows payable	\$ 17,978	\$ 815,722	\$ 815,912	\$ 17,788
Total liabilities	<u>\$ 17,978</u>	<u>\$ 815,722</u>	<u>\$ 815,912</u>	<u>\$ 17,788</u>

continued on next page

State of Indiana
Combining Statement of Changes In Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2019

(amounts expressed in thousands)

	Balance, July 1	Additions	Deductions	Balance, June 30
Department of Insurance				
Assets:				
Cash, cash equivalents, and investments	\$ 228,945	\$ 3,772	\$ 10,141	\$ 222,576
Total assets	<u>\$ 228,945</u>	<u>\$ 3,772</u>	<u>\$ 10,141</u>	<u>\$ 222,576</u>
Liabilities:				
Accounts / escrows payable	\$ 228,945	\$ 3,772	\$ 10,141	\$ 222,576
Total liabilities	<u>\$ 228,945</u>	<u>\$ 3,772</u>	<u>\$ 10,141</u>	<u>\$ 222,576</u>
Other Agency Funds				
Assets:				
Cash, cash equivalents, and investments	\$ 63,523	\$ 748,026	\$ 757,498	\$ 54,051
Receivables	897	871	897	871
Total assets	<u>\$ 64,420</u>	<u>\$ 748,897</u>	<u>\$ 758,395</u>	<u>\$ 54,922</u>
Liabilities:				
Accounts / escrows payable	\$ 64,420	\$ 748,897	\$ 758,395	\$ 54,922
Total liabilities	<u>\$ 64,420</u>	<u>\$ 748,897</u>	<u>\$ 758,395</u>	<u>\$ 54,922</u>
Total Agency Funds				
Assets:				
Cash, cash equivalents, and investments	\$ 854,922	\$ 7,312,895	\$ 7,068,794	\$ 1,099,023
Receivables	19,340	19,348	19,340	19,348
Total assets	<u>\$ 874,262</u>	<u>\$ 7,332,243</u>	<u>\$ 7,088,134</u>	<u>\$ 1,118,371</u>
Liabilities:				
Accounts / escrows payable	\$ 874,262	\$ 7,332,243	\$ 7,088,134	\$ 1,118,371
Total liabilities	<u>\$ 874,262</u>	<u>\$ 7,332,243</u>	<u>\$ 7,088,134</u>	<u>\$ 1,118,371</u>



NON-MAJOR DISCRETELY PRESENTED COMPONENT UNITS

GOVERNMENTAL FUNDS

Governmental component units represent funds that are legally separate from the State of Indiana, but provide valuable and beneficial services to the State and its citizens. The non-major discretely presented component unit consists of the following governmental fund:

Indiana Economic Development Corporation – The responsibility of this corporation is to improve the quality of life for the citizens of Indiana by encouraging the diversification of Indiana's economy, by the orderly economic development and growth of Indiana, the creation of new jobs, the growth and modernization of existing industry and the promotion of Indiana.

PROPRIETARY FUNDS

Proprietary component units represent funds that are legally separate from the State of Indiana, but provide valuable and beneficial services to the State and its citizens. The non-major discretely presented component units consist of the following proprietary funds:

Indiana Stadium and Convention Building Authority – The authority's responsibility is to finance, design, construct and own the new Indiana Stadium in Indianapolis and the expansion of the adjacent Indiana Convention Center.

Indiana Bond Bank – The Bond Bank issues debt obligations and invests the proceeds in various projects of State and local governments.

Indiana Housing and Community Development Authority – The authority's purpose is to finance residential housing for persons and families of low and moderate incomes.

Indiana Board for Depositories – The board is responsible to ensure the safekeeping and prompt payment of all public funds deposited in Indiana banks. It provides insurance on public funds in excess of the Federal Deposit Insurance Corporation limit.

Indiana Secondary Market for Education Loans Inc. – The company is responsible for purchasing education loans in the secondary market.

White River State Park Development Commission – The responsibility of this commission is to design and implement a plan for the establishment and development of park, exposition, educational, athletic, and recreational projects to be located within one mile from the banks of the Indiana White River in a consolidated first-class city and county.

Ports of Indiana – The responsibility of this commission is to construct, maintain, and operate public ports with terminal facilities and traffic exchange points for all forms of transportation on Lake Michigan and the Ohio and Wabash Rivers.

State Fair Commission – This commission is responsible for holding the annual Indiana State Fair and for operating and maintaining the State Fairgrounds and other properties it owns.

Indiana Comprehensive Health Insurance Association – The responsibility of this Association is to assure that health insurance is made available throughout the year to each eligible Indiana resident applying to the Association for coverage.

Indiana Political Subdivision Risk Management Commission – This commission is responsible for administering the Basic and Catastrophic funds that aid political subdivisions in protecting themselves against liabilities.

Indiana State Museum and Historic Sites Corporation – The responsibility of this corporation is to operate and administer the state historic sites including the Indiana State Museum which collects, conserves and exhibits artifacts and materials reflecting the cultural and natural history of Indiana.

Indiana Motorsports Commission – The commission is responsible for financing and leasing real and personal property improvements for the benefit of an owner of a qualified motorsports facility within a motorsports investment district.

COLLEGES AND UNIVERSITIES

College and university funds are used to account for the operations of state-supported colleges and universities. The non-major discretely presented component units consist of the following institutions:

Ball State University
Indiana State University
Ivy Tech Community College of Indiana
University of Southern Indiana
Vincennes University

State of Indiana
Combining Statement of Net Position
Non-Major Discretely Presented Component Units -
Governmental Funds
June 30, 2019

(amounts expressed in thousands)

	Indiana Economic Development Corporation	Totals
Assets		
Current assets:		
Cash, cash equivalents and investments - unrestricted	\$ 18,980	\$ 18,980
Cash, cash equivalents and investments - restricted	105,720	105,720
Receivables (net)	1,528	1,528
Total current assets	126,228	126,228
Noncurrent assets:		
Loans	77,741	77,741
Capital assets:		
Capital assets being depreciated/amortized	494	494
less accumulated depreciation/amortization	(214)	(214)
Total capital assets, net of depreciation/amortization	280	280
Total noncurrent assets	78,021	78,021
Total assets	204,249	204,249
Deferred Outflows of Resources		
Related to pensions	1,312	1,312
Total deferred outflows of resources	1,312	1,312
Liabilities		
Current liabilities:		
Accounts payable	9,269	9,269
Unearned revenue	2,480	2,480
Accrued liability for compensated absences	508	508
Other liabilities	333	333
Total current liabilities	12,590	12,590
Noncurrent liabilities:		
Net pension and OPEB liabilities	4,006	4,006
Total noncurrent liabilities	4,006	4,006
Total liabilities	16,596	16,596
Deferred inflows of resources		
Related to pensions	661	661
Total deferred inflows of resources	661	661
NET POSITION		
Net investment in capital assets	280	280
Restricted - nonexpendable:		
Restricted - expendable:		
Grants/constitutional restrictions	180,592	180,592
Unrestricted	7,432	7,432
Total net position	\$ 188,304	\$ 188,304

**State of Indiana
Combining Statement of Activities
Non-Major Discretely Presented Component Units -
Governmental Funds
For the Fiscal Year Ended June 30, 2019**

(amounts expressed in thousands)

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Indiana Economic Development Corporation	Total
Indiana Economic Development Corporation	\$ 83,783	\$ -	\$ 9,223	\$ -	\$ (74,560)	\$ (74,560)
Total component units	\$ 83,783	\$ -	\$ 9,223	\$ -	\$ (74,560)	\$ (74,560)
General Revenues:						
Gaming tax			2,245		2,245	2,245
Total taxes					2,245	2,245
Revenue not restricted to specific programs				450	450	450
Investment earnings				68,140	68,140	68,140
Payments from State of Indiana						
Total general revenues				70,835	70,835	70,835
Changes in net position				(3,725)	(3,725)	(3,725)
Net position - beginning				192,029	192,029	192,029
Net position - ending				\$ 188,304	\$ 188,304	\$ 188,304

State of Indiana
Combining Statement of Net Position
Non-Major Discretely Presented Component Units -
Proprietary Funds
June 30, 2019
(amounts expressed in thousands)

	Indiana Stadium and Convention Building Authority	Indiana Bond Bank	Indiana Housing and Community Development Authority	Indiana Board for Depositories	Indiana Secondary Market for Education Loans Inc.
Assets					
Current assets:					
Cash, cash equivalents and investments - unrestricted	\$ -	\$ 8,102	\$ 87,820	\$ 135,253	\$ 104,620
Cash, cash equivalents and investments - restricted	58,461	35,931	160,518	-	1,976
Receivables (net)	1,728	225,259	11,653	1,586	2,911
Due from primary government	-	-	-	5,000	-
Inventory	-	-	-	-	-
Prepaid expenses	-	-	-	24	278
Loans	-	-	17,284	-	7,073
Investment in direct financing lease	11,075	-	-	-	-
Other assets	-	-	1,026	-	-
Total current assets	71,264	269,292	278,301	141,863	116,858
Noncurrent assets:					
Cash, cash equivalents and investments - unrestricted	-	6,101	126,777	156,167	23,096
Cash, cash equivalents and investments - restricted	-	31,206	494,103	-	-
Receivables (net)	-	576,663	-	-	2,106
Due from primary government	-	-	-	15,000	-
Loans	-	-	90,487	-	88,037
Investment in direct financing lease	928,934	-	-	-	-
Other assets	-	-	-	-	-
Capital assets:					
Capital assets not being depreciated/amortized	-	-	-	-	-
Capital assets being depreciated/amortized	-	-	9,446	599	428
less accumulated depreciation/amortization	-	-	(6,983)	(268)	(284)
Total capital assets, net of depreciation/amortization	-	-	2,463	331	144
Total noncurrent assets	928,934	613,970	713,830	171,498	113,383
Total assets	1,000,198	883,262	992,131	313,361	230,241
Deferred Outflows of Resources					
Accumulated decrease in fair value of hedging derivatives	107,033	3,216	9	-	-
Debt refunding loss	789	6,314	2,068	-	-
Related to pensions	-	76	520	5	-
Deferred swap termination	60,459	-	-	-	-
Total deferred outflows of resources	168,281	9,606	2,597	5	-
Liabilities					
Current liabilities:					
Accounts payable	30	356	8,833	138	640
Interest payable	14,008	10,106	4,371	-	32
Unearned revenue	-	-	58,710	-	-
Accrued liability for compensated absences	-	-	-	-	-
Other liabilities	-	33,868	-	-	-
Current portion of long-term liabilities	11,075	238,887	11,052	-	8,787
Total current liabilities	25,113	283,217	82,966	138	9,459
Noncurrent liabilities:					
Accrued liability for compensated absences	-	-	-	-	-
Net pension and OPEB liabilities	-	192	3,340	18	-
Revenue bonds/notes payable	1,016,032	591,488	464,389	-	63,917
Derivative instrument liability	107,033	3,216	9	-	-
Other noncurrent liabilities	835	-	360	-	-
Total noncurrent liabilities	1,123,900	594,896	468,098	18	63,917
Total liabilities	1,149,013	878,113	551,064	156	73,376
Deferred Inflows of Resources					
Advanced payment for service concession agreement	-	-	-	-	-
Related to pensions	-	35	706	3	-
Related to irrevocable split interest agreements	-	-	-	-	-
Total deferred inflows of resources	-	35	706	3	-
Net Position					
Net investment in capital assets	-	-	2,015	331	144
Restricted - nonexpendable:					
Permanent funds	-	-	-	-	-
Restricted - expendable:					
Grants/constitutional restrictions	19,466	-	161,238	-	-
Future debt service	-	264	68,494	-	1,976
Student aid	-	-	-	-	-
Endowments	-	-	-	-	-
Capital projects	-	-	-	-	-
Other purposes	-	-	-	-	-
Unrestricted	-	14,456	211,211	312,876	154,745
Total net position	\$ 19,466	\$ 14,720	\$ 442,958	\$ 313,207	\$ 156,865

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White River State Park Development Commission	Ports of Indiana	Indiana State Fair Commission	Indiana Comprehensive Health Insurance Association	Indiana Political Subdivision Risk Management Commission	Indiana State Museum and Historic Sites Corporation	Indiana Motorsports Commission	Totals
\$ 3,277	\$ 21,747	\$ 3,704	\$ 11,570	\$ 4,797	\$ 6,746	\$ -	\$ 387,636
8,960	-	1,370	-	-	-	5,826	273,042
211	391	1,031	1,615	24	752	11	247,172
-	-	-	-	-	-	-	5,000
26	-	-	-	-	145	-	171
80	318	-	50	23	96	-	869
-	-	-	-	-	-	-	24,357
-	-	-	-	-	-	3,615	14,690
-	-	-	-	-	-	-	1,026
12,554	22,456	6,105	13,235	4,844	7,739	9,452	953,963
-	22,000	-	-	-	990	-	335,131
-	-	-	-	-	2,643	-	527,952
-	-	85	-	-	10	-	578,864
-	-	-	-	-	-	-	15,000
-	-	-	-	-	-	-	178,524
-	-	-	-	-	-	79,220	1,008,154
-	-	-	-	-	119	-	119
84,262	37,052	17,800	-	-	-	-	139,114
54,045	145,627	149,072	-	-	1,081	-	360,298
(24,010)	(81,150)	(88,422)	-	-	(965)	-	(202,082)
114,297	101,529	78,450	-	-	116	-	297,330
114,297	123,529	78,535	-	-	3,878	79,220	2,941,074
126,851	145,985	84,640	13,235	4,844	11,617	88,672	3,895,037
-	-	-	-	-	-	-	110,258
-	-	-	-	-	-	-	9,171
155	324	509	-	-	1,074	-	2,663
-	-	-	-	-	-	-	60,459
155	324	509	-	-	1,074	-	182,551
607	1,553	2,340	22	-	637	-	15,156
-	-	-	-	-	-	1,528	30,045
-	-	387	-	-	179	-	59,276
-	-	215	-	-	-	-	215
-	182	-	-	-	-	-	34,050
33	-	1,755	-	-	-	3,615	275,204
640	1,735	4,697	22	-	816	5,143	413,946
-	-	75	-	-	-	-	75
382	1,522	3,109	-	-	3,803	-	12,366
216	-	-	-	-	-	78,520	2,214,562
-	-	-	-	-	-	-	110,258
-	-	45,274	-	-	-	-	46,469
598	1,522	48,458	-	-	3,803	78,520	2,383,730
1,238	3,257	53,155	22	-	4,619	83,663	2,797,676
-	3,654	-	-	-	-	-	3,654
62	246	503	-	-	906	-	2,461
-	-	-	-	-	119	-	119
62	3,900	503	-	-	1,025	-	6,234
114,049	101,347	31,421	-	-	116	-	249,423
-	-	-	-	-	782	-	782
-	-	687	-	-	2,500	5,009	188,900
-	-	583	-	-	-	-	71,317
2	-	-	-	-	-	-	2
-	-	-	-	-	1,086	-	1,086
6,917	-	101	-	-	2,998	-	10,016
-	-	-	-	-	4	-	4
4,738	37,805	(1,301)	13,213	4,844	(439)	-	752,148
\$ 125,706	\$ 139,152	\$ 31,491	\$ 13,213	\$ 4,844	\$ 7,047	\$ 5,009	\$ 1,273,678

**State of Indiana
Combining Statement of Activities
Non-Major Discretely Presented Component Units -
Proprietary Funds
For the Fiscal Year Ended June 30, 2019**
(amounts expressed in thousands)

	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Indiana Stadium and Convention Building Authority	Indiana Bond Bank	Indiana Housing and Community Development Authority	Indiana Board for Depositories
Indiana Stadium and Convention Building Authority	\$ 52,299	\$ 52,244	\$ 4,147	\$ -	\$ 4,092	\$ -	\$ -	\$ -
Indiana Bond Bank	33,478	893	32,268	-	-	(317)	-	-
Indiana Housing and Community Development Authority	430,863	23,463	404,771	-	-	-	(2,629)	-
Indiana Board for Depositories	2,716	-	10,134	-	-	-	-	7,418
Indiana Secondary Market for Education Loans Inc.	6,621	-	4,193	-	-	-	-	-
White River State Park Development Commission	5,566	3,464	105	-	-	-	-	-
Ports of Indiana	9,932	13,148	350	882	-	-	-	-
Indiana State Fair Commission	33,762	20,496	382	-	-	-	-	-
Indiana Comprehensive Health Insurance Association	182	123	-	-	-	-	-	-
Indiana Political Subdivision Risk Management Commission	98	-	-	-	-	-	-	-
Indiana State Museum and Historic Sites Corporation	15,993	2,332	2,617	-	-	-	-	-
Indiana Motorsports Commission	5,406	2,000	-	-	-	-	-	-
Total component units	\$ 596,916	\$ 118,163	\$ 458,967	\$ 882	\$ 4,092	\$ (317)	\$ (2,629)	\$ 7,418
General revenues:								
Investment earnings								
Payments from State of Indiana					1,386	264	6,484	-
Other					-	-	-	-
Total general revenues					1,386	264	6,484	-
Change in net position					5,478	(53)	3,855	7,418
Net position - beginning, as restated					13,988	14,773	439,103	305,789
Net position - ending					\$ 19,466	\$ 14,720	\$ 442,958	\$ 313,207

State of Indiana
Combining Statement of Activities
Non-Major Discretely Presented Component Units -
Proprietary Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

		Net (Expense) Revenue and Changes in Net Position							
	Indiana Secondary Market for Education Loans Inc.	White River State Park Development Commission	Ports of Indiana	Indiana State Fair Commission	Indiana Comprehensive Health Insurance Association	Indiana Political Subdivision Risk Management Commission	Indiana State Museum and Historic Sites Corporation	Indiana Motorsports Commission	Total
Indiana Stadium and Convention Building Authority	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,092
Indiana Bond Bank	-	-	-	-	-	-	-	-	(317)
Indiana Housing and Community Development Authority	-	-	-	-	-	-	-	-	(2,629)
Indiana Board for Depositories	-	-	-	-	-	-	-	-	7,418
Indiana Secondary Market for Education Loans Inc.	(2,428)	-	-	-	-	-	-	-	(2,428)
White River State Park Development Commission	-	(1,997)	-	-	-	-	-	-	(1,997)
Ports of Indiana	-	-	4,448	-	-	-	-	-	4,448
Indiana State Fair Commission	-	-	-	(12,884)	-	-	-	-	(12,884)
Indiana Comprehensive Health Insurance Association	-	-	-	-	(59)	-	-	-	(59)
Indiana Political Subdivision Risk Management Commission	-	-	-	-	-	(98)	-	-	(98)
Indiana State Museum and Historic Sites Corporation	-	-	-	-	-	-	(11,044)	-	(11,044)
Indiana Motorsports Commission	-	-	-	-	-	-	-	(3,406)	(3,406)
Total component units	(2,428)	(1,997)	4,448	(12,884)	(59)	(98)	(11,044)	(3,406)	(18,904)
General revenues:									
Investment earnings	8,824	87	678	33	-	69	288	109	18,222
Payments from State of Indiana	-	9,516	-	11,073	-	-	9,428	3,445	33,462
Other	-	-	222	-	-	-	-	-	222
Total general revenues	8,824	9,603	900	11,106	-	69	9,716	3,554	51,906
Change in net position	6,396	7,606	5,348	(1,778)	(59)	(29)	(1,328)	148	33,002
Net position - beginning, as restated	150,469	118,100	133,804	33,269	13,272	4,873	8,375	4,861	1,240,676
Net position - ending	\$ 156,865	\$ 125,706	\$ 139,152	\$ 31,491	\$ 13,213	\$ 4,844	\$ 7,047	\$ 5,009	\$ 1,273,678

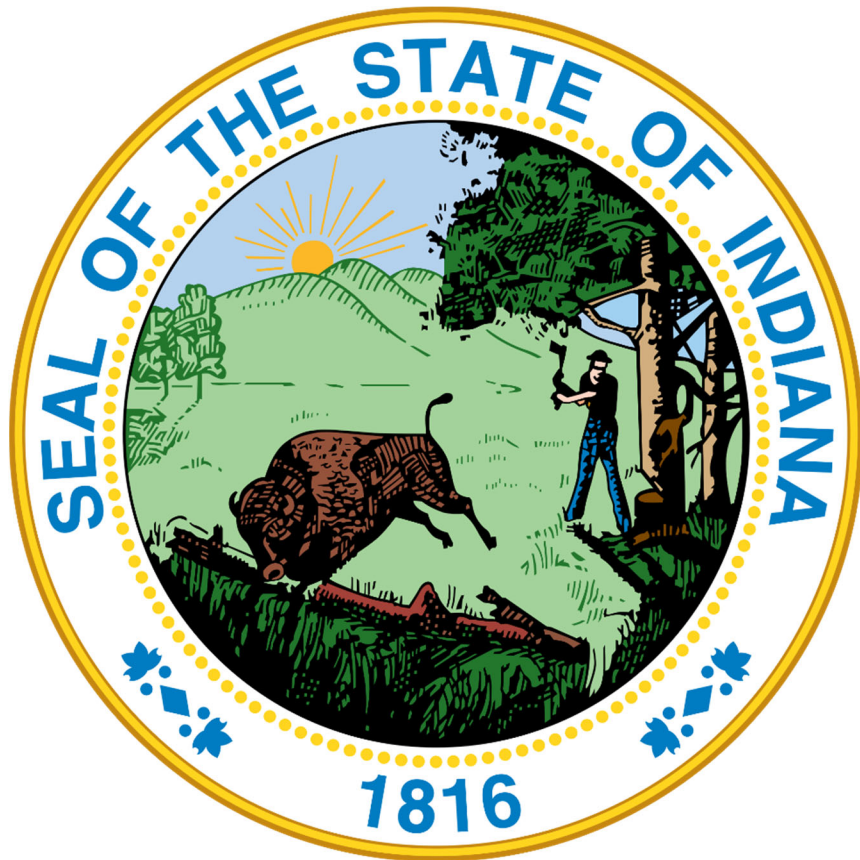
**State of Indiana
Combining Statement of Net Position
Non-Major Discretely Presented Component Units -
Colleges and Universities
June 30, 2019**

(amounts expressed in thousands)

	Ball State University	Indiana State University	Ivy Tech Community College	University of Southern Indiana	Vincennes University	Totals
Assets						
Current assets:						
Cash, cash equivalents and investments - unrestricted	\$ 135,909	\$ 46,347	\$ 210,324	\$ 43,707	\$ 75,841	\$ 512,128
Cash, cash equivalents and investments - restricted	90,294	49,233	5,121	1,637	5,832	152,117
Receivables (net)	39,442	21,989	50,040	9,430	8,433	129,334
Due from primary government	-	2,587	-	-	-	2,587
Inventory	1,122	7	14	1,861	1,311	4,315
Prepaid expenses	2,343	2,642	3,992	1	439	9,417
Investment in direct financing lease	-	-	131	-	-	131
Other assets	30,245	2,516	36,093	40,412	19	109,285
Total current assets	299,355	125,321	305,715	97,048	91,875	919,314
Noncurrent assets:						
Cash, cash equivalents and investments - unrestricted	419,683	98,430	333,474	65,780	105,936	1,023,303
Cash, cash equivalents and investments - restricted	69,816	75,033	45,671	124,874	120,468	435,862
Receivables (net)	8,227	6,145	11,551	5,572	283	31,778
Investment in direct financing lease	-	-	4,894	-	-	4,894
Net pension and OPEB assets	2,594	44,961	-	-	-	47,555
Other assets	4,016	17	224	93	219	4,569
Capital assets:						
Capital assets not being depreciated/amortized	139,791	96,581	102,311	12,260	42,486	393,429
Capital assets being depreciated/amortized	1,185,648	793,756	968,078	413,904	344,264	3,705,650
less accumulated depreciation/amortization	(515,447)	(325,049)	(404,277)	(215,593)	(139,312)	(1,599,678)
Total capital assets, net of depreciation/amortization	809,992	565,288	666,112	210,571	247,438	2,499,401
Total noncurrent assets	1,314,328	789,874	1,061,926	406,890	474,344	4,047,362
Total assets	1,613,683	915,195	1,367,641	503,938	566,219	4,966,676
Deferred Outflows of Resources						
Accumulated decrease in fair value of hedging derivatives	-	-	-	723	180	903
Debt refunding loss	-	624	-	-	-	624
Related to pensions	15,513	2,724	2,019	1,122	125	21,503
Deferred swap termination	-	133	-	-	-	133
Related to OPEB	27,756	-	-	684	15,519	43,959
Total deferred outflows of resources	43,269	3,481	2,019	2,529	15,824	67,122
Liabilities						
Current liabilities:						
Accounts payable	33,630	17,862	62,104	10,099	6,247	129,942
Interest payable	7,979	2,450	-	973	258	11,660
Unearned revenue	895	6,685	13,512	2,335	2,247	25,674
Accrued liability for compensated absences	3,725	4,077	10,043	327	1,218	19,390
Other liabilities	9,945	6,152	755	4,043	4,678	25,573
Current portion of long-term liabilities	26,015	15,560	29,084	11,777	6,738	89,174
Total current liabilities	82,189	52,786	115,498	29,554	21,386	301,413
Noncurrent liabilities:						
Accrued liability for compensated absences	3,642	144	6,099	3,026	-	12,911
Net pension and OPEB liabilities	70,748	12,598	56,166	28,697	1,103	169,312
Funds held in trust for others	-	-	-	-	62,676	62,676
Advances from federal government	-	7,367	-	-	960	8,327
Revenue bonds/notes payable	462,588	265,862	286,056	107,930	49,354	1,171,790
Derivative instrument liability	-	-	-	723	180	903
Other noncurrent liabilities	10,518	2,015	19,871	4	-	32,408
Total noncurrent liabilities	547,496	287,986	368,192	140,380	114,273	1,458,327
Total liabilities	629,685	340,772	483,690	169,934	135,659	1,759,740
Deferred Inflows of Resources						
Advanced payment for service concession agreement	-	1,737	-	-	-	1,737
Related to pensions	15,497	2,552	4,380	1,162	214	23,805
Related to OPEB	17,967	6,904	2,378	3,922	8,743	39,914
Total deferred inflows of resources	33,464	11,193	6,758	5,084	8,957	65,456
Net Position						
Net investment in capital assets	391,051	333,754	331,099	122,743	190,328	1,368,975
Restricted - nonexpendable:						
Grants/constitutional restrictions	-	2,942	-	-	-	2,942
Instruction and research	351	9,304	1,300	9,978	-	20,933
Student aid	59,238	32,152	29,930	31,330	23,716	176,366
Other purposes	103,585	6,204	3,982	8,446	5,166	127,383
Restricted - expendable:						
Grants/constitutional restrictions	7,591	2,455	18,422	-	1,821	30,289
Future debt service	10,292	-	-	93	-	10,385
Instruction and research	15,262	120	98	18,514	-	33,994
Student aid	44,231	7,858	5,334	41,266	9,987	108,676
Endowments	-	13,791	3,820	-	-	17,611
Capital projects	147,835	6,676	24,586	420	18,351	197,868
Other purposes	35,906	-	3,213	12,199	2,545	53,863
Unrestricted	178,461	151,455	457,428	86,460	185,513	1,059,317
Total net position	\$ 993,803	\$ 566,711	\$ 879,212	\$ 331,449	\$ 437,427	\$ 3,208,602

State of Indiana
Combining Statement of Activities
Non-Major Discretely Presented Component Units -
Colleges and Universities
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Program Revenues			Net (Expense) Revenue and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Ball State University	Indiana State University	Ivy Tech State College	University of Southern Indiana	Vincennes University	Net (Expense) Revenue
Ball State University	\$ 606,064	\$ 221,385	\$ 149,132	\$ 6,931	\$ (228,616)	\$ -	\$ -	\$ -	\$ -	\$ (228,616)
Indiana State University	255,157	112,640	64,047	13,002	-	(65,468)	-	-	-	(65,468)
Ivy Tech Community College	548,990	147,019	177,744	7,538	-	(216,689)	-	-	-	(216,689)
University of Southern Indiana	166,017	77,742	34,111	1,346	-	-	(52,818)	-	-	(52,818)
Vincennes University	120,423	33,954	51,215	13,407	-	-	-	(21,847)	(21,847)	(21,847)
Total component units	\$ 1,696,651	\$ 592,740	\$ 476,249	\$ 42,224	(228,616)	(65,468)	(216,689)	(52,818)	(21,847)	(585,438)
General revenues:										
Investment earnings					24,813	14,320	22,950	9,378	11,037	82,498
Payments from State of Indiana					196,561	81,314	275,486	58,552	54,661	666,574
Other					44,572	1,270	8,032	60	657	54,591
Total general revenues					265,946	96,904	306,468	67,990	66,355	803,663
Change in net position					37,330	31,436	89,779	15,172	44,508	218,225
Net position - beginning					956,473	535,275	789,433	316,277	392,919	2,990,377
Net position - ending					\$ 993,803	\$ 566,711	\$ 879,212	\$ 331,449	\$ 437,427	\$ 3,208,602



STATISTICAL SECTION

Comprehensive Annual Financial Report

Indiana’s largest festival is the 10-day Covered Bridge Festival centered in Parke County. This festival hosts over one million visitors in the “Covered Bridge Capital of the World.” Visitors and vendors from near and far gather to sell food, crafts and visit the 31 covered bridges in the county.



This picture features the covered bridge and mill in Bridgeton. Though it has been rebuilt a few times, the original bridge and mill were built around 1823. Today, visitors can see the water-powered mill in action and purchase many different milled products.

(Photo Courtesy of the Indiana State Festival Association)

STATISTICAL SECTION

The statistical section is presented to provide report users a historical perspective and assistance in assessing the current financial status and trends for the State.

FINANCIAL TRENDS

These schedules contain trend information to assist users in understanding and assessing how the State's financial position has changed over time.

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State of Indiana
Net Position by Component
(accrual basis of accounting, dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 10,722,683	\$ 11,344,650	\$ 12,175,413	\$ 13,303,374	\$ 13,501,419	\$ 14,467,992	\$ 14,934,600	\$ 15,637,070	\$ 15,907,541	\$ 16,353,597
Restricted	1,461,966	573,115	883,877	961,101	1,000,298	998,609	1,150,867	1,129,787	1,088,602	1,102,619
Unrestricted	5,728,165	6,979,715	6,188,902	5,475,103	(4,327,353)	(4,194,362)	(5,198,962)	(5,691,081)	(5,288,011)	(2,958,749)
Total governmental activities net position	\$ 17,912,814	\$ 18,897,480	\$ 19,218,192	\$ 19,739,578	\$ 10,174,364	\$ 11,272,239	\$ 10,886,505	\$ 11,075,776	\$ 11,728,132	\$ 14,497,467
Business-type activities										
Net investment in capital assets	\$ 88	\$ 84	\$ 685	\$ 664	\$ 535	\$ 138	\$ 238	\$ 203	\$ 194	\$ 405
Restricted	-	-	-	-	-	-	233,046	477,659	732,369	962,476
Unrestricted	(1,610,178)	(1,690,540)	(1,551,507)	(1,213,658)	(801,568)	(23,485)	47,332	47,182	47,618	52,827
Total business-type activities net position	\$ (1,610,090)	\$ (1,690,456)	\$ (1,550,822)	\$ (1,212,994)	\$ (801,033)	\$ (23,347)	\$ 280,616	\$ 525,044	\$ 780,181	\$ 1,015,708
Primary government										
Net investment in capital assets	\$ 10,722,771	\$ 11,344,734	\$ 12,176,098	\$ 13,304,038	\$ 13,501,954	\$ 14,468,130	\$ 14,934,838	\$ 15,637,273	\$ 15,907,735	\$ 16,354,002
Restricted	1,461,966	573,115	883,877	961,101	1,000,298	998,609	1,383,913	1,607,446	1,820,971	2,065,095
Unrestricted	4,117,987	5,289,175	4,607,395	4,261,445	(5,128,921)	(4,217,847)	(5,151,630)	(5,643,899)	(5,220,393)	(2,905,922)
Total primary government net position	\$ 16,302,724	\$ 17,207,024	\$ 17,667,370	\$ 18,526,584	\$ 9,373,331	\$ 11,248,892	\$ 11,167,121	\$ 11,600,820	\$ 12,508,313	\$ 15,513,175

**State of Indiana
Changes in Net Position**

(accrual basis of accounting, dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 1,659,190	\$ 2,261,226	\$ 2,642,907	\$ 1,473,954	\$ 1,585,751	\$ 1,541,725	\$ 1,463,523	\$ 1,342,700	\$ 1,390,190	\$ 1,578,147
Public safety	1,496,660	1,357,672	1,330,270	1,523,459	1,393,036	1,269,285	1,567,570	1,644,817	1,573,371	1,516,419
Health	394,570	344,115	305,202	409,096	347,353	439,288	374,283	378,157	390,490	402,195
Welfare	9,785,881	9,805,753	11,157,839	12,557,829	11,755,713	13,142,033	14,270,402	15,051,643	14,923,564	16,136,176
Conservation, culture, and development	590,275	529,963	589,351	536,561	515,844	588,540	545,276	432,801	588,214	554,000
Education	10,308,922	10,367,047	10,277,460	10,136,572	9,379,911	10,527,684	11,671,576	11,036,405	11,312,094	10,582,851
Transportation	1,907,655	1,748,590	1,533,603	1,809,690	2,158,639	1,857,660	2,175,511	1,974,142	2,820,033	2,772,070
Interest expense	592	796	662	216	-	48,995	45,551	43,672	45,524	45,510
Total governmental activities expenses	26,143,745	26,415,162	27,837,294	28,449,377	27,136,247	29,415,190	32,113,692	31,904,337	33,043,480	33,587,368
Business-type activities:										
Unemployment compensation fund	3,223,194	3,217,559	1,893,947	1,160,585	674,844	403,533	330,419	305,407	257,338	243,486
Other	24,044	23,167	22,604	24,694	23,351	22,924	23,234	25,411	25,092	24,225
Total business-type activities expenses	3,247,238	3,240,726	1,916,551	1,185,279	698,195	426,457	353,653	330,818	282,430	267,711
Total primary government expenses	\$ 29,390,983	\$ 29,655,888	\$ 29,753,845	\$ 29,634,656	\$ 27,834,442	\$ 29,841,647	\$ 32,467,345	\$ 32,235,155	\$ 33,325,910	\$ 33,855,079
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 586,805	\$ 636,558	\$ 700,218	\$ 376,407	\$ 528,424	\$ 529,676	\$ 615,099	\$ 605,749	\$ 598,903	\$ 685,427
Public safety	483,421	446,055	467,599	473,665	480,497	490,255	530,775	525,811	573,403	593,372
Health	8,076	8,129	8,407	204,529	101,354	139,909	149,554	199,355	300,035	343,761
Welfare	23,344	179,991	861,089	919,557	1,080,291	818,330	822,463	902,829	988,731	1,077,661
Conservation, culture, and development	159,542	149,781	155,953	153,828	148,077	161,771	167,467	159,760	166,471	172,107
Education	8,489	4,202	4,381	7,950	3,383	2,851	2,583	2,312	2,310	2,487
Transportation	46,231	46,900	54,977	91,990	77,861	77,558	81,642	35,219	153,759	585,750
Operating grants and contributions	11,223,452	10,939,012	11,065,618	10,335,986	9,908,931	10,872,352	11,974,446	12,649,237	12,275,610	13,263,852
Capital grants and contributions	9	-	-	1,270,834	1,180,142	1,261,230	1,187,303	978,994	1,067,615	1,132,630
Total governmental activities program revenues	12,539,369	12,410,628	13,318,242	13,634,746	13,508,960	14,353,932	15,531,332	16,059,266	16,126,637	17,847,047
Business-type activities:										
Charges for services:										
Unemployment compensation fund	2,393,810	1,628,446	983,708	830,527	950,328	1,175,303	629,899	548,336	501,716	457,703
Other	27,280	26,103	26,961	26,463	26,338	26,001	26,924	27,443	27,560	26,777
Operating grants and contributions	-	1,496,679	1,043,864	668,790	134,998	4,217	-	-	-	-
Capital grants and contributions	-	-	-	87	165	-	-	-	-	-
Total business-type activities program revenues	2,421,090	3,151,228	2,054,533	1,525,867	1,111,829	1,205,521	656,823	575,779	529,276	484,480
Total primary government program revenues	\$ 14,960,459	\$ 15,561,856	\$ 15,372,775	\$ 15,360,613	\$ 14,620,789	\$ 15,559,453	\$ 16,188,155	\$ 16,635,045	\$ 16,656,113	\$ 18,331,527
Net (Expense)/Revenue										
Governmental activities	\$ (13,604,376)	\$ (14,004,534)	\$ (14,519,052)	\$ (14,614,631)	\$ (13,627,287)	\$ (15,061,258)	\$ (16,582,360)	\$ (15,845,071)	\$ (16,916,643)	\$ (15,740,321)
Business-type activities	(826,148)	(69,498)	137,982	340,588	413,634	779,084	303,170	244,961	246,846	216,769
Total primary government net expenses	\$ (14,430,524)	\$ (14,094,032)	\$ (14,381,070)	\$ (14,274,043)	\$ (13,213,653)	\$ (14,282,194)	\$ (16,279,923)	\$ (15,600,110)	\$ (16,669,797)	\$ (15,523,552)

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Income taxes	\$ 4,495,576	\$ 5,781,340	\$ 5,424,347	\$ 5,371,040	\$ 5,811,823	\$ 6,259,282	\$ 6,234,704	\$ 6,452,611	\$ 6,362,876	\$ 6,864,321
Sales taxes	5,937,225	6,365,077	6,520,664	6,845,294	6,995,678	7,266,581	7,336,630	7,577,292	7,804,942	8,085,691
Fuel taxes	799,356	754,839	762,563	791,659	763,833	793,966	806,895	871,189	1,472,521	1,494,946
Gaming taxes	911,633	904,353	867,055	788,636	681,383	642,910	629,910	623,480	630,249	619,888
Unemployment taxes	807	320	102	80	914	-	-	-	-	-
Inheritance taxes	127,673	160,917	169,769	160,820	53,701	-	-	-	-	-
Alcohol & Tobacco taxes	458,420	464,699	479,621	503,879	445,381	445,765	443,214	441,935	418,609	411,291
Insurance taxes	179,024	189,948	206,733	211,987	224,711	223,039	235,310	235,022	230,997	256,292
Financial institution taxes	55,611	84,743	71,467	121,369	72,876	120,900	120,226	103,735	105,001	173,995
Other taxes	265,900	222,603	228,919	251,579	325,265	329,780	316,652	326,418	365,862	368,607
Investment earnings	33,566	22,460	16,345	27,990	19,769	22,084	36,318	46,641	89,242	189,909
Other	76,289	35,283	90,078	58,915	58,912	52,093	32,217	27,814	41,159	42,730
Transfers within primary government	2,572	2,618	2,101	2,769	2,724	2,753	2,550	2,242	2,089	1,986
Total governmental activities	13,343,652	14,989,200	14,839,764	15,136,017	15,457,070	16,159,133	16,196,626	16,708,359	17,513,547	18,509,656
Business-type activities:										
Investment earnings	3,713	1,750	3,753	9	1,051	1,375	3,343	1,709	10,380	20,582
Other	(2,572)	10,000	(2,101)	(2,769)	(2,724)	(2,753)	(2,550)	(2,242)	(2,089)	162
Transfers within primary government	1,141	9,132	1,652	(2,760)	(1,673)	(1,378)	793	(533)	8,291	18,758
Total business-type activities	13,344,793	14,998,332	14,841,416	15,133,257	15,455,397	16,157,755	16,197,419	16,707,826	17,521,838	18,528,414
Changes in Net Position										
Governmental activities	(260,724)	984,666	320,712	521,386	1,829,783	1,087,875	(385,734)	863,288	596,904	2,769,335
Business-type activities	(825,007)	(80,366)	139,634	337,828	411,961	777,686	303,963	244,428	255,137	235,527
Total primary government	\$ (1,085,731)	\$ 904,300	\$ 460,346	\$ 859,214	\$ 2,241,744	\$ 1,875,561	\$ (81,771)	\$ 1,107,716	\$ 852,041	\$ 3,004,862

General Revenues and Other Changes in Net Position

Governmental activities:

Taxes

Income taxes

Sales taxes

Fuel taxes

Gaming taxes

Unemployment taxes

Inheritance taxes

Alcohol & Tobacco taxes

Insurance taxes

Financial institution taxes

Other taxes

Investment earnings

Other

Transfers within primary government

Total governmental activities

Business-type activities:

Investment earnings

Other

Transfers within primary government

Total business-type activities

Total primary government

Changes in Net Position

Governmental activities

Business-type activities

Total primary government

State of Indiana
Fund Balances, Governmental Funds,
(modified accrual basis of accounting, dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund (Pre-GASB 54)										
Reserved	\$ 304,233	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,213,432	-	-	-	-	-	-	-	-	-
Total general fund	\$ 2,517,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund (Per GASB 54)										
Nonspendable										
Prepaid expense	\$ -	\$ -	\$ -	\$ 60,955	\$ 99,022	\$ 98,712	\$ 83,105	\$ 77,546	\$ 75,021	#REF!
Total Nonspendable	-	-	-	60,955	99,022	98,712	83,105	77,546	75,021	#REF!
Restricted										
Administration	-	71,990	363,212	378,559	379,568	382,324	547,931	550,460	507,392	523,189
Total Restricted	-	71,990	363,212	378,559	379,568	382,324	547,931	550,460	507,392	523,189
Committed										
Administration	-	-	20,859	-	-	-	-	-	4,241	70
Economic development	-	-	-	6,030	5,628	5,339	2,551	3,539	4,846	765
Roads & bridges	-	-	-	-	20	-	-	21,212	46,274	40,889
Total Committed	-	-	20,859	6,030	5,648	5,339	2,551	24,751	55,361	41,724
Assigned										
Administration	-	65,156	41,550	72,575	65,421	102,189	160,875	210,327	244,724	87,972
Corrections	-	6,717	11,680	46,195	12,724	9,150	569,149	730,230	554,263	390,131
Police & protection	-	1,679	2,920	11,277	11,891	14,622	23,237	27,606	23,657	20,701
Mental health	-	-	-	-	-	-	26,491	38,485	36,361	162,847
Public health	-	-	-	22	22	22	28,698	18,732	20,331	13,071
Child services	-	77,285	73,302	205,713	522,388	638,815	902,085	877,890	1,104,493	1,049,106
Disability & aging	-	-	-	3	4	4	12,960	15,839	46,475	24,989
Economic development	-	26,044	9,733	862	1,073	623	12,541	4,028	6,003	5,236
Environmental	-	16,528	6,177	552	427	364	16,518	18,049	14,144	25,387
Natural resources	-	7,513	2,808	249	147	149	1,086	1,151	1,041	462
Higher education	-	-	-	-	-	-	10,871	286,226	93,143	45,873
Secondary education	-	9,572	6,346	5,311	158,564	304,236	416,578	412,918	393,572	404,072
Roads & bridges	-	2,925	1,068	81	63	33	2	74,702	47,310	130,208
Capital outlay	-	84,855	54,112	31,929	143,235	175,810	164,923	144,879	261,787	177,352
Other purposes	-	1,515	966	44,705	158,060	41,559	18,541	90,029	181,888	108,203
Encumbrances	-	303,018	441,412	759,540	737,249	931,194	-	-	-	-
Total Assigned	-	602,807	652,074	1,179,014	1,811,268	2,218,770	2,364,555	2,951,091	3,029,192	2,645,610
Unassigned	-	2,358,283	2,354,999	1,712,795	1,325,910	1,017,829	835,591	297,223	275,935	1,024,754
Total general fund	\$ 3,033,080	\$ 3,391,144	\$ 3,397,353	\$ 3,337,353	\$ 3,621,416	\$ 3,722,974	\$ 3,833,733	\$ 3,901,071	\$ 3,942,901	#REF!

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State of Indiana
Fund Balances, Governmental Funds,
(modified accrual basis of accounting, dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
All other Governmental Funds (Pre-GASB 54)										
Reserved	\$ 2,269,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,184,021	-	-	-	-	-	-	-	-	-
Capital project funds	89,829	-	-	-	-	-	-	-	-	-
Permanent funds	740,778	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 5,284,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All other Governmental Funds (Per GASB 54)										
Nonspendable										
Permanent fund principal	\$ -	\$ 501,125	\$ 520,665	\$ 520,665	\$ 521,028	\$ 501,125	\$ 520,124	\$ 501,125	\$ 501,125	\$ 502,835
Prepaid expense	-	-	922	922	680	496	344	163	43	44
Total Nonspendable	-	501,125	520,665	521,587	521,708	501,621	520,468	501,288	501,168	502,879
Restricted										
Natural resources	-	-	-	-	-	-	-	100	150	150
Other purposes	-	-	-	-	-	-	-	-	3,489	3,399
Total Restricted	-	-	-	-	-	-	-	100	3,639	3,549
Committed										
Administration	-	-	580,245	6,734	8,581	7,682	7,721	8,802	4,200	2,662
Public health	-	3	306,793	316,290	353,881	284,504	197,400	188,728	198,756	193,458
Economic development	-	-	103	11,270	10,313	9,911	7,402	6,464	9,435	8,954
Environmental	-	-	-	561	646	537	568	1,412	2,502	355
Natural resources	-	-	-	488	144	19,123	-	16,759	18,331	16,146
Higher education	-	4	-	4	3	4	5	5	18	29
Secondary education	-	553,686	72	564,681	569,555	572,843	577,124	580,199	583,646	589,220
Roads & bridges	-	16,180	171,733	166,166	175,343	194,812	45,732	37,964	41,738	75,910
Other purposes	-	-	-	14,818	14,972	14,277	14,067	14,431	15,475	16,878
Total Committed	-	569,873	1,058,946	1,080,992	1,133,438	1,103,693	850,019	854,764	874,101	903,612
Assigned										
Administration	-	423,553	263,210	155,532	136,070	131,935	133,584	162,538	195,994	213,818
Corrections	-	14,976	26,945	10,676	11,872	13,430	14,193	21,859	18,321	21,191
Police & protection	-	284,551	511,947	190,802	256,484	229,190	287,489	312,432	336,419	386,088
Mental health	-	62,709	52,335	62,061	68,576	51,328	46,995	50,493	46,339	25,600
Public health	-	689,801	575,680	692,340	669,393	734,043	727,099	807,403	893,966	868,035
Child services	-	134,377	112,146	133,753	160,895	183,926	141,464	85,563	62,434	78,798
Disability & aging	-	8,958	7,476	9,445	9,223	8,455	3,445	8,752	5,494	10,860
Economic development	-	43,734	53,942	43,135	47,554	51,685	59,352	15,196	22,071	28,373
Environmental	-	94,757	116,874	88,426	113,320	113,366	113,164	115,774	95,566	99,354
Natural resources	-	104,476	128,861	105,746	127,959	137,433	138,636	147,242	131,918	141,550
Higher education	-	27,812	19,745	23,582	42,080	35,764	69,297	94,518	13,773	16,108
Secondary education	-	35,396	25,129	29,698	9,626	20,612	21,614	21,475	19,403	20,555
Roads & bridges	-	2,071,404	1,490,793	1,141,414	1,118,884	1,094,302	1,165,886	1,310,925	1,431,283	1,894,509
Capital outlay	-	138,978	86,366	66,192	76,883	63,059	93,811	84,245	97,034	93,272
Other purposes	-	99,270	61,690	52,351	57,454	72,376	78,425	74,361	86,998	111,371
Total Assigned	-	4,234,753	3,533,138	2,805,153	2,906,273	2,940,904	3,094,454	3,312,776	3,457,013	4,009,482
Unassigned	-	(248,233)	(258,550)	(176,649)	(180,202)	(327,955)	(384,701)	(616,955)	(520,785)	(486,455)
Total all other governmental funds	\$ -	\$ 5,057,518	\$ 4,854,199	\$ 4,231,083	\$ 4,381,217	\$ 4,218,263	\$ 4,080,240	\$ 4,051,973	\$ 4,315,136	\$ 4,933,067

State of Indiana
Changes in Fund Balances, Governmental Funds,
(modified accrual basis of accounting, dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Income taxes	\$ 4,434,924	\$ 5,501,154	\$ 5,773,137	\$ 5,441,631	\$ 5,891,093	\$ 6,246,897	\$ 6,300,908	\$ 6,440,729	\$ 6,400,668	\$ 6,850,851
Sales taxes	5,978,919	6,308,356	6,654,008	6,822,875	7,046,734	7,269,291	7,351,788	7,578,508	7,830,142	8,087,320
Fuels taxes	796,624	747,545	780,653	785,744	777,448	795,023	809,692	871,005	1,473,236	1,495,616
Gaming taxes	911,548	904,354	867,073	788,545	681,501	642,902	629,941	623,469	630,262	619,887
Unemployment taxes	807	320	102	80	914	-	-	-	-	-
Inheritance taxes	127,674	160,912	169,792	160,820	53,701	-	-	-	-	-
Alcohol and tobacco taxes	458,109	463,608	477,507	477,448	447,795	439,451	443,192	439,243	427,568	415,179
Insurance taxes	179,024	189,948	206,734	211,987	224,712	223,040	235,310	235,022	230,998	256,293
Financial institutions taxes	56,726	56,726	92,763	120,571	92,862	125,754	119,345	103,504	105,963	173,518
Other taxes	272,861	221,264	238,459	251,551	325,299	329,380	316,982	326,489	355,876	368,434
Current service charges	1,325,594	1,472,570	2,212,027	2,268,429	2,424,542	2,219,401	2,366,344	2,433,345	2,784,900	3,449,088
Investment income	449,357	170,768	86,750	56,005	44,743	49,744	68,260	70,288	107,753	263,236
Sales/rent	18,123	19,264	28,523	21,412	21,771	22,181	19,680	22,890	15,933	17,344
Grants	10,469,843	10,783,807	10,827,180	11,260,430	11,342,554	11,850,748	13,119,923	13,471,561	13,215,502	14,357,643
Other	359,975	95,156	160,771	147,936	136,346	135,805	99,510	131,032	138,485	115,516
Total revenues	25,840,108	27,095,752	28,575,479	28,815,464	29,512,015	30,349,617	31,880,875	32,747,085	33,717,286	36,469,925
Expenditures										
General government	1,685,082	2,206,773	2,597,513	1,884,770	1,505,475	1,654,082	1,545,461	1,346,996	1,343,365	1,586,793
Public safety	1,398,199	1,348,998	1,343,299	1,615,975	1,410,723	1,363,479	1,537,649	1,629,484	1,640,583	1,730,363
Health	384,249	345,552	308,994	407,354	352,624	439,529	375,616	377,809	385,661	407,610
Welfare	9,708,584	9,911,129	11,072,382	12,187,764	12,332,600	12,978,655	14,347,763	15,103,284	15,151,914	16,352,826
Conservation, culture and development	615,349	587,669	538,297	556,795	514,655	518,478	546,644	554,436	560,329	572,049
Education	10,311,411	10,115,073	10,189,027	10,276,564	10,542,087	10,688,255	10,941,014	11,047,001	11,402,921	11,674,741
Transportation	2,363,333	2,297,316	2,444,590	2,564,367	2,436,606	2,625,744	2,499,595	2,949,489	3,079,147	3,028,608
Capital outlay	-	-	-	14,006	16,999	26,252	15,715	20,599	16,570	20,842
Debt service	-	-	-	-	-	58,703	61,765	63,206	58,862	70,812
Capital lease principal	-	-	-	-	-	48,995	45,551	43,672	45,524	45,510
Capital lease interest	-	-	-	-	-	30,422,172	31,916,773	33,135,976	33,684,876	35,490,154
Total expenditures	26,466,207	26,812,510	28,494,102	29,507,595	29,111,769	30,422,172	31,916,773	33,135,976	33,684,876	35,490,154
Revenues over (under) expenditures	(626,099)	283,242	81,377	(692,131)	400,246	(72,555)	(35,898)	(388,891)	32,410	979,771
Other Financing Sources (Uses)										
Transfers in	10,025,593	6,597,579	7,280,645	6,326,178	6,066,309	6,252,261	6,016,790	6,635,800	6,042,166	6,841,256
Transfers (out)	(10,019,079)	(6,594,961)	(7,239,094)	(6,329,465)	(6,061,530)	(6,245,727)	(6,014,298)	(6,634,858)	(6,039,746)	(6,840,253)
Issuance of capital leases	14,472	2,995	31,817	18,511	10,645	4,625	6,142	476,505	214,711	5,933
Total other financing sources (uses)	20,986	5,613	73,368	15,224	15,424	11,159	8,634	477,447	217,131	6,936
Net Change in Fund Balances	\$ (605,113)	\$ 288,855	\$ 154,745	\$ (676,907)	\$ 415,670	\$ (61,396)	\$ (27,264)	\$ 88,556	\$ 249,541	\$ 986,707
Debt Service as a Percentage of Noncapital Expenditures	N/A	N/A	N/A	N/A	N/A	0.36%	0.34%	0.32%	0.31%	0.33%

State of Indiana
Taxable Sales by Industry*
Last Ten Fiscal Years
(In thousands of dollars)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Agriculture/forestry, fishing, and other	\$ 126,006	\$ 129,724	\$ 128,511	\$ 127,760	\$ 139,738	\$ 150,235	\$ 158,895	\$ 166,419	\$ 159,496	\$ 173,068
Construction	\$ 1,283,653	\$ 1,351,454	\$ 1,518,757	\$ 1,592,389	\$ 1,789,942	\$ 1,868,617	\$ 1,904,025	\$ 1,981,853	\$ 2,010,746	\$ 2,080,335
Finance, insurance, and real estate	\$ 2,100,786	\$ 2,098,467	\$ 2,152,151	\$ 2,188,202	\$ 2,303,719	\$ 2,511,213	\$ 2,802,583	\$ 2,980,854	\$ 3,190,357	\$ 3,490,572
Government	\$ 1,808,307	\$ 1,979,346	\$ 1,894,443	\$ 1,884,436	\$ 2,057,278	\$ 2,116,331	\$ 2,068,385	\$ 2,337,027	\$ 2,439,101	\$ 2,465,582
Manufacturing	\$ 3,194,381	\$ 3,719,850	\$ 3,946,217	\$ 4,102,493	\$ 4,060,453	\$ 4,216,161	\$ 4,478,267	\$ 4,797,168	\$ 5,060,848	\$ 5,590,602
Mining	\$ 112,955	\$ 115,908	\$ 126,663	\$ 127,682	\$ 159,467	\$ 168,588	\$ 158,100	\$ 163,320	\$ 186,828	\$ 203,642
Retail trade	\$ 48,285,529	\$ 50,473,591	\$ 52,193,838	\$ 52,719,555	\$ 53,529,645	\$ 54,336,108	\$ 56,304,022	\$ 57,714,663	\$ 59,558,828	\$ 62,245,876
Services	\$ 19,550,686	\$ 20,236,106	\$ 21,456,568	\$ 22,098,050	\$ 22,720,889	\$ 23,744,107	\$ 24,462,124	\$ 24,918,507	\$ 25,476,476	\$ 25,899,542
Transportation and public utilities	\$ 8,119,466	\$ 8,915,136	\$ 8,690,238	\$ 9,270,686	\$ 10,114,184	\$ 10,119,347	\$ 9,227,755	\$ 9,946,713	\$ 10,505,105	\$ 10,717,265
Wholesale trade	\$ 4,938,736	\$ 5,395,136	\$ 5,835,910	\$ 5,928,908	\$ 6,283,926	\$ 6,422,981	\$ 6,755,955	\$ 6,992,526	\$ 7,135,407	\$ 7,451,754
Unknown**	\$ 3,346,057	\$ 3,593,553	\$ 3,500,528	\$ 3,440,217	\$ 3,691,141	\$ 4,028,242	\$ 4,501,559	\$ 5,121,590	\$ 5,379,878	\$ 5,700,671
Total	\$ 92,866,562	\$ 98,008,271	\$ 101,443,824	\$ 103,480,378	\$ 106,850,382	\$ 109,681,930	\$ 112,821,670	\$ 117,120,640	\$ 121,103,070	\$ 126,018,899
Direct sales tax rate	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%

Source: Indiana Department of Revenue

* Indiana Code 6-8.1-7-1 prevents the disclosure of the top ten sales tax payers in Indiana as required by GASB Statement No. 44. This schedule is presented as a substitute for that requirement.
 ** Industry category is provided to the Department of Revenue on Sales Tax information submitted by retail merchants on their Business Tax Application. In the past, type of industry field was not required on the form. Thus, businesses started prior to the addition of the industry category field were classified as unknown. The industry category field was added in recent years.
 *** Taxable sales for 2010 through 2018 are corrected.

State of Indiana
Sales Tax Revenue Payers by Industry*
Fiscal Years 2013 and 2019
(in thousands of dollars)

	Fiscal Year Ended June 30, 2013			Fiscal Year Ended June 30, 2019		
	Number of Filers	% of Total	Tax Liability	Number of Filers	% of Total	Tax Liability
Agricultural/forestry, fishing, and other	3,403	1.92%	7,666	3,474	2.01%	10,383
Construction	8,123	4.59%	95,543	7,190	4.16%	124,820
Finance, insurance, and real estate	4,626	2.61%	131,292	4,317	2.50%	209,434
Government	1,120	0.63%	113,066	962	0.56%	147,935
Manufacturing	15,936	9.00%	246,150	15,921	9.22%	335,436
Mining	344	0.19%	7,661	269	0.16%	12,219
Retail trade	54,153	30.59%	3,163,173	55,570	32.19%	3,784,753
Services	60,056	33.92%	1,325,883	58,645	33.97%	1,553,971
Transportation and public utilities	4,265	2.41%	556,241	3,693	2.14%	643,036
Wholesale trade	10,751	6.07%	355,734	10,436	6.04%	447,105
Unknown**	14,275	8.06%	206,413	12,173	7.05%	342,040
Total	177,052	100.00%	\$ 6,208,822	172,650	100.00%	\$ 7,561,132

Source: Indiana Department of Revenue

* Indiana Code 6-8.1-7-1 prevents the disclosure of the top ten sales tax payers in Indiana as required by GASB Statement No. 44. This schedule is presented as a substitute for that requirement.

** Industry category is provided to the Department of Revenue on Sales Tax information submitted by retail merchants on their Business Tax Application. In the past, type of industry field was not required on the form. Thus, businesses started prior to the addition of the industry category field were classified as unknown. The industry category field was added in recent years.

State of Indiana
Personal Income Tax Filers and Liability by Income Level
Fiscal Years 2012 and 2018
(in millions of dollars)

Income Level	Fiscal YE 2012			Fiscal YE 2018			
	Number of Filers	% of Total	Tax Liability	Number of Filers	Percentage of Total	Tax Liability	% of Total
\$50,000 and under	2,208,675	69.22%	1,704	2,157,460	64.99%	1,873	23.39%
\$50,001 - \$100,000	664,122	20.81%	1,942	710,985	21.42%	2,097	26.19%
\$100,001 - \$250,000	280,713	8.80%	1,657	391,557	11.80%	2,357	29.43%
\$250,001 - \$1,000,000	34,397	1.08%	644	54,217	1.63%	1,004	12.54%
\$1,000,001 and over	3,118	0.10%	390	5,241	0.16%	677	8.45%
Total	3,191,025	100%	6,337	3,319,460	100%	8,008	100%

Source: Indiana Department of Revenue

State of Indiana
Personal Income by Industry
Last Ten Fiscal Years
(in millions of dollars)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Farm earnings	\$ 1,544	\$ 1,603	\$ 2,774	\$ 2,267	\$ 5,319	\$ 3,018	\$ 1,233	\$ 1,562	\$ 913	\$ 1,087
Agriculture, forestry, fishing, and hunting	285	421	331	391	454	520	649	600	577	591
Mining	505	591	765	689	666	660	569	522	601	632
Construction and utilities	10,416	10,899	11,989	13,782	13,422	13,378	13,503	14,056	15,077	15,676
Manufacturing	30,489	31,872	33,705	35,791	36,743	39,127	40,809	41,518	43,644	45,086
Wholesale trade	7,591	7,947	8,650	9,014	9,221	9,608	9,881	9,976	10,407	10,939
Retail trade	9,668	10,048	10,433	10,460	10,773	11,226	11,981	12,615	13,150	13,270
Transportation and warehousing	6,525	6,929	7,372	7,874	8,052	8,444	8,718	8,900	9,197	9,892
Information	2,685	2,546	2,491	2,762	2,815	2,954	2,756	2,712	2,711	2,543
Finance and insurance	6,812	7,110	7,430	7,798	7,912	8,362	8,779	9,237	9,660	10,170
Real estate and rental and leasing	6,342	7,808	9,215	9,141	8,721	8,201	8,831	9,555	9,823	10,011
Services	26,164	27,683	29,497	31,362	32,170	34,052	35,324	36,789	38,536	40,238
Management of companies and enterprises	2,517	2,578	2,825	3,033	3,320	3,501	3,698	4,002	4,154	4,338
Health care and social assistance	19,308	20,389	20,895	22,047	22,694	23,400	24,413	26,092	27,672	28,483
Arts, entertainment, and recreation	1,536	1,642	1,569	1,570	1,829	1,940	1,939	1,928	2,021	2,102
Government and government enterprises	23,253	23,458	23,640	23,480	23,256	24,049	24,508	24,991	25,599	25,880
Total personal income	\$ 155,640	\$ 163,524	\$ 173,581	\$ 181,461	\$ 187,367	\$ 192,440	\$ 197,591	\$ 205,055	\$ 213,742	\$ 220,938

management services, educational services, accommodation and food services, and other services, except public administration.

Source: U.S. Department of Commerce - Bureau of Economic Analysis, SAINCSN - Personal income by major component and earnings by NAICS industry

**State of Indiana
Personal Income Tax Rates
Last Ten Fiscal Years**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Personal Income Tax Revenues (in millions)	\$ 3,864	\$ 4,584	\$ 4,765	\$ 4,620	\$ 4,889	\$ 5,233	\$ 5,266	\$ 5,435	\$ 5,816	\$ 6,057
Personal Income (in millions)	219,713	229,477	244,551	256,258	259,525	269,593	279,705	289,164	301,008	312,151
Average Effective Rate ¹	1.8%	2.0%	1.9%	1.8%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%

Tax Rates on the Portion of Taxable Income in Ranges ²	
Tax Years 2009-11	
Tax Rate	0.8%
Income Bracket (in thousands)	\$0-20
Tax Years 2012-14	
Tax Rate	0.8%
Income Bracket (in thousands)	\$0-20
Tax Years 2015-18	
Tax Rate	0.8%
Income Bracket (in thousands)	\$0-20
	2.5%
	\$21-40
	2.9%
	\$41-60
	3.0%
	\$61-80
	3.1%
	\$81-100
	3.2%
	\$101-120
	3.2%
	\$121+

¹ Average effective rate equals tax collections divided by income.

² This assumes (a) a family of four that consists of husband, wife, and two children and (b) state taxable income equals federal adjusted gross income minus renter's/homeowner's property tax deduction minus exemptions. The State income tax rate was 3.4% from 2009 through 2014, 3.3% for 2015 and 2016, and 3.23% for 2017 and 2018.

Sources: U.S. Department of Commerce - Bureau of Economic Analysis; Auditor of State Financial Records; U.S. Census Bureau; & Indiana Department of Revenue Tax Forms.

State of Indiana
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(in thousands of dollars)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Capital leases	\$ 1,269,809	\$ 1,225,312	\$ 1,209,977	\$ 1,156,910	\$ 1,112,599	\$ 1,057,910	\$ 1,000,258	\$ 822,444	\$ 974,346	\$ 904,809
Total Governmental Activities	<u>1,269,809</u>	<u>1,225,312</u>	<u>1,209,977</u>	<u>1,156,910</u>	<u>1,112,599</u>	<u>1,057,910</u>	<u>1,000,258</u>	<u>822,444</u>	<u>974,346</u>	<u>904,809</u>
Total Primary Government	\$ 1,269,809	\$ 1,225,312	\$ 1,209,977	\$ 1,156,910	\$ 1,112,599	\$ 1,057,910	\$ 1,000,258	\$ 822,444	\$ 974,346	\$ 904,809
Debt as a Percentage of Personal Income	0.6%	0.5%	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%
Amount of Debt per Capita <i>(in whole dollars)</i>	\$ 196	\$ 188	\$ 185	\$ 176	\$ 169	\$ 160	\$ 151	\$ 123	\$ 146	\$ 135

State of Indiana

State Facts

AREA	36,291 square miles, which includes 253 square miles of water. Length, 275 miles; width, 144 miles. Highest altitude, 1,257 feet in Wayne County; lowest altitude, 320 feet in Posey County.
CLIMATE	Four distinct seasons. Average temperatures in July can range from 73 and 78 degrees Fahrenheit; January averages range from 35 to 36 degrees Fahrenheit. Record high: 116 degrees at Collegeville in 1936. Record low: 35 below zero at Greensburg in 1951. Average annual precipitation is 40 inches.
STATE CAPITAL	Indianapolis (combination of Indiana and Greek word "polis" meaning city -- therefore, Indianapolis means "city of Indiana.")
STATE MOTTO	The Crossroads of America. Adopted 1937.
STATE FLOWER	Peony. Adopted 1957.
STATE TREE	Tulip tree (yellow poplar). Adopted 1931.
STATE BIRD	Cardinal. Adopted 1933.
STATE SONG	"On the Banks of the Wabash, Far Away" by Paul Dresser. Adopted 1913.
STATE POEM	"Indiana", by Arthur Franklin Mapes, Kendallville. Adopted 1963.
STATE STONE	Limestone. Adopted 1971.
STATE SEAL	The seal depicts a pioneer scene: a woodsman felling a tree, a bison fleeing from the sound of the axe and the sun gleaming over a distant hill. In use since 1801, the seal was officially adopted in 1963.
STATE FLAG	The Indiana flag displays 19 gold stars surrounding a gold torch centered on a rectangular field of blue. The torch stands for liberty and enlightenment. Thirteen stars in the outer circle represent the 13 original states; the five in the inner circle represent the five states next admitted to the Union. The star above the torch stands for Indiana, the 19th state. Adopted 1917.
STATE NAME	The name Indiana means "land of the Indians." It was coined in 1800 when Congress carved the new state of Ohio from the Northwest Territory and designated the remaining vast area as the Indiana Territory. The territorial name was retained when Indiana became a state in 1816.
NICKNAME	Residents of Indiana have long been referred to as "Hoosiers," and according to the Indiana Historical Bureau, the term came into general usage in the 1830s as a result of a poem entitled "The Hoosiers Nest" by John Finley of Richmond. On January 8, 1933, John W. Davis offered "Hoosier State" as a toast at the Jackson Dinner. The origins of the actual word have been in debate for well over a century. The earliest written documentation of Hoosier was in 1827 in a diary quoted by Sandford Cox. The oral tradition goes back much earlier.

State of Indiana County Facts

County Name	2019 Total Population ¹	Area Sq. Miles	2019 County Road Miles	2019 Municipal Street Miles	2019 County Bridges ²
ADAMS	34,387	345	678.73	97.06	160
ALLEN	355,200	671	1,326.54	1,275.77	390
BARTHOLOME	76,418	402	678.56	285.81	202
BENTON	9,221	409	661.26	56.28	118
BLACKFORD	12,621	167	322.02	60.18	59
BOONE	61,612	427	752.91	272.58	189
BROWN	15,242	319	382.04	11.90	83
CARROLL	20,155	347	756.23	43.39	116
CASS	38,966	415	866.82	124.22	121
CLARK	110,232	384	464.85	439.34	141
CLAY	26,890	364	666.96	87.17	157
CLINTON	33,224	407	776.13	86.81	162
CRAWFORD	11,086	312	460.75	34.97	79
DAVISS	31,648	430	787.90	116.62	125
DEARBORN	50,047	306	503.18	84.72	101
DECATUR	26,156	370	635.41	93.50	181
DEKALB	42,318	366	710.22	148.48	102
DELAWARE	117,874	396	785.17	462.00	194
DUBOIS	41,889	433	652.05	184.61	164
ELKHART	198,045	468	1,146.58	476.73	172
FAYETTE	24,201	215	376.11	67.83	86
FLOYD	74,578	149	347.43	187.16	87
FOUNTAIN	17,240	397	652.75	74.76	143
FRANKLIN	21,448	394	623.28	27.66	118
FULTON	20,836	368	778.18	54.51	57
GIBSON	33,503	498	950.28	138.11	252
GRANT	69,993	421	798.85	282.08	189
GREENE	33,165	549	870.70	104.25	161
HAMILTON	298,641	401	549.19	1,470.64	305
HANCOCK	67,627	305	649.03	195.45	157
HARRISON	38,991	479	824.55	37.21	74
HENDRICKS	145,423	417	767.48	520.41	240
HENRY	49,265	400	778.26	149.49	142
HOWARD	82,752	293	584.34	340.75	136
HUNTINGTON	37,572	369	673.09	124.76	114
JACKSON	42,376	520	731.14	135.92	183
JASPER	33,478	562	935.27	84.23	126
JAY	21,398	386	734.08	82.20	162
JEFFERSON	32,428	366	530.42	80.35	101
JENNINGS	28,525	377	667.81	47.08	128
JOHNSON	140,126	315	582.45	450.79	158
KNOX	38,440	516	870.40	172.87	206
KOSCIUSKO	76,872	540	1,163.33	209.22	108
LAGRANGE	37,657	381	783.24	41.69	57
LAKE	496,005	513	520.59	2,050.97	178
LAPORTE	111,467	607	1,028.13	356.09	119
LAWRENCE	46,134	459	658.71	132.07	127
MADISON	131,643	453	869.76	558.88	216

County Name	2019 Total Population ¹	Area Sq. Miles	2019 County Road Miles	2019 Municipal Street Miles	2019 County Bridges ²
MARION	905,965	392	1,924.20	1,617.81	536
MARSHALL	47,051	443	910.68	132.10	116
MARTIN	10,334	345	370.98	31.30	45
MIAMI	37,175	377	784.83	87.28	127
MONROE	137,974	386	717.11	269.45	153
MONTGOMERY	38,124	507	828.35	109.58	172
MORGAN	68,894	406	676.39	145.64	140
NEWTON	14,244	413	659.64	41.73	122
NOBLE	47,007	412	809.95	114.74	64
OHIO	6,128	87	139.56	11.38	32
ORANGE	19,840	405	596.29	67.95	106
OWEN	21,575	390	623.64	24.09	111
PARKE	17,339	445	732.78	45.48	175
PERRY	19,338	384	485.68	63.39	99
PIKE	12,845	335	543.53	30.23	110
PORTER	164,343	425	789.76	528.77	127
POSEY	25,910	412	705.32	66.81	149
PULASKI	13,402	433	876.73	32.24	73
PUTNAM	37,963	490	751.19	89.03	221
RANDOLPH	25,967	457	856.64	84.35	217
RIPLEY	30,457	442	706.98	89.05	134
RUSH	17,468	409	748.21	38.65	194
SAINT JOSEPH	266,931	396	1,134.30	712.75	101
SCOTT	24,181	466	308.86	62.59	73
SHELBY	43,924	193	827.50	111.05	186
SPENCER	20,952	409	745.47	67.18	166
STARKE	23,363	310	675.24	57.26	58
STEUBEN	34,090	309	617.53	101.06	49
SULLIVAN	21,475	457	856.94	88.83	178
SWITZERLAND	10,613	221	351.26	11.48	41
TIPPECANOE	172,413	500	852.80	445.46	208
TIPTON	15,930	261	556.87	45.45	84
UNION	7,516	168	264.55	14.69	42
VANDERBURGH	179,703	241	575.72	548.73	157
VERMILLION	16,212	263	395.02	81.27	76
VIGO	107,848	415	836.87	369.91	188
WABASH	32,888	398	729.03	117.52	156
WARREN	8,508	368	546.76	23.98	94
WARRICK	59,689	391	748.88	97.62	114
WASHINGTON	28,262	561	767.59	65.49	114
WAYNE	68,917	405	687.22	255.40	233
WELLS	27,315	368	706.78	94.49	131
WHITE	24,643	497	907.90	77.95	165
WHITLEY	33,292	337	630.24	67.00	88
Total	6,513,023	36,117	65,274.93	19,857.78	13,071

(1) Represents 2010 decennial census, as adjusted by governor executive order.
 (2) Most recent reported per the Association of Indiana Counties 2019 County Fact Book.

Sources: Association of Indiana Counties 2019 County Fact Book, Indiana
 Department of Transportation, US Department of Commerce - Bureau of Census

**State of Indiana
Demographic and Economic Statistics
Last Ten Calendar Years**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Population										
State (in thousands)	6,459	6,490	6,516	6,538	6,568	6,594	6,608	6,633	6,660	6,692
Percentage change	0.5%	0.4%	0.4%	0.5%	0.5%	0.4%	0.2%	0.4%	0.4%	0.5%
National (in thousands)	306,772	309,326	311,580	313,874	316,058	318,386	320,743	323,071	325,147	327,167
Percentage change	0.9%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%
Total Personal Income										
State (in millions)	\$ 220,275	\$ 230,109	\$ 245,346	\$ 257,150	\$ 280,425	\$ 270,986	\$ 281,692	\$ 290,148	\$ 301,203	\$ 315,516
Percentage change	-2.5%	4.5%	6.6%	4.8%	1.3%	4.1%	4.0%	3.0%	3.8%	4.8%
National (in millions)	\$ 12,051,307	\$ 12,541,995	\$ 13,315,478	\$ 13,998,383	\$ 14,175,503	\$ 14,982,715	\$ 15,709,242	\$ 16,111,636	\$ 16,870,106	\$ 17,813,035
Percentage change	-3.1%	4.1%	6.2%	5.1%	1.3%	5.7%	4.8%	2.6%	4.7%	5.6%
Per Capita Personal Income										
State	\$ 34,102	\$ 35,454	\$ 37,653	\$ 39,334	\$ 39,648	\$ 41,099	\$ 42,627	\$ 43,741	\$ 45,225	\$ 47,149
Percentage change	-3.0%	4.0%	6.2%	4.5%	0.8%	3.7%	3.7%	2.6%	3.4%	4.3%
National	\$ 39,284	\$ 40,546	\$ 42,735	\$ 44,599	\$ 44,851	\$ 47,058	\$ 48,978	\$ 49,870	\$ 51,885	\$ 54,446
Percentage change	-4.0%	3.2%	5.4%	4.4%	0.6%	4.9%	4.1%	1.8%	4.0%	4.9%
Resident Civilian Labor Force and Employment										
Civilian labor force (in thousands)	3,194	3,175	3,182	3,170	3,188	3,225	3,267	3,329	3,337	3,362
Employed (in thousands)	2,865	2,846	2,892	2,906	2,944	3,032	3,109	3,182	3,218	3,266
Unemployed (in thousands)	329	330	290	264	244	192	158	147	119	116
Unemployment rate	10.3%	10.4%	9.1%	8.3%	7.7%	6.0%	4.8%	4.4%	3.6%	3.4%
State and Area Employment										
Goods-producing industries										
Mining and logging	6,500	6,600	6,900	6,800	7,100	7,200	6,500	5,900	6,000	6,300
Construction	114,700	116,900	124,200	124,000	121,600	124,600	130,100	135,200	138,700	147,000
Manufacturing	438,700	452,800	469,300	486,000	496,700	514,400	520,200	526,700	532,700	544,300
Subtotal goods-producing industries	559,900	576,300	600,400	617,200	625,400	646,200	656,800	667,800	677,400	697,600
Service-producing industries										
Transportation and utilities	123,500	127,200	130,400	133,900	136,300	138,300	143,000	145,100	145,700	157,300
Information	36,600	34,900	35,400	35,700	35,800	34,400	33,200	32,300	30,300	28,600
Financial activities	129,600	131,700	130,200	129,000	128,400	129,100	132,700	135,100	135,800	138,400
Wholesale trade	112,900	115,700	115,700	116,100	117,200	118,500	118,200	118,500	119,800	121,100
Retail trade	303,600	305,900	310,600	313,500	319,800	320,700	328,200	333,300	332,600	319,100
Professional and business services	267,600	283,800	293,100	300,100	318,700	329,800	334,100	333,500	337,700	344,200
Education and health services	417,600	420,400	426,400	436,800	437,600	440,700	453,100	461,900	476,700	484,400
Leisure and hospitality	272,500	275,200	280,000	288,200	292,400	297,400	304,100	307,600	306,600	308,900
Other services	114,100	115,500	116,800	119,800	124,600	125,600	126,400	126,500	126,300	132,500
State government	114,700	112,700	115,000	112,400	118,000	117,500	119,000	116,200	115,700	118,600
Federal government	39,200	38,800	38,000	37,600	36,200	36,400	37,200	38,200	37,900	38,300
Local government	283,400	275,100	278,400	272,100	272,400	273,000	272,100	271,100	272,400	272,100
Subtotal service-producing industries	2,215,300	2,233,900	2,270,000	2,295,200	2,337,400	2,361,400	2,401,300	2,419,300	2,437,500	2,463,500
Total Nonfarm Wage and Salary Employment	2,775,200	2,810,200	2,870,400	2,912,400	2,962,800	3,007,600	3,058,100	3,087,100	3,114,900	3,161,100

Sources: U.S. Department of Commerce - Bureau of Economic Analysis (BEA), U.S. Department of Labor - Bureau of Labor Statistics, and U.S. Census Bureau (via BEA data).

State of Indiana
Twenty Largest Indiana Public Companies
 (ranked by 2017 revenue)

Ranking	Company	2017 Revenue (in millions)	City
1	Anthem Inc.	\$ 90,000	Indianapolis
2	Eli Lilly and Co.	22,900	Indianapolis
3	Cummins Inc.	20,400	Columbus
4	Steel Dynamics Inc.	9,500	Fort Wayne
5	Zimmer Biomet Holdings Inc.	7,800	Warsaw
6	Thor Industries	7,200	Elkhart
7	Berry Global Group Inc.	7,100	Evansville
8	Simon Property Group Inc.	5,500	Indianapolis
9	NiSource Inc.	4,900	Merrillville
10	CNO Financial Group Inc.	4,300	Carmel
11	Calumet Specialty Products Partners LP	3,800	Indianapolis
11	OneMain Holdings Inc.	3,800	Evansville
13	KAR Auction Services Inc.	3,500	Carmel
14	Vectren Corp.	2,700	Evansville
15	Allegion PLC	2,400	Carmel
16	Allison Transmission	2,300	Indianapolis
17	LCI Industries	2,100	Elkhart
18	The Finish Line Inc.	1,800	Indianapolis
18	Wabash National Corp.	1,800	Lafayette
20	Patrick Industries Inc.	1,600	Indianapolis

SOURCE: Indianapolis Business Journal, 2019 Book of Lists.

State of Indiana Twenty Largest Indiana Private Companies

(Ranked by 2017 Revenue)

Ranking	Company	2017 Revenue (in millions)	City
1	Do It Best Corp.	\$ 3,200	Fort Wayne
2	OneAmerica Financial Partners, Inc.	2,500	Indianapolis
3	Cook Group Inc.	2,200	Bloomington
4	Round Room LLC	1,800	Carmel
5	Petroleum Traders Corp.	1,600	Fort Wayne
6	White Lodging Services Corp.	1,500	Merrillville
7	Steel Warehouse Co. LLC	1,300	South Bend
8	LDI Ltd. LLC	1,200	Indianapolis
8	Republic Airline Inc.	1,200	Indianapolis
10	The Bob Rohrman Auto Group	1,000	Lafayette
11	Federal Home Loan Bank of Indianapolis	1,000	Indianapolis
12	CountryMark	1,000	Indianapolis
13	Koch Enterprises Inc.	1,000	Evansville
14	Elwood Staffing	964	Columbus
15	Indiana Farm Bureau Insurance - Property/Casualty	880	Indianapolis
16	Atlas World Group Inc.	842	Evansville
17	USIC LLC	827	Indianapolis
18	F.A. Wilhelm Construction Co. Inc.	824	Indianapolis
19	Telamon Corp.	820	Carmel
20	Ray Skillman Auto Centers	809	Indianapolis

SOURCE: Indianapolis Business Journal, 2019 Book of Lists.

**State of Indiana
Principal Employers
Current Year and Nine Years Ago**

	2018			2009		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
Wal-Mart Stores Inc.	39,875	1	1.27%	39,452	1	1.42%
U.S. Government	37,700	2	1.20%	35,935	2	1.30%
State of Indiana (1)	31,470	3	1.00%	32,801	3	1.18%
Indiana University Health	29,423	4	0.94%	21,883	4	0.79%
Indiana University	22,459	5	0.71%	18,337	5	0.66%
The Kroger Company	17,866	6	0.57%	9,800	11	0.35%
Thor Industries	16,000	7	0.51%	N/A		
Purdue University	14,962	8	0.48%	15,033	6	0.54%
Franciscan Alliance Inc.	14,094	9	0.45%	N/A		
St. Vincent Health	13,842	10	0.44%	11,230	9	0.41%
Community Health Network	12,242	11	0.39%	8,079	12	0.29%
Eli Lilly and Co.	11,125	12	0.35%	12,068	7	0.44%
Cummins Inc.	10,000	13	0.32%	5,800	17	0.21%
FedEx Corp	9,100	14	0.29%	7,600	14	0.27%
ArcelorMittal	8,708	15	0.28%	N/A		
Amazon.com	8,000	16	0.25%	N/A		
LCI Industries	7,506	17	0.24%	N/A		
City of Indianapolis/Marion County	7,090	18	0.23%	8,075	13	0.29%
General Motors Corp.	7,000	19	0.22%	N/A		
Cook Group Inc.	6,990	20	0.22%	N/A		
Total	325,452		10.34%	226,093		8.16%

(1) Full time State employees paid through the Auditor of State's Office as of June 2018 and June 2009.
N/A = Not available

Sources: Indianapolis Business Journal, 2019 and 2010 Book of Lists; and Auditor of State payroll records.

**State of Indiana
School Enrollment
Last Ten Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Public School Enrollment, Grades K-12										
Elementary (KG through Grade 6)	545,600	548,908	548,157	549,182	550,468	551,803	554,421	555,344	557,983	557,257
Secondary (Grades 7 through 12)	487,867	484,162	481,034	477,886	478,186	479,581	476,685	475,457	477,455	476,516
Total, all grades	<u>1,033,467</u>	<u>1,033,070</u>	<u>1,029,191</u>	<u>1,027,068</u>	<u>1,028,654</u>	<u>1,031,384</u>	<u>1,031,106</u>	<u>1,030,801</u>	<u>1,035,438</u>	<u>1,033,773</u>
Public Higher Education Enrollment ¹										
Indiana University	81,472	81,896	83,141	86,424	85,540	85,373	84,786	82,671	83,228	82,830
Purdue University	55,280	55,131	55,351	56,476	56,645	56,701	57,284	58,704	59,186	59,526
Ball State University	18,268	18,175	19,014	18,771	18,231	18,255	18,340	18,831	19,526	19,965
Indiana State University	9,873	10,758	11,491	11,450	11,574	11,273	10,772	10,282	9,738	9,685
Ivy Tech Community College	35,007	34,992	40,324	42,708	45,065	49,727	56,024	58,719	65,957	67,588
University of Southern Indiana	7,105	7,369	8,182	8,137	7,668	7,822	8,215	8,740	9,031	8,971
Vincennes University	4,988	4,783	9,620	9,551	10,032	10,162	9,825	9,393	10,077	9,410
Total, public colleges and universities	<u>211,993</u>	<u>213,105</u>	<u>227,122</u>	<u>233,516</u>	<u>234,755</u>	<u>239,313</u>	<u>245,246</u>	<u>247,340</u>	<u>256,743</u>	<u>257,975</u>

¹ based on Fall full-time equivalent enrollment. Starting with 2018, census counts are limited to degree-seeking students. Prior years include both degree and non-degree seeking students.

Sources: Indiana Commission for Higher Education (for Public Higher Education Enrollment); and Indiana Department of Education (for Grades K-12)

State of Indiana Largest Indiana Private Colleges & Universities (Ranked by Fall 2018 Full-Time Equivalent Enrollment)			
Ranking	Institution	Fall 2018 FTE Enrollment	Location
1	Indiana Wesleyan University	12,895	Marion
2	University of Notre Dame	12,418	Notre Dame
3	University of Indianapolis	6,802	Indianapolis
4	WGU Indiana	5,666	Indianapolis
5	Butler University	5,303	Indianapolis
6	Indiana Tech	5,281	Fort Wayne
7	Valparaiso University	3,659	Valparaiso
8	Marian University	3,599	Indianapolis
9	Trine University	2,904	Angola
10	Rose Hulman Institute of Technology	2,833	Terre Haute
11	University of Evansville	2,476	Evansville
12	University of Saint Francis	2,417	Fort Wayne
13	Grace College	2,200	Winona
14	DePauw University	2,146	Greencastle
15	Taylor University	2,107	Upland
16	Anderson University	1,555	Anderson
17	Manchester University	1,486	North Manchester
18	Bethel College	1,269	Mishawaka

SOURCE: Indianapolis Business Journal, 2019 Book of Lists

**State of Indiana
Operating Indicators by Function of Government
Last Ten Fiscal Years**

General Government

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Department of Revenue										
Number of Tax Returns Filed Electronically	1	2,903,057	2,820,773	2,767,493	2,734,420	2,721,693	2,565,620	2,328,203	2,268,856	2,179,678
Number of Tax Returns Processed	1	3,368,084	3,258,929	3,257,836	3,328,805	3,353,918	3,254,314	3,140,076	3,094,479	2,966,371
Percent of Tax Returns Filed Electronically		86.2%	86.6%	84.9%	82.1%	81.1%	78.8%	74.1%	73.3%	73.5%
Number of Taxpayers Assisted - Walk-in	2,3	66,636	48,823	64,986	77,184	102,120	12,969	18,748	21,784	23,752
Number of Taxpayers Assisted - Telephone	2	816,212	611,277	821,115	1,116,757	753,939	630,352	534,680	416,231	367,217
Number of Taxpayers Assisted - Total	2	882,848	660,100	886,101	1,193,941	853,059	643,321	553,428	438,015	390,969

Department of Administration										
Construction projects administered		66	48	50	53	43	33	67	38	72
Construction value excluding design fee (thousands)		\$45,056	\$42,516	\$44,200	\$36,352	\$27,613	\$27,448	\$31,161	\$22,265	\$25,585

Public Safety

Department of Correction										
Department Active Personnel		5,870	5,880	6,121	6,074	6,094	6,256	6,198	6,064	6,768
Number of Adult Institutions		18	18	19	20	20	20	20	21	21
Incarcerated Offenders	4	27,106	26,628	25,731	25,993	29,329	29,156	28,378	28,307	29,278
Average Cost Per Diem		\$57.73	\$58.36	\$57.39	\$54.43	\$55.42	\$55.19	\$54.85	\$54.53	\$53.69
Contract Beds		188	198	263	307	341	333	399	294	167
Average Offender Age at Intake		33.7	33.3	33.0	32.9	32.7	32.7	32.7	32.6	32.5
Average Offender Age - Current		38.9	38.4	38.1	37.9	36.5	36.9	36.6	36.6	36.3
Supervised Offenders	5	6,268	6,763	7,577	8,865	9,689	10,385	9,581	10,606	9,037

State Police										
Active State Troopers		1,232	1,223	1,251	1,242	1,241	1,243	1,245	1,244	1,255
Number of Traffic Citations Issued		204,290	217,771	205,525	229,829	231,683	323,604	364,070	431,173	513,496
Number of Firearm Permits Issued		58,442	69,264	78,376	117,893	103,062	84,831	69,525	76,844	81,868
Number of Limited Criminal History Searches (fee)		349,770	373,767	346,657	325,802	294,152	247,458	270,547	255,845	243,130
Number of Limited Criminal History Searches (no fee)		464,136	490,877	519,751	533,172	442,088	396,197	390,912	370,857	371,964

Health

Department of Health										
Number of Birth and Death Certificates Issued		41,250	70,195	76,696	79,076	34,012	42,076	49,208	61,884	46,236
Number of Adoption Records Received		5,245	4,529	4,363	3,936	3,904	1,831	3,402	2,186	N/A
Number of Marriage Records Received		39,944	43,452	43,382	49,157	44,841	41,301	48,756	39,586	32,000

Welfare

FSSA										
Medicaid and Children's Health Insurance Program (CHIP) recipients		1,746,096	1,760,489	1,745,418	1,726,948	1,365,748	1,303,958	1,279,288	1,274,341	1,232,456
Temporary Assistant for Needy Families (TANF) recipients		11,259	12,938	14,801	16,832	19,290	28,285	37,591	63,278	119,957
Supplemental Nutritional Assistance Program (SNAP) recipients		588,987	601,062	654,722	720,822	814,959	924,180	908,511	882,716	823,818

Conservation, Culture, and Development

Department of Natural Resources										
Hunting licenses sold		315,787	345,846	357,822	311,457	395,258	400,575	458,156	447,003	454,264
Fishing licenses sold		409,391	413,852	416,420	415,088	474,361	418,535	496,423	429,373	472,174
Trapping licenses sold		4,061	4,049	4,131	4,929	5,670	4,609	3,714	3,326	3,043

Transportation

Department of Transportation										
Construction projects administered		512	421	455	545	487	379	425	443	819
Construction value excluding design fee (thousands)		\$ 294,662	\$ 339,919	\$ 253,384	\$ 299,045	\$ 262,629	\$ 248,003	\$ 282,352	\$ 253,751	\$ 479,562
Construction awarded amount (thousands)		\$ 1,164,878	\$ 1,225,911	\$ 1,071,018	\$ 1,000,398	\$ 954,516	\$ 1,018,335	\$ 996,806	\$ 1,443,156	\$ 1,410,254

Business-type activities

Unemployment Insurance		820	886	1,071	1,469	2,032	2,324	2,588	3,144	4,525
Number of payments made to claimants (thousands)		3.5%	3.4%	3.9%	4.3%	5.9%	8.4%	8.7%	9.0%	10.0%
Percentage of unemployment										

Notes:

- 1 Tax Year (January 1 - December 30)
- 2 Fiscal Year (July 1-June 30)
- 3 2014 through 2019 walk-ins assisted included the DoR's main, district, and motor carrier offices. Prior years included only the main office.
- 4 Includes inmates held in county jails and contract beds
- 5 Excludes Indiana parolees on parole in other states; includes other states parolees supervised by Indiana

Sources: Various state agencies.

266 - State of Indiana - Comprehensive Annual Financial Report

State of Indiana Capital Assets Statistics by Function of Government Last Ten Fiscal Years

Function	Fiscal Year Ended June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Conservation, Culture and Development										
<i>Department of Natural Resources</i>										
Acres of land (parks, lakes, etc.) owned	437,442	433,472	435,487	413,835	411,686	414,212	410,817	406,243	385,950	381,267
Number of state parks	24	24	24	24	24	24	24	24	24	24
Number of reservoirs	8	8	8	8	8	8	8	8	8	9
Number of state forests	15	15	15	15	15	16	16	15	16	15
Number of fish & wildlife areas	23	21	21	25	26	26	26	25	22	21
Number of dams	131	131	132	132	132	133	133	134	134	129
Number of vehicles	1,672	1,761	1,877	1,986	1,996	2,041	2,071	2,073	2,049	2,067
Number of watercraft, registered	645	730	735	746	799	822	901	899	899	879
Number of watercraft, non-registered	363	332	315	319	324	306	210	212	212	201
Education										
<i>Department of Education</i>										
Number of public schools, K-12	1,912	1,913	1,925	1,926	1,938	1,923	1,928	1,931	1,936	1,941
Number of non-public schools, K-12 *	304	302	309	308	301	301	304	294	293	304
<i>Commission for Higher Education</i>										
Number of public postsecondary institutions										
number of institutions	7	7	7	7	7	7	7	7	7	7
number of campuses	38	38	36	43	41	43	43	47	47	39
Number of private not-for-profit postsecondary institutions										
number of institutions	30	30	30	31	31	29	31	32	32	32
number of campuses	30	30	30	31	31	29	31	32	32	32
Number of private for profit postsecondary institutions **										
number of institutions	25	27	29	31	29	29	32	36	Unavailable	Unavailable
number of campuses	31	42	48	59	59	59	61	65	Unavailable	Unavailable
General Government										
<i>Department of Administration</i>										
Number of buildings	12	12	12	12	10	10	10	7	7	7
Number of fleet service vehicles ***	2,476	1,725	1,211	1,341	235	239	285	257	259	270
Number of aircraft	0	0	0	0	0	0	0	0	0	7
Public Safety										
<i>Department of Correction</i>										
Number of adult facilities	18	18	19	20	20	20	20	20	21	21
Number of juvenile facilities	3	3	4	4	4	4	4	5	6	6
Number of parole facilities	10	10	10	10	10	10	10	9	9	9
Number of vans	272	274	280	282	284	289	299	291	294	310
<i>State Police</i>										
Number of state police posts	14	14	14	14	14	14	14	14	14	17
Number of state police cars	1,961	1,769	1,797	1,699	1,728	1,937	2,080	1,931	1,847	1,807
Number of aircraft	5	5	3	3	3	5	6	6	6	0
Number of trailers	125	125	125	118	117	121	120	116	108	108
Transportation										
<i>Department of Transportation</i>										
Number of interstate miles	1,285	1,265	1,265	1,265	1,238	1,236	1,238	1,014	1,014	1,014
Number of non-interstate miles	9,917	9,941	9,937	9,944	9,947	9,933	9,930	10,127	10,095	9,942
Number of interstate and non-interstate total miles	11,202	11,206	11,202	11,209	11,185	11,169	11,168	11,141	11,109	10,956
Number of interstate bridges	1,450	1,431	1,433	1,432	1,381	1,392	1,377	1,264	1,263	1,256
Number of non-interstate bridges	4,358	4,361	4,324	4,317	4,308	4,233	4,081	4,056	4,049	3,977
Number of interstate and non-interstate total bridges	5,808	5,792	5,757	5,749	5,689	5,625	5,458	5,320	5,312	5,233
Acreage from excess land	11,247	11,358	11,339	11,513	7,165	5,974	6,022	5,879	5,216	4,810
Acreage from fixed assets	2,894	2,385	2,269	2,278	2,262	2,243	2,262	2,298	2,286	2,289
Total acres of land owned	14,141	13,743	13,608	13,791	9,427	8,217	8,284	8,177	7,502	7,099
Number of heavy equipment owned	2,789	3,072	3,457	3,259	3,186	3,101	2,827	2,902	2,864	2,777
Welfare										
<i>Family and Social Services Administration</i>										
Number of hospitals owned	7	6	6	6	6	6	6	6	6	6
Health										
<i>Indiana State Department of Health</i>										
Number of pieces of laboratory equipment	747	825	720	751	751	749	757	742	777	751

Noted: * Includes only the accredited and freeway schools.

** Institutions authorized through the Board for Proprietary Education, which is administered through ICHE; the list includes eight not-for-profit institutions

*** Increases since 2016 due to policy change requiring vehicle purchases to be made through the Department of Administration

Sources: Various state agencies.

Full Time State Employees Paid Through The Auditor of State's Office

Function of Government	June 2019	June 2018	June 2017	June 2016	June 2015	June 2014	June 2013	June 2012	June 2011	June 2010
General Government	4,920	4,908	4,821	4,828	4,854	4,872	4,937	4,901	5,152	5,323
Public Safety	10,432	10,416	10,399	10,453	10,478	10,666	10,936	11,162	10,893	11,376
Health	758	753	745	744	773	783	794	783	802	835
Welfare	8,308	7,943	7,867	7,852	7,608	7,392	7,037	6,907	6,858	7,302
Conservation, Culture and Development	2,962	3,035	3,033	3,090	3,192	3,272	3,366	3,275	3,251	3,290
Education	601	616	606	620	619	641	532	550	706	766
Transportation	3,489	3,556	3,417	3,390	3,325	3,346	3,532	3,685	3,668	3,909
Totals	31,470	31,227	30,888	30,977	30,849	30,972	31,134	31,263	31,330	32,801
G - Governor's Authority	28,868	28,634	28,286	28,315	28,157	28,279	28,398	28,485	28,472	29,911
J - Judiciary	922	908	894	886	865	845	831	835	830	846
O - Other Elected Officials	1,124	1,095	1,062	1,107	1,083	1,065	1,049	1,049	1,067	1,056
D - Disability Leave - in pay status	363	370	425	419	455	471	511	545	610	647
D2 - Disability Leave - in non-pay status	193	220	221	250	289	312	345	349	351	341
Total	31,470	31,227	30,888	30,977	30,849	30,972	31,134	31,263	31,330	32,801

Employees Other Than Full Time Paid Through The Auditor of State's Office

Function of Government	June 2019	June 2018	June 2017	June 2016	June 2015	June 2014	June 2013	June 2012	June 2011	June 2010
General Government	208	188	180	209	185	182	173	150	138	152
Public Safety	209	204	159	169	141	410	260	296	1,168	292
Health	4	1	1	2	1	1	3	-	-	-
Welfare	165	310	298	300	295	319	35	349	313	351
Conservation, Culture and Development	1,543	1,513	1,546	1,462	1,433	1,511	1,480	1,492	1,557	1,142
Education	131	128	155	174	133	127	105	109	112	110
Transportation	115	125	138	110	66	64	154	170	102	86
Totals	2,375	2,469	2,477	2,426	2,254	2,614	2,210	2,566	3,390	2,133
G - Governor's Authority	2,286	2,378	2,387	2,312	2,135	2,502	2,103	2,476	3,292	2,036
J - Judiciary	19	19	19	22	25	25	17	18	15	12
O - Other Elected Officials	70	72	71	92	94	87	90	72	83	85
Total	2,375	2,469	2,477	2,426	2,254	2,614	2,210	2,566	3,390	2,133

**Pension, Death Benefits, and Former Governors
Number of People Paid Through The Auditor of State's Office**

Category	June 2019	June 2018	June 2017	June 2016	June 2015	June 2014	June 2013	June 2012	June 2011	June 2010	June 2009
Governor's Widows	3	3	3	3	2	2	2	1	1	1	2
Death Benefits (Police)	23	23	23	25	26	28	30	30	31	33	31
Former Governors	2	2	2	2	3	3	2	3	3	2	2
Police Pension	1,595	1,591	1,617	1,622	1,617	1,584	1,622	1,550	1,536	1,531	1,499
Total	1,623	1,619	1,645	1,652	1,648	1,617	1,656	1,584	1,571	1,567	1,534

