INDIANA

<u>Comprehensive Annual Financial Report</u>
For Fiscal Year Ended June 30, 2015

Michael R. Pence, Governor

Prepared by the Office of
Indiana Auditor of State

Suzanne Crouch

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, 2015

Michael R. Pence, Governor

Prepared by:

The Office of the Auditor of State
Suzanne Crouch
Auditor of State
Room 240
State House
Indianapolis, Indiana 46204

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We extend special thanks to Stacey Halvorsen, CPA, and all employees of State agencies throughout Indiana. Your cooperation and assistance in the preparation of this Comprehensive Annual Financial Report has been invaluable.

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

Elected as Indiana's 56th State Auditor in 2014, Suzanne Crouch serves as the Chief Financial Officer for the State of Indiana. Auditor Crouch is a committed fiscal conservative who keeps taxpayers first, recognizing that each tax dollar is closely linked to the hard working Hoosier who earned it.

Before becoming Auditor, Crouch served as the State Representative for House District 78 which encompasses parts of Vanderburgh and Warrick Counties. She was elected to the seat in 2005, and served as the Vice Chairman of the Ways and Means Committee and on the Public Health Committee. While in the House, Crouch had several legislative accomplishments. She received the 2012 Public Policy Award from the Arc of Indiana for her work with people with disabilities and was named Legislator of the Year in 2011 by the Indiana Association of Rehabilitation Facilities.

Prior to serving in the House of Representatives, Crouch spent eight years as Auditor of Vanderburgh County, holding office from 1995-2002. During that time, the office received its first clean bill of health in decades from the Indiana State Board of Accounts. Crouch then went on to serve as a Vanderburgh County Commissioner until joining the House. She presided as president of that body during her third year in office.

As the State Auditor, Crouch has continued the long legacy of transparency and accountability demonstrated by the Indiana State Auditor's Office. The State's Comprehensive Annual Financial Report was awarded its 22nd consecutive Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the 2014 calendar year. The State's Transparency Portal website also remained ranked as one of the best in the nation in 2014 by the U.S. Public Interest research group, giving the public access to information showing the State's contracts, subsidies, expenditures and revenue.

Suzanne Crouch
Indiana Auditor of State

Suzanne and her husband Larry Downs have been married for 36 years. They have one daughter, Courtney, who recently moved to Indiana with her husband. Larry retired from Kahn, Dees, Donovan & Kahn, LLP in Evansville after practicing law for more than 40 years. Suzanne holds a degree in Political Science from Purdue University.

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
1998-2007	Connie K. Nass	Republican
2007-2013	Tim Berry	Republican
2013-2013	Dwayne Sawyer	Republican
2014-	Suzanne Crouch	Republican

STATE OF INDIANA

Comprehensive Annual Financial Report
For the Year Ended
June 30, 2015

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Introductory Section

Comprehensive Annual Financial Report

Indianapolis devotes more acreage than any other U.S. city to honoring our nation's fallen and is second only to Washington, D.C. in the number of war memorials.

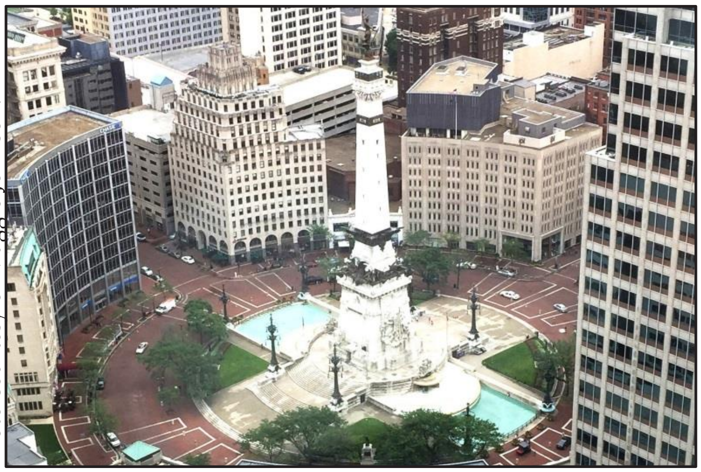

Photo courtesy of Maggie Johnson.

The Soldiers and Sailors Monument is located in the very center of Indianapolis in the middle of Monument Circle. The Circle was originally intended to house the governor's mansion, but no governor wanted to live in such a public location. Instead, it was decided after the Civil War to erect a monument in honor of those who fought. An international competition resulted in the selection of German architect Bruno Schmitz in 1887. The monument was completed in 1901 and measures 284 feet tall. The basement contains a Civil War Museum and the top is crowned with a statue of Victory.

The Indiana World War Memorial & Museum in downtown Indianapolis honors the Indiana men killed in World War I. The Military Museum inside also lists all Hoosiers killed or missing in action through the Vietnam War. The memorial building is set far above street level, and ascends almost 210 feet. On the south side of the building sits the largest bronze casting sculpture ever made in America, "Pro Patria." Inside the building there is an art deco lobby, a theatre used for public gatherings, and a Shrine Room on the top level.

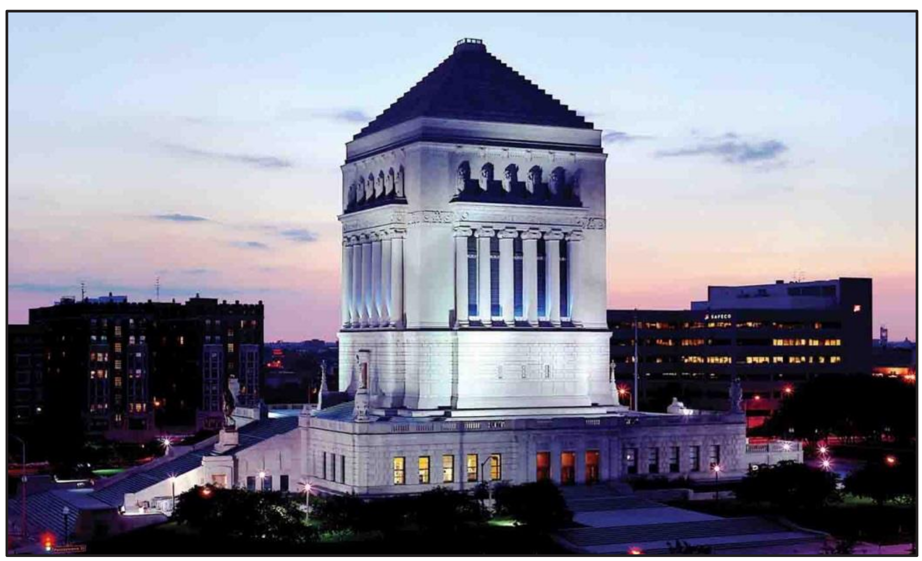

Photo courtesy of VisitIndy.com.

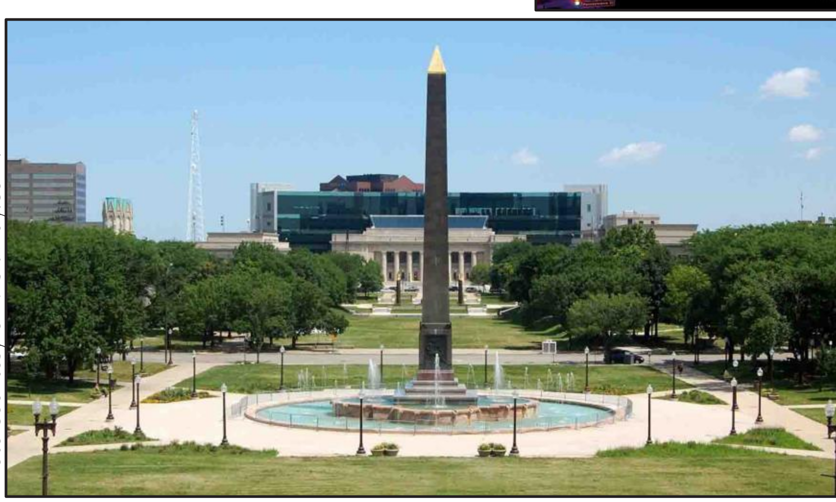

Photo courtesy of VisitIndy.com.

Centrally located in Indianapolis' seven-block war memorial district, Veteran's Memorial Plaza honors all Indiana veterans. The centerpiece is an Obelisk that reaches 100 feet tall. It was constructed out of black Berwick granite in 1930. At the base of the Obelisk are bronze tablets that share the four essential elements of the nation's hopes; law, science, religion and education. A 100-foot diameter fountain made from pink Georgia marble and terrazzo surrounds the Obelisk. The plaza accommodates large gatherings and serves as a dedicated space for the 50 state flags.

AUDITOR OF STATE

Suzanne Crouch

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http://www.in.gov/itp

December 23, 2015

Governor,
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, 2015.

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 are obligated to verify postings. We believe the information set forth in this report is accurate in all aspects and is presented in a manner designed to set forth 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 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 made 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) has been 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. We encourage you to read it to get 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 at 6,596,855 which makes Indiana the nation's 16th most populated State. 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, 315 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 other year to adopt a biennial budget, which is 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 a 2014 Gross Domestic Product of $317.8 billion, Indiana's economy ranked 16th largest in the U.S. in terms of the value of goods and services. Indiana's largest contributor to GDP growth was the manufacturing sector, which accounted for 15.8% of Indiana's GDP in 2014. The nondurable goods subset of the manufacturing sector was the biggest cause of Indiana's GDP growth in 2014.

As of June 2015, the manufacturing sector accounted for nearly 17.1% of the jobs in Indiana compared to 20.3% in 2002. The share of employment accounted for by the health care and social services sector increased from 10.2% in 2002 to 12.6% as of June 2015. Per capita personal income was $39,578 in 2014, and the State's unemployment rate was 4.9% at the end of Fiscal Year 2015.

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 0.17% for the fiscal year ended June 30, 2015. The average yield on the total investment of all funds, except for pension trust funds, was 0.49% for the fiscal year ended June 30, 2015. 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 $9.2 billion at June 30, 2015.

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 Department of Government Efficiency and Financial Planning, the Department of Local Government Finance, the Board of Tax Review, Office of Technology, the Office of State Based Initiatives, the Department of Revenue, the State Budget Agency, the Indiana Public Retirement System, and the Indiana Finance Authority.

In June 2015, Indiana closed the books with $2.141 billion in reserves and a structurally balanced budget. Reducing general fund spending has enabled Indiana not only to maintain a prudent level of reserves, but also repay debts to local government, schools, and universities, which at their peak in FY 2005, totaled over $750 million. One-time revenues, such as those generated by the Tax Amnesty program several years ago, have been used to repay one-time debt rather than being built into revenue forecasts to support on-going expenditures.

Indiana is one of eleven 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).

At the time of the upgrade by S&P, their report noted that the administration has made significant financial management changes and strengthened budgeting practices. S&P cited four areas in issuing the AAA credit rating: a stable and diversifying economic base despite continued manufacturing concentration, a conservative biennial budget that will add to the fund balance by the end of the biennium, property tax reform that has clarified the state's financial responsibilities, and low overall debt levels.

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 state issuers. This plan is intended to provide guidance in the structuring, sale, monitoring, and post-issuance compliance for all State-related debt.

The State of Indiana launched a new statewide accounting system in September 2009. The transition to the new system included a significant enhancement of internal controls, the implementation of a uniform chart of accounts, and the conversion of all financial data from the prior system into the new system. In addition to a successful go-live in September 2009, the state completed an upgrade in the spring of 2012 and again had a timely closing of the books in July 2015.

Executive Order 14-06 required the OMB to create the Governor's Management and Performance Hub (MPH) for the purposes of centralized data sharing, correlation, and analysis in order to drive innovation and efficiency across state agencies; improve information technology systems, practices, and procedures to enhance the security of data retained by state agencies; and to increase the transparency of state government.

In 2008, the Pew Center on the States and *Governing* magazine released a report from the Government Performance Project assessing the quality of management in the 50 states. In this report, Indiana was highlighted as having “moved into fiscal balance by going beyond one-time budget fixes” and for having a four-year horizon to make fiscal decisions.

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 beginning in January 2009.

Local school aid includes distributions for programs such as assessment and performance, as well as tuition support. The General Assembly established the State’s calendar year 1972 funding level as the base for local school aid.

The K-12 tuition support for Fiscal Year 2015 totaled $6,714.4 million. This includes a distribution of $22.8 million for adult learners.

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 Fiscal Year 2015 were $1,482.4 million, which includes funding for university operating, fee-replaced debt service, and line items. An additional $457.2 million was appropriated for other higher education line items, university repair and rehabilitation, university capital projects, and State student aid.

Since Fiscal Year 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 $659.6 million for Fiscal Year 2014 and $674.2 million for Fiscal Year 2015.

Offender population is the most significant driver of corrections expenditures. The total offender population, including those in jail and contract beds, decreased to 28,123 at the end of Fiscal Year 2015 – down 5.1% from 29,636 at the end of Fiscal Year 2014.

Transportation – As a result of the Major Moves program, Indiana has seen record construction, as the Indiana Department of Transportation (INDOT) is executing the $12 billion construction program made possible in part by the lease of the Indiana Toll Road. INDOT is aggressively working to advance as much work as possible from later construction years to take advantage of favorable price conditions. This also helps deliver the benefits of the new highways much earlier, and spurs job creation. In addition, $200 million was appropriated from the General Fund for highway capacity enhancements in FY 2015.

For an eighth consecutive year, state and federal program expenditures for engineering, right-of-way, construction, and maintenance exceeded one billion dollars. Actual FY 2015 expenditures and obligations were $1.28 billion.

Conservation and Environment - In FY 2015, the Department of Natural Resources (DNR) continued the largest land conservation initiative in the State's history, the Healthy Rivers Initiative (HRI). The HRI consists of two projects, one within the Wabash River and Sugar Creek floodplain (over 43,000 acres) and another along the Muscatatuck River known as Muscatatuck Bottoms (over 26,000 acres). Since the announcement in FY 2010, DNR has acquired over 12,400 acres along the Muscatatuck River and Wabash River corridors. Land acquisition efforts will continue for years into the future. To date, these efforts have added three new conservation areas for recreational use: Austin Bottoms, Sugar Creek, and Wabash River.

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 called on individuals, businesses and communities around the state to join the effort. Through FY 2015, 142 BNT projects had been approved and 82 have been completed.

Health and Human Services – Medicaid is a state/federal shared fiscal responsibility with the State supporting 33.40% of the total program through a combination of State General Fund and dedicated funds over the biennium. Federal funding accounts for the remaining 66.60%. The federal share increased during Fiscal Years 2009, 2010, and 2011 as a result of ARRA. Indiana's base federal reimbursement rate equaled 66.96% for the first quarter of Fiscal Year 2013, 67.16% for the remaining three quarters of Fiscal Year 2013 and the first quarter of Fiscal Year 2014, and 66.92% for the remaining three quarters of Fiscal Year 2014. Indiana's base federal reimbursement rate equaled 66.52% for Federal Fiscal Year 2015 and 66.60% for Federal Fiscal Year 2016. In Fiscal Years 2011, 2012 and 2013, State General Fund Medicaid expenditures totaled $1,436.0 million, $1,856.4 million, and $2,023.5 million respectively. For Fiscal Year 2014, State General Fund Medicaid expenditures totaled $1,975.1 million. In Fiscal Year 2015, State General Fund Medicaid expenditures totaled $2,159.9 million. Enrollment was estimated to be 1,287,230 at the end of Fiscal Year 2015 (these figures exclude the Children's Health Insurance Program).

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 2.0 has been designed to improve healthcare utilization and promote personal responsibility. In addition, HIP 2.0 will maintain financial sustainability and will not increase taxes for Hoosiers. The program will be funded by enhanced federal funding, the hospital assessment fee, and existing cigarette tax revenues previously used for HIP.

In its ninth year of operations, 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 81% from 2009 to 2014, up from 109,489 in 2009 to 198,684 in 2014.

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 2015, Indiana received several accolades for its business environment. This includes ranking 1st in the Midwest and 6th in the nation in Chief Executive magazine's annual "Best & Worst States" survey (June 2015), 1st in the Midwest and 3rd in the nation as the best place to do business in the

Pollina Corporate Top 10 Pro-Business States for 2015 study (Aug. 2015), and best in the Midwest and 6th overall in Area Development magazine's "Top States for Doing Business" study (Sept. 2015).

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 State continues to administer Retirement Medical Benefits accounts, established as Health Reimbursement Arrangements (HRAs), for most 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. The plan remained more than 100% funded at the end of FY 2015. These funds are then credited to each employee's account annually based upon their age. There is also a catch-up provision allowing for additional contributions based upon the number of years of service completed by the qualified retiree who retires prior to June 30, 2017.

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, 2014. This was the twenty-second 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,

Suzanne Crouch
Auditor of State
State of Indiana

Micah Vincent
Director
Office of Management and Budget

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

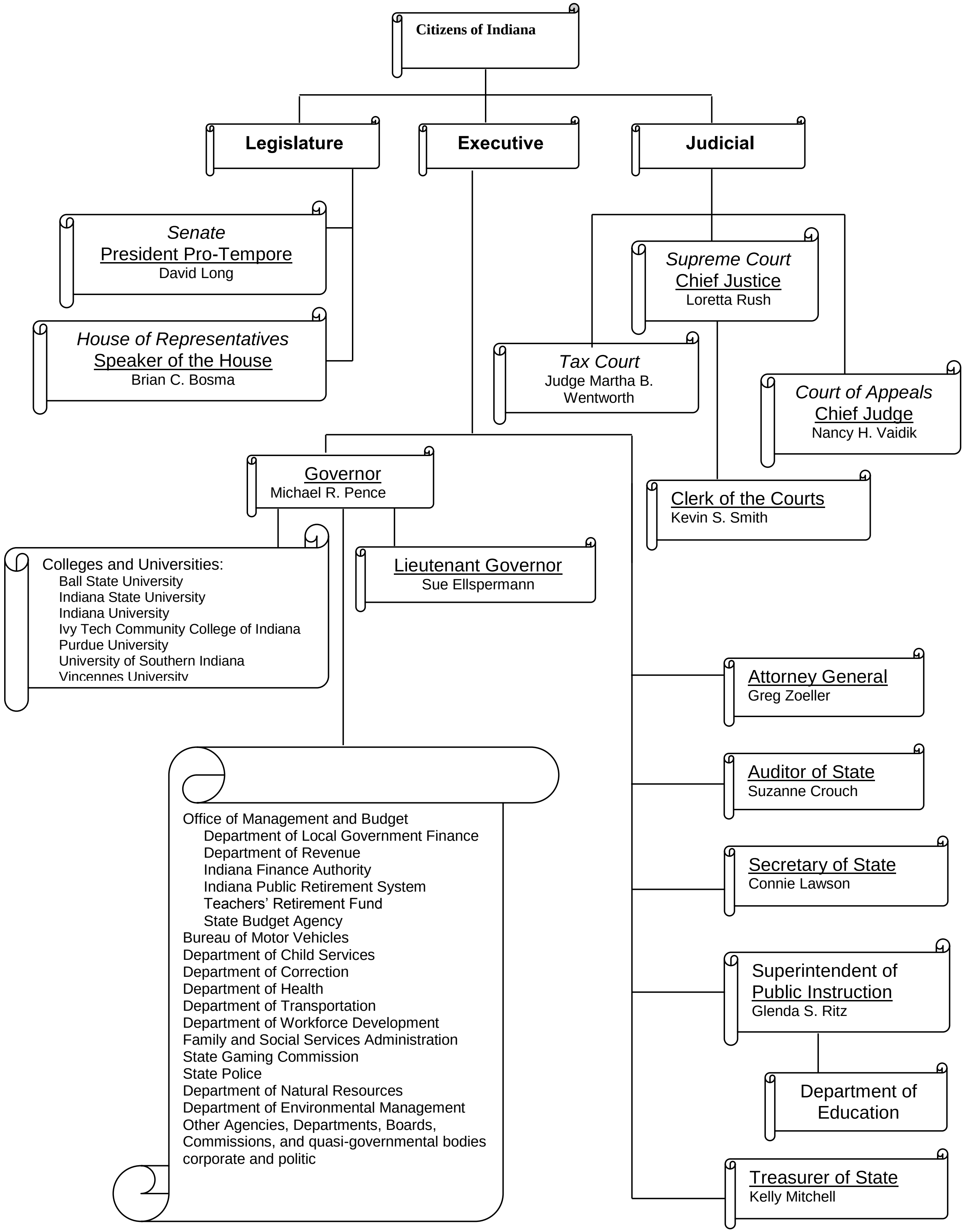
Presented to

State of Indiana

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO


Citizens of Indiana
Legislature
Executive
Judicial
Senate
President Pro-Tempore
David Long
House of Representatives
Speaker of the House
Brian C. Bosma
Supreme Court
Chief Justice
Loretta Rush
Tax Court
Judge Martha B. Wentworth
Court of Appeals
Chief Judge
Nancy H. Vaidik
Clerk of the Courts
Kevin S. Smith
Governor
Michael R. Pence
Lieutenant Governor
Sue Ellspermann
Colleges and Universities:
Ball State University
Indiana State University
Indiana University
Ivy Tech Community College of Indiana
Purdue University
University of Southern Indiana
Vincennes University
Office of Management and Budget
Department of Local Government Finance
Department of Revenue
Indiana Finance Authority
Indiana Public Retirement System
Teachers' Retirement Fund
State Budget Agency
Bureau of Motor Vehicles
Department of Child Services
Department of Correction
Department of Health
Department of Transportation
Department of Workforce Development
Family and Social Services Administration
State Gaming Commission
State Police
Department of Natural Resources
Department of Environmental Management
Other Agencies, Departments, Boards, Commissions, and quasi-governmental bodies corporate and politic
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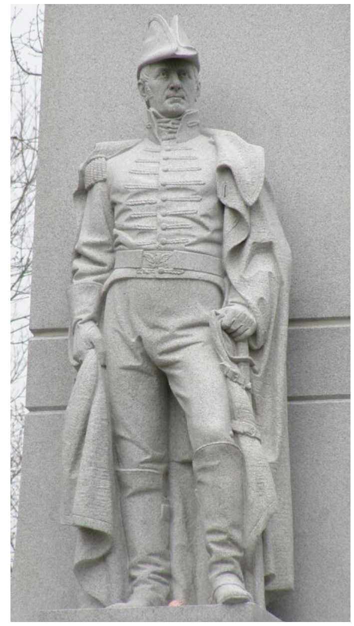
Greg Zoeller
Auditor of State
Suzanne Crouch
Secretary of State
Connie Lawson
Superintendent of Public Instruction
Glenda S. Ritz
Department of Education
Treasurer of State
Kelly Mitchell

Financial Section

Comprehensive Annual Financial Report

The Battle of Tippecanoe was fought on November 7, 1811, near present-day Lafayette, Ind. between United States forces led by Governor William Henry Harrison of the Indiana Territory and Native American warriors associated with the Shawnee leader Tecumseh, whose people opposed US expansion into Native territory. As tensions and violence increased, Governor Harrison marched with an army of about 1,000 men to disperse the confederacy's headquarters at Prophetstown.



Warriors from Prophetstown attacked Harrison's army unexpectedly, but Harrison and his men stood their ground. The Natives were ultimately overtaken when their ammunition ran low. After the battle, the Natives abandoned Prophetstown and Harrison's men burned it to the ground. Having accomplished his goal of destroying Prophetstown, Harrison proclaimed that he had won a decisive victory. He acquired the nickname "Tippecanoe", which was popularized in the song "Tippecanoe and Tyler too" during the election of 1840, when Harrison was elected president.

The battle site, now known as the Tippecanoe Battlefield, is a National Historic Landmark that attracts tens of thousands of visitors annually to northern Tippecanoe County. The 16-acre site of the battle was deeded to the State of Indiana by John Tipton, a veteran of the fight, on November 7, 1836, the twenty-fifth anniversary of the battle. In 1892, an associate organization worked the state and national representatives into funding a monument. It wasn't until 1908 that the 85-foot marble obelisk with a statue of Harrison was finally erected, at a cost of $24,500.

Photos courtesy of the Tippecanoe County Historical Association.

STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT

TO: The Honorable Michael R. Pence
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, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the State of Indiana'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 local government investment pool which represent 100 percent of the assets, net position, and revenues of the Investment Trust Fund. We also did not audit the financial statements of certain component units of the State of Indiana, as discussed in Note I(A), which represent 33.6 percent, 26.8 percent, and 6.2 percent, respectively, of the assets, net position, and revenues of the colleges and universities, 100 percent of the assets, net position, and revenues of the governmental discretely presented component unit, and100 percent of the assets, net position, and revenues of the proprietary discretely presented component units. We also did not audit the financial statements of the Indiana Public Retirement System, reported as a Fiduciary in Nature Component Unit in Note I(A), which represent 97.8 percent, 97.3 percent, and 95.4 percent, respectively, of the assets, net position, and revenues of the Pension and Other Employee Benefit Trust Funds. 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 of material misstatement. The financial statements of the Indiana State Fair Commission, Indiana Political Subdivision Risk Management Commission, and Indiana Public Retirement System were not audited in accordance with *Government Auditing Standards*.

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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating 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 of Indiana, as of June 30, 2015, 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.

Emphasis of Matter

As discussed in Note IV(G) to the financial statements, the 2014 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress for Other Postemployment Benefits, 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, Schedule of Investment Returns for Employee Retirement Systems and Plans, Budgetary Information, Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual Major Funds (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 of Indiana's 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, 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 financial statements.

The combining and individual statements for the non-major governmental and proprietary funds, internal service funds, fiduciary funds, non-major discretely presented components, 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 as described above, and the report 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 components, 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 23, 2015 on our consideration of the State of Indiana'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 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 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 of Indiana's internal control over financial reporting and compliance.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

December 23, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

STATE OF INDIANA
Management's Discussion and Analysis
June 30, 2015

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 ended June 30, 2015. 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) in the Notes to the Financial Statements, fiscal year (FY) 2014 numbers have been restated.

Financial Highlights

- For FY 2015, on a government-wide basis, the assets and deferred outflows of the State of Indiana exceeded its liabilities and deferred inflows by $11.3 billion. This compares with $9.4 billion for FY 2014, as restated.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $1.0 billion, or 8.4% of the total general fund expenditures.
- On a government-wide basis for the primary government, the State incurred expenses net of program revenue of $14.3 billion, which are offset by general revenues totaling $16.2 billion, giving an increase in net position of $1.9 billion.
- General revenue for the primary government increased by $0.7 billion, or 4.5%, from FY 2014. Sales tax revenues increased by $270.9 million and individual and corporate income tax revenue increased $447.5 million. The increases can be attributed to a reduction in Indiana's unemployment rate, increases in the median household income, and growth in our GDP.
- Combined budget balances for FY 2015 were $2,141.2 million. The balance of $2,141.2 million consists of $887.0 in the General Fund, $577.6 million in the Medicaid Contingency Reserve Fund, $300.0 million in the Tuition Reserve Fund, and $376.6 million in the Rainy Day Fund.
- $2,141.2 million represents 13.9% of the General Fund appropriations for FY 2016. These reserve balances will protect the state's critical operations during the next economic downturn. Fund balance available for future use is not significantly limited by current restrictions or commitments.
- Indiana is one of only eleven states with the top bond rating from all three major credit rating agencies. According to the independent credit rating agency Fitch Ratings, 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. These strengths are offset by an economy that, despite ongoing diversification, remains heavily concentrated in the cyclical manufacturing industry." According to Standard & Poor's Ratings Service (S&P), the rating "reflects our view of the state's strong financial position and management's commitment to maintaining structural balance and a high level of reserves. In addition, despite any negative variance from projected revenues, we expect the state to make adjustments as necessary to restore budgetary balance."

Key Economic Indicators

	Dec. 31, 2014	Dec. 31, 2013	% Change
Total Employed Labor Force	3,239,602	3,184,095	1.7%
Total Goods and Service Employment	3,033,300	2,997,600	1.2%
Service-Providing Employment	2,391,200	2,371,300	0.8%
Goods-Producing Employment	642,100	626,300	2.5%
Unemployment Rate	5.7%	6.3%	-9.5%
Median Household Income	49,446	47,529	4.0%

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

Salaries and benefits for State employees represent approximately 7.9% 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

Year	Governor's Authority	Judiciary	Other Elected Officials	On Disability Leave - In Pay Status	On Disability Leave - Not in Pay Status	Total
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
2009	31,254	835	1,093	624	358	34,164
2008	32,606	811	1,139	727	339	35,622
2007	31,524	772	1,123	789	313	34,521
2006	31,822	753	1,102	941	279	34,897

For more information on personnel paid through the Auditor of State’s Office, 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's 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, the Indiana Residual Malpractice Insurance Authority , and the Wabash Memorial Bridge Fund 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	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 11,814.5	$ 11,338.5	$ 355.3	$ 201.9	$ 12,169.8	$ 11,540.4
Capital assets	15,370.0	14,610.0	0.1	0.5	15,370.1	14,610.5
Total assets	27,184.5	25,948.5	355.4	202.4	27,539.9	26,150.9
Deferred outflows of resources	1,034.6	999.5	-	-	1,034.6	999.5
Total deferred outflows of resources	1,034.6	999.5	-	-	1,034.6	999.5
Current liabilities	3,490.2	3,040.1	351.4	974.4	3,841.6	4,014.5
Long-term liabilities	13,018.5	13,733.6	27.4	29.0	13,045.9	13,762.6
Total liabilities	16,508.7	16,773.7	378.8	1,003.4	16,887.5	17,777.1
Deferred inflows of resources	426.1	-	-	-	426.1	-
Total deferred inflows of resources	426.1	-	-	-	426.1	-
Net position:						
Net investment in capital assets	14,315.9	13,501.4	0.1	0.5	14,316.0	13,501.9
Restricted	998.6	1,000.3	-	-	998.6	1,000.3
Unrestricted	(4,030.2)	(4,327.4)	(23.5)	(801.5)	(4,053.7)	(5,128.9)
Total net position	$ 11,284.3	$ 10,174.3	$ (23.4)	$ (801.0)	$ 11,260.9	$ 9,373.3

At the end of the current fiscal year, net position for the primary government was $11.3 billion as compared to $9.4 billion in 2014. There was an increase of $1.9 billion.

Current and other assets increased by $629.4 million. Due to an increase of cash on hand, securities lending collateral increased $262.0 million. Accounts receivable for the unemployment compensation fund increased $167.9 million and more detailed information about this receivable is presented in note IV.C.

Capital assets increased by $759.6 million. The principal reason for the increase in capital assets was the increase in land and infrastructure at the Indiana Department of Transportation of $742.9 million primarily due to the State's Major Moves initiative and other large construction commitments such as the Louisville-Southern Indiana Ohio River Bridges Project (LSIORBP).

Total liabilities decreased by $889.6 million. This decrease is caused by a reduction in the amount due to the federal government for unemployment compensation benefits of $619.8 million. Also, net pension liabilities decreased $649.3 million primarily due to the State's commitment to fund its pension plans. These decreases are partially offset by increases in liabilities related to securities lending of $262.0 million and in accounts payable of $179.9 million.

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 Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for services	$ 2,220.3	$ 2,419.9	$ 1,201.3	$ 976.7	$ 3,421.6	$ 3,396.6
Operating grants and contributions	10,870.0	9,908.9	4.2	135.0	10,874.2	10,043.9
Capital grants and contributions	1,261.2	1,180.1	-	0.2	1,261.2	1,180.3
General revenues:						
Individual and corporate income taxes	6,259.3	5,811.8	-	-	6,259.3	5,811.8
Sales taxes	7,266.6	6,995.7	-	-	7,266.6	6,995.7
Other	2,630.5	2,646.9	1.4	1.1	2,631.9	2,648.0
Total revenues	30,507.9	28,963.3	1,206.9	1,113.0	31,714.8	30,076.3
Program Expense						
General government	1,446.1	1,482.3	-	-	1,446.1	1,482.3
Public safety	1,389.9	1,582.1	-	-	1,389.9	1,582.1
Health	440.9	348.9	-	-	440.9	348.9
Welfare	13,161.6	11,766.1	-	-	13,161.6	11,766.1
Conservation, culture and development	526.1	522.1	-	-	526.1	522.1
Education	10,534.6	10,495.0	-	-	10,534.6	10,495.0
Transportation	1,852.6	2,165.0	-	-	1,852.6	2,165.0
Interest expense	49.0	-	-	-	49.0	-
Unemployment compensation fund	-	-	403.5	674.8	403.5	674.8
Other	-	-	23.0	23.5	23.0	23.5
Total expenses	29,400.8	28,361.5	426.5	698.3	29,827.3	29,059.8
Excess (deficiency) before transfers	1,107.1	601.8	780.4	414.7	1,887.5	1,016.5
Transfers	2.8	2.7	(2.8)	(2.7)	-	-
Change in net position	1,109.9	604.5	777.6	412.0	1,887.5	1,016.5
Beginning net position, as restated	10,174.4	9,569.8	(801.0)	(1,213.0)	9,373.4	8,356.8
Ending net position	$ 11,284.3	$ 10,174.3	$ (23.4)	$ (801.0)	$ 11,260.9	$ 9,373.3

Governmental Activities

Program expenses exceeded program revenues by $15.1 billion. General revenues and transfers were $16.2 billion. The increase in net position was $1.1 billion, which is 3.6% of total revenues and 3.8% of total expenses.

The decrease to excess (deficiency) before transfers was $719.9 million.

Revenues increased mainly because of the increase in general revenues from individual and corporate income taxes and sales taxes. Individual income taxes increased $447.5 million in FY 2015 due to the State's continued economic growth. Also contributing to the increase in revenues was the increase in sales tax revenues of $270.9 million. In addition, operating grants and contributions increased $961.1 million primarily due to an increase in federal funding for Medicaid and the new Healthy Indiana Plan (HIP 2.0).

Expenses increased overall by $1.0 billion or 3.7%.

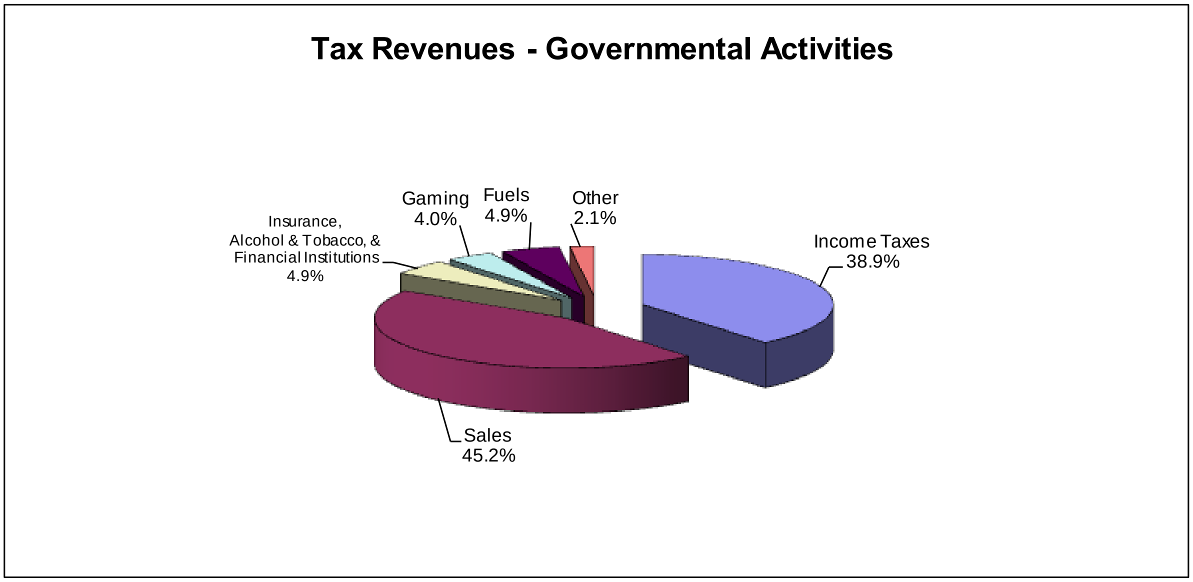
General government expenditures decreased $36.2 million due to tight fiscal controls on spending by state agencies.

Welfare expenditures increased $1.4 billion primarily due to Medicaid and the Health Indiana Plan (HIP 2.0). In addition, expenditures increased for various Department of Child Services' programs as a result of increased case loads and rate increases to vendors.

Health expenditures increased $92.0 million due to increases in the Women's Infant and Children's (WIC) and other federally funded health programs.

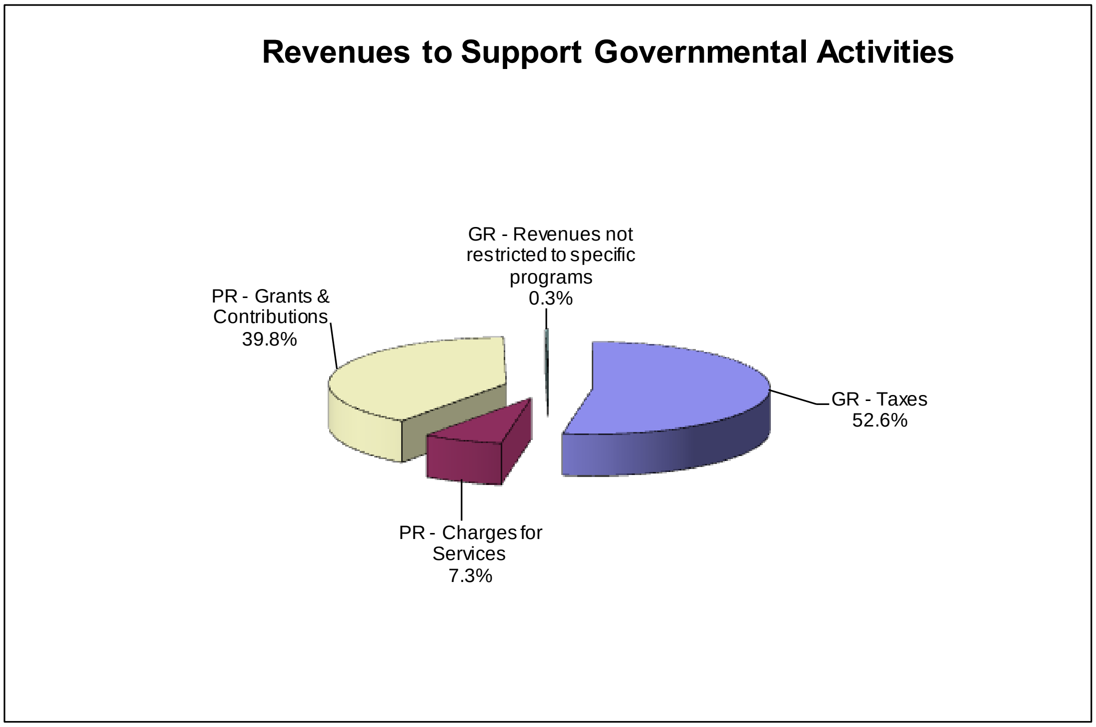
Transportation expenditures decreased $312.4 million. More expenditures were capitalized for infrastructure than in the previous year.

Tax revenues for governmental activities were broken down as follows:



Tax revenues of $16.1 billion represent 52.7% of total revenues for governmental activities. This compares to $15.4 billion or 53.1% of total revenues in FY 2014. Program revenues accounted for $14.4 billion or 47.0% of total revenues. In FY 2014, program revenues accounted for $13.5 billion or 46.6% of total revenues. General revenues other than tax revenues were $74.2 million or 0.2% of total revenues. Of this $22.1 million were investment earnings. This compares to 2014, when general revenues other than taxes were $78.7 million or 0.3% of total revenues and $19.8 million was investment earnings. Investment earnings increased by $2.3 million from FY 2014 to FY 2015 or 11.7% due to increased interest from securities on loan throughout the year.

Total revenues for governmental activities were broken down as follows:



PR = program revenues
GR = general revenues

Total revenues were 103.8% of expenses which was an increase from 102.1% in FY 2014. Total revenues increased 5.3% from $29.0 billion in FY 2014 to $30.5 billion in FY 2015. Expenses increased 3.7% from $28.4 billion in FY 2014 to $29.4 billion in FY 2015.

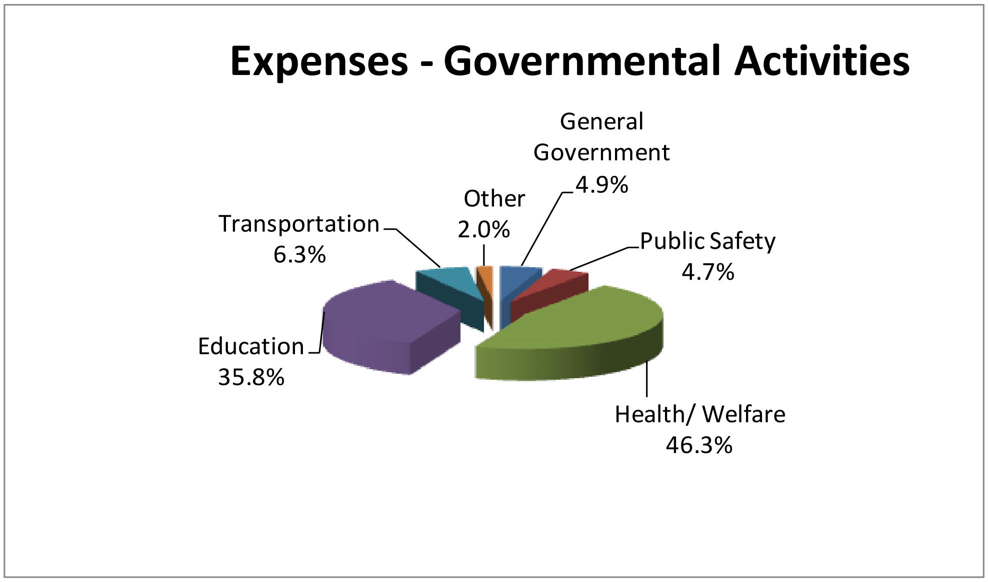
The largest portion of the State's expenses is for Welfare, which is $13.2 billion, or 44.8% of total expenses. This compares with $11.8 billion, or 41.5% of total expenses in FY 2014. The change in welfare expenses was an increase of $1.4 billion or 11.8%. $3.2 billion of Welfare expenses in FY 2015 were funded from general revenues.

Some of the major expenses were Medicaid assistance, $9.2 billion, the federal food stamp program in the U.S. Department of Agriculture Fund, $1.3 billion, and the U.S. Department of Health and Human Services Fund, $1.5 billion.

Education comprises 35.8%, or $10.5 billion of the State's expenses. In FY 2014, Education accounted for 37.0%, or $10.5 billion, of expenses. The change in Education expenses was an increase of $39.6 million, or 0.4%. Some of the major expenses were tuition support and full day kindergarten, $6.7 billion, General Fund appropriations for State colleges and universities, $1.5 billion, Teachers' Retirement Pension, $741.8 million, federal grant programs from the U.S. Department of Education Fund, $641.6 million, federal grant programs from the U.S. Department of Agriculture Fund, $398.6 million, and post-retiree pensions, $71.3 million.

$1.4 billion, or 4.9% of expenses, was spent for General Government. General Government comprised $1.5 billion or 5.2% of expenses in FY 2014. General Government includes local distributions and money for State administration and those functions that serve the State as a whole. Overall, general government expenditures held steady from FY 2014 to FY 2015.

Total expenses for governmental activities were broken down as follows:



Business-type Activities

Business-type activities represent 3.8% of the Primary Government's revenues and 1.4% of the expenses. The Unemployment Compensation Fund accounts for 97.8% of business-type activities' operating revenues and 94.6% of operating expenses. The change in net position for business-type activities was an increase of $777.7 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 $793.9 million. This compares to FY 2014 when this fund's revenues exceeded expenses by $443.4 million. Employer contributions into the fund increased by $0.2 billion, from $1.0 billion in FY 2014 to $1.2 billion in FY 2015. Federal revenues into the fund decreased by $131.1 million, from $135.3 million in FY 2014 to $4.2 million in FY 2015. The increase in the net position is primarily due to the reduction in the principal of the title XII loan from the federal government.

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, 2015	June 30, 2014	% Change
Governmental Activities:			
General government	$ 851.7	$ 873.6	-2.5%
Public safety	760.2	900.0	-15.5%
Health	56.1	49.7	12.9%
Welfare	3,176.1	2,519.1	26.1%
Conservation, culture, and development	139.7	150.3	-7.1%
Education	9,488.2	9,413.9	0.8%
Transportation	528.2	945.9	-44.2%
Unallocated interest expense	49.0	-	100.0%
Other	-	-	0.0%
Business-type Activities:			
Unemployment Compensation Fund	(776.0)	(410.5)	89.0%
Malpractice Insurance Authority	0.1	-	100.0%
Inns and Concessions	(3.9)	(3.1)	25.8%
Wabash Memorial Bridge	0.7	-	100.0%
Total	$ 14,270.1	$ 14,438.9	-1.2%

Financial Analysis of the State's Funds

The following is an analysis of the State's major governmental funds. Please note that 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, 2015 was $3.9 billion, which is 64.8% of assets. This compares to a fund balance at June 30, 2014 of $3.6 billion, which was 66.2% of assets. This indicates that the State's financial position in the General Fund increased from the prior year by $264.5 million. The fund balance of $3.9 billion is composed of restrictions of $380.3 million, commitments of $5.3 million, and assignments of $2.4 billion, leaving an unassigned balance of $1.0 billion. The restricted amount consists of the State's 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 3.4%, or $481.6 million, from FY 2014, because of the increase in total tax revenue which included a $355.6 million (6.0%) increase in income tax and a $225.9 million (3.2%) increase in sales tax. The increase in tax revenues is explained by the reduction in unemployment and increase in Indiana's GDP.

General Fund expenditures increased $190.8 million, or 1.6% from FY 2014. Distributions to higher education institutions increased $56.3 million over fiscal year 2014. Distributions in education expenditures for state schools for tuition support and full day kindergarten increased $41.3 million. A new program for school performance awards through the Indiana Department of Education totaled $30.0 million. Contributions to the Indiana State Teachers Retirement Pension Plan increased $22.1 million.

General Fund transfers in decreased $69.7 million or 4.9% from FY 2014. Transfers out were $3.4 billion in FY 2015 as compared to $3.2 billion in FY 2014. 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 $264.5 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 $6.5 billion in Federal revenue as compared to $6.0 billion in FY 2014. State funding comes through transfers from the General Fund. Transfers in were $2.4 billion in FY 2015 as compared to $2.0 billion in FY 2014. Transfers out were $389.5 million compared with $500.5 million in FY 2014. The Fund distributed $9.2 billion in Medicaid assistance during the year, which is an increase of $682.0 million over FY 2014. The change in fund balance increased $67.6 million from FY 2014 to FY 2015.

Major Moves Construction Fund

The Major Moves Construction Fund was created in fiscal year 2006 as part of the leasing of the Indiana Toll Road to Cintra-Macquarie, a private company. This fund distributes money received from the Toll Road lease for new constructions and major preservation of highways and bridges throughout Indiana.

The Major Moves Construction Fund transferred $147.0 million to the State Highway Fund. $200.0 million was transferred into the fund from the Major Moves 2020 Trust Fund, which is part of the General Fund. $49.2 million was transferred in from the State Highway Department for the funds to be reinvested.
The fund also received $5.4 million in investment income and made a distribution of $10.0 million to the Northwest Indiana Regional Development Authority. The change in fund balance from FY 2014 to FY 2015 was an increase of $66.4 million.

General Fund Budgetary Highlights

Actual State General Fund forecasted revenue collections increased by $496.2 million, or 3.4%, in FY 2015. Actual expenditure growth was 2.15% in FY 2014 and 2.72% in FY 2015 compared with average annual growth of nearly 5.9% between FY 1996 and FY 2004. The goal of Governor Pence's administration is to limit average year-over-year growth during the biennium to 2.5%, which is roughly the 5-year inflationary CAGR at the time the State budget passed. As noted above, at year-end, the State had $2,141.2 billion in reserves, with $887 million residing in the general fund, $577.6 million in the Medicaid Reserve Fund, $300.0 million in the Tuition Reserve Fund, and $376.6 million residing in the Rainy Day Fund. These changing funding balances are both the result of legislative requirements as well as FY 2015 close-out transactions. Transfers of $150.0 million from the General Fund to the Tuition Reserve Fund were required in both FY 2014 and FY 2015 in the 2013 budget bill. In addition, a transfer of $132.6 million was made to the Medicaid Reserve Fund.

Capital Asset and Debt Administration

Capital Assets

Capital assets were $15.4 billion, which was 55.8% of total assets for the primary government. Related debt was $1.1 billion. Net investment in capital assets for the primary government was $14.3 billion. Related debt was 7.1% of capital assets. Total capital assets increased $759.6 million or 5.2% and is attributable to increases in the Indiana Department of Transportation's land and infrastructure. The net increase in capital assets is comprised of increases for INDOT's capital assets of $742.9 million, $61.6 million in software development in progress, $6.2 million in DOA Public Works CIP, and $3.3 million in internal service funds' capital assets with a decrease of $53.8 million in capital assets of the primary government INDOT's $742.9 million increase is comprised of increases in land, $70.3 million, and infrastructure consisting of interstate roads, non-interstate roads, and bridges, $1.3 billion, and a decrease in CIP consisting of right of way and work in progress, $607.9 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 fiscal year 2014 to fiscal year 2015.

State of Indiana
Capital Assets
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government		Total % Change
	2015	2014	2015	2014	2015	2014	
Land	$ 2,046.2	$ 1,973.3	$ -	$ -	$ 2,046.2	$ 1,973.3	3.7%
Infrastructure	11,134.9	9,854.3	-	-	11,134.9	9,854.3	13.0%
Construction in Progress	1,076.7	1,616.9	-	-	1,076.7	1,616.9	-33.4%
Property, plant and equipment	2,703.4	2,704.4	0.5	1.1	2,703.9	2,705.5	-0.1%
Computer software	46.2	48.6	-	-	46.2	48.6	-4.9%
Less accumulated depreciation	(1,637.4)	(1,587.5)	(0.4)	(0.6)	(1,637.8)	(1,588.1)	3.1%
Total	**$ 15,370.0**	**$ 14,610.0**	**$ 0.1**	**$ 0.5**	**$ 15,370.1**	**$ 14,610.5**	**5.2%**

Long-term Obligations

Major long-term obligations items are included in the following table. These items comprised 100% of total long-term liabilities and 77.3% of total liabilities.

The following table shows the percentage change from fiscal year 2014 to fiscal year 2015.

State of Indiana
Long-term Liabilities
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government		Total % Change
	2015	2014	2015	2014	2015	2014	
Accrued liability for compensated absences	$ 141.5	$ 146.3	$ 0.5	$ 0.6	$ 142.0	$ 146.9	-3.3%
Intergovernmental payable	-	10.0	-	-	-	10.0	-100.0%
Capital lease payable	1,057.9	1,112.6	-	-	1,057.9	1,112.6	-4.9%
Claims payable	-	-	26.8	28.4	26.8	28.4	-5.6%
Net pension liability	11,635.8	12,285.1	-	-	11,635.8	12,285.1	-5.3%
Other postemployment benefits	136.8	133.7	-	-	136.8	133.7	2.3%
Pollution remediation	46.6	45.9	-	-	46.6	45.9	1.5%
Due to component units	-	-	-	-	-	-	0.0%
Total	**$ 13,018.6**	**$ 13,733.6**	**$ 27.3**	**$ 29.0**	**$ 13,045.9**	**$ 13,762.6**	**-5.2%**

Total long-term liabilities decreased by 5.2% or $716.7 million. The largest decrease was in net pension liability of $649.3 million. Other long-term liabilities to decrease were capital leases by $54.7 million, intergovernmental payables by $10.0 million and liabilities for compensated absences by $4.9 million.

The decrease in NPL is primarily due to the ongoing liquidation of the closed TRF Pre-1996 pension plan liability as well continuing efforts to reduce the liabilities in the other State pension plans.

The decrease in capital lease payable is due to the repayment of principal by the State Highway Fund for the highway revenue bonds held by the Indiana Finance Authority.

Claims payable for business activities decreased by $1.6 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.

Infrastructure

As required by GASB Statement No. 34, the State has capitalized its infrastructure. This amounts to $11.1 billion in roads and bridges using the modified approach, $1.8 billion in right of way classified as land, and $23.0 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 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 11,000 centerline road miles of pavement along 214 routes and approximately 5,600 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 2015, 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 2015, indicated that the average sufficiency rating for bridges exceeded the minimum acceptable standard.

Total actual maintenance and preservation costs for roads were more than planned during fiscal 2015 in all road classes. The average IRI RWP for all road categories were either in the good or excellent condition rating range.

Total actual maintenance and preservation costs were lower than planned for bridges on all road classes. The Indiana Department of Transportation placed on emphasis on improvements of the roads and about 40% of all bridge preservation changed to being planned for fiscal years 2016 and 2017. Also, various other factors contributed to these costs being less than planned including bids under estimates and “shrinkage” which results when the scope of work to be done is refined during the final bidding process. Bridge sufficiency ratings were within the State’s policy for the maintenance of bridges in all road classes.

Economic Factors

The economic and revenue forecasts upon which the FY 2014 – FY 2015 State budget was based were presented to the State Budget Committee on April 16, 2013. At that time, the U.S. real Gross Domestic Product (real GDP) was forecast to increase by 3.2% in FY 2015. Personal income was forecast to increase by 4.7%. The Indiana unemployment rate was forecast to average 7.5% for FY 2015.

With a 2014 Gross Domestic Product of $317.8 billion, Indiana’s economy ranked 16th largest in the U.S. in terms of the value of goods and services. Indiana’s largest contributor to GDP growth was the manufacturing sector, which accounted for 15.8% of Indiana’s GDP in 2014. The nondurable goods subset of the manufacturing sector was the biggest cause of Indiana’s GDP growth in 2014.

As of June 2015, the manufacturing sector accounted for nearly 17.1% of the jobs in Indiana compared to 20.3% in 2002. The share of employment accounted for by the health care and social services sector increased from 10.2% in 2002 to 12.6% as of June 2015. Per capita personal income was $39,578 and the State’s unemployment rate was 4.9% at the end of FY 2015.

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 the Auditor of State, Room 240 State House, 200 West Washington Street, Indianapolis, Indiana 46204-2793, telephone (317) 232-3300.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE

FINANCIAL STATEMENTS

State of Indiana
Statement of Net Position
June 30, 2015
(amounts expressed in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash, cash equivalents and investments - unrestricted	$ 6,683,816	$ 74,221	**$ 6,758,037**	$ 5,581,024
Cash, cash equivalents and investments - restricted	376,566	27,644	**404,210**	7,772,886
Securities lending collateral	1,426,173	-	**1,426,173**	95,016
Receivables (net)	2,774,522	252,575	**3,027,097**	2,454,398
Due from primary government	-	-	**-**	69,210
Due from component unit	13,143	-	**13,143**	-
Inventory	3,440	628	**4,068**	14,950
Prepaid expenses	99,207	82	**99,289**	5,918
Loans	403,615	-	**403,615**	2,229,436
Investment in direct financing lease	-	-	**-**	2,151,727
Net pension and OPEB assets	33,582	-	**33,582**	42,945
Other assets	416	151	**567**	130,899
Capital assets:				
Capital assets not being depreciated/amortized	14,212,726	-	**14,212,726**	1,409,318
Capital assets being depreciated/amortized	2,794,655	575	**2,795,230**	12,755,190
less accumulated depreciation/amortization	(1,637,371)	(437)	**(1,637,808)**	(5,705,707)
Total capital assets, net of depreciation/amortization	15,370,010	138	**15,370,148**	8,458,801
Total assets	**27,184,490**	**355,439**	**27,539,929**	**29,007,210**
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of hedging derivatives	-	-	**-**	116,719
Debt refunding loss	-	-	**-**	109,230
Outflows of resources related to pensions	1,034,623	-	**1,034,623**	50,442
Swap termination	-	-	**-**	81,767
Total deferred outflows of resources	**1,034,623**	**-**	**1,034,623**	**358,158**
LIABILITIES				
Accounts payable	1,765,235	31,379	**1,796,614**	459,832
Interest payable	-	12,748	**12,748**	102,645
Tax refunds payable	54,458	-	**54,458**	-
Payables to other governments	174,661	-	**174,661**	-
Due to component unit	69,210	-	**69,210**	-
Due to primary government	-	-	**-**	13,143
Unearned revenue	2	4,192	**4,194**	398,480
Advances from federal government	-	302,799	**302,799**	30,622
Securities lending collateral	1,426,173	-	**1,426,173**	95,016
Derivative instrument liability	-	-	**-**	116,719
Other liabilities	421	312	**733**	241,739
Long-term liabilities:				
Due within 1 year	146,747	3,392	**150,139**	949,318
Due in more than 1 year	12,871,803	23,964	**12,895,767**	9,221,491
Total liabilities	**16,508,710**	**378,786**	**16,887,496**	**11,629,005**
DEFERRED INFLOWS OF RESOURCES				
Advanced payment for service concession agreement	-	-	**-**	3,260,106
Service concession arrangement receipts	-	-	**-**	292,475
Debt refunding gain	-	-	**-**	6
Related to pensions	426,095	-	**426,095**	65,733
Total deferred inflows of resources	**426,095**	**-**	**426,095**	**3,618,320**
NET POSITION				
Net investment in capital assets	14,315,933	138	**14,316,071**	4,680,605
Restricted - nonexpendable:				
Grants/constitutional restrictions	-	-	**-**	5,827
Permanent funds	519,036	-	**519,036**	381,876
Instruction and research	-	-	**-**	886,545
Student aid	-	-	**-**	911,416
Other purposes	99,207	-	**99,207**	110,937
Restricted - expendable:				
Grants/constitutional restrictions	380,348	-	**380,348**	147,061
Future debt service	-	-	**-**	475,048
Instruction and research	-	-	**-**	791,439
Student aid	-	-	**-**	828,601
Endowments	-	-	**-**	829,959
Capital projects	-	-	**-**	1,647,294
Other purposes	-	-	**-**	339,190
Unrestricted	(4,030,216)	(23,485)	**(4,053,701)**	2,082,245
Total net position	**$ 11,284,308**	**$ (23,347)**	**$ 11,260,961**	**$ 14,118,043**

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, 2015
(amounts expressed in thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets: Primary Government			
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**	**Component Units**
Primary government:								
Governmental activities:								
General government	$ 1,446,056	$ 529,676	$ 63,993	$ 733	$ (851,654)	$ -	**$ (851,654)**	$ -
Public safety	1,389,886	490,255	101,527	37,953	(760,151)	-	**(760,151)**	-
Health	440,874	139,909	244,859	-	(56,106)	-	**(56,106)**	-
Welfare	13,161,648	818,330	9,167,262	-	(3,176,056)	-	**(3,176,056)**	-
Conservation, culture and development	526,119	161,771	224,628	-	(139,720)	-	**(139,720)**	-
Education	10,534,648	2,851	1,043,497	-	(9,488,300)	-	**(9,488,300)**	-
Transportation	1,852,587	77,558	24,278	1,222,544	(528,207)	-	**(528,207)**	-
Unallocated interest expense	48,995	-	-	-	(48,995)	-	**(48,995)**	-
Total governmental activities	29,400,813	2,220,350	10,870,044	1,261,230	(15,049,189)	-	**(15,049,189)**	-
Business-type activities								
Unemployment Compensation Fund	403,533	1,175,303	4,217	-	-	775,987	**775,987**	-
Malpractice Insurance Authority	1,660	1,512	-	-	-	(148)	**(148)**	-
Inns and Concessions	20,551	24,449	-	-	-	3,898	**3,898**	-
Wabash Memorial Bridge	713	40	-	-	-	(673)	**(673)**	-
Total business-type activities	426,457	1,201,304	4,217	-	-	779,064	**779,064**	-
Total primary government	$ 29,827,270	$ 3,421,654	$ 10,874,261	$ 1,261,230	(15,049,189)	779,064	**(14,270,125)**	-
Component units:								
Governmental	54,925	332	21,289	-	-	-	**-**	(33,304)
Proprietary	1,854,197	1,596,862	495,988	330	-	-	**-**	238,983
Colleges and universities	6,540,715	3,502,394	1,179,662	113,791	-	-	**-**	(1,744,868)
Total component units	$ 8,449,837	$ 5,099,588	$ 1,696,939	$ 114,121	-	-	**-**	(1,539,189)
General Revenues:								
Income tax					$ 6,259,262	$ -	**$ 6,259,262**	$ -
Sales tax					7,266,581	-	**7,266,581**	-
Fuels tax					793,966	-	**793,966**	-
Gaming tax					642,910	-	**642,910**	918
Alcohol & Tobacco tax					445,765	-	**445,765**	-
Insurance tax					223,039	-	**223,039**	-
Financial Institutions tax					120,900	-	**120,900**	-
Other tax					329,780	-	**329,780**	-
Total taxes					16,082,203	-	**16,082,203**	918
Revenue not restricted to specific programs:								
Investment earnings					22,084	1,375	**23,459**	235,365
Payments from State of Indiana					-	-	**-**	1,558,229
Other					52,093	-	**52,093**	593,532
Transfers within primary government					2,753	(2,753)	**-**	-
Total general revenues and transfers					16,159,133	(1,378)	**16,157,755**	2,388,044
Changes in net position					1,109,944	777,686	**1,887,630**	848,855
Net position - beginning, as restated					10,174,364	(801,033)	**9,373,331**	13,269,188
Net position - ending					**$ 11,284,308**	**$ (23,347)**	**$ 11,260,961**	**$ 14,118,043**

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, 2015
(amounts expressed in thousands)

	General Fund	Public Welfare-Medicaid Assistance Fund	Major Moves Construction Fund	Non-Major Governmental Funds	Total
ASSETS					
Cash, cash equivalents and investments-unrestricted	$ 2,438,587	$ 286,367	$ 703,598	$ 3,143,796	**$ 6,572,348**
Cash, cash equivalents and investments-restricted	376,566	-	-	-	**376,566**
Securities lending collateral	1,426,173	-	-	-	**1,426,173**
Receivables:					
Taxes (net of allowance for uncollectible	1,423,845	-	-	146,183	**1,570,028**
Accounts	8,386	86,618	-	53,874	**148,878**
Grants	3	407,630	-	277,314	**684,947**
Interest	6,736	-	1	47	**6,784**
Interfund loans	213,485	-	-	8,000	**221,485**
Due from component unit	-	-	-	13,143	**13,143**
Prepaid expenditures	98,712	-	-	496	**99,208**
Loans	3,981	-	-	399,633	**403,614**
Other	410	-	4	2	**416**
Total assets	5,996,884	780,615	703,603	4,042,488	**11,523,590**
Total assets and deferred outflow of resources	**$ 5,996,884**	**$ 780,615**	**$ 703,603**	**$ 4,042,488**	**$ 11,523,590**
LIABILITIES					
Accounts payable	$ 142,062	$ 296,443	$ -	$ 561,491	**$ 999,996**
Salaries and benefits payable	59,352	-	-	51,951	**111,303**
Interfund loans	-	-	-	221,485	**221,485**
Interfunds services used	5,677	-	-	4,231	**9,908**
Intergovernmental payable	38,746	-	-	135,915	**174,661**
Due to component unit	29,210	-	-	-	**29,210**
Tax refunds payable	48,153	-	-	6,305	**54,458**
Accrued liability for compensated absences-current	3,166	-	-	3,989	**7,155**
Other payables	410	-	4	50	**464**
Securities lending collateral	1,426,173	-	-	-	**1,426,173**
Total liabilities	1,752,949	296,443	4	985,417	**3,034,813**
DEFERRED INFLOW OF RESOURCES					
Unavailable revenue	358,054	-	-	26,094	**384,148**
Total deferred inflow of resources	358,054	-	-	26,094	**384,148**
FUND BALANCE					
Nonspendable:	98,712	-	-	519,532	**618,244**
Restricted:	380,348	-	-	-	**380,348**
Committed:	5,339	-	-	1,085,632	**1,090,971**
Assigned:	2,384,469	484,172	703,599	1,753,768	**5,326,008**
Unassigned:	1,017,013	-	-	(327,955)	**689,058**
Total fund balance	3,885,881	484,172	703,599	3,030,977	**8,104,629**
Total liabilities, deferred inflow of resources, and fund balance	**$ 5,996,884**	**$ 780,615**	**$ 703,603**	**$ 4,042,488**	**$ 11,523,590**

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, 2015
(amounts expressed in thousands)

Total fund balances-governmental funds		$ 8,104,629
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	$ 2,046,228	
Infrastructure assets	11,134,925	
Construction in progress	1,076,705	
Property, plant, and equipment	2,617,450	
Computer software	46,203	
Accumulated depreciation	(1,573,736)	
Total capital assets, net of depreciation		15,347,775
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	384,148	
Accounts receivable	66,997	
Total receivables		451,145
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	(283,077)	
Litigation liabilities	(68,015)	
Pollution remediation	(28,623)	
Total liabilities		(379,715)
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.		103,015
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	(129,395)	
Other postemployment benefits	(103,198)	
Loan from the Indiana Board for Depositories	(40,000)	
Capital lease payable	(1,057,910)	
Net pension liability and related deferrals	(11,012,038)	
Total long-term liabilities		(12,342,541)
Net position of governmental activities		$ 11,284,308

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, 2015
(amounts expressed in thousands)

	General Fund	Public Welfare-Medicaid Assistance Fund	Major Moves Construction Fund	Non-Major Governmental Funds	Total
Revenues:					
Taxes:					
Income	$ 6,246,681	$ -	$ -	$ 216	**$ 6,246,897**
Sales	7,185,700	-	-	83,591	**7,269,291**
Fuels	1,711	-	-	793,312	**795,023**
Gaming	57,258	-	-	585,644	**642,902**
Alcohol and tobacco	268,500	-	-	170,951	**439,451**
Insurance	218,205	-	-	4,835	**223,040**
Financial Institutions	-	-	-	125,754	**125,754**
Other	312,212	-	-	17,168	**329,380**
Total taxes	14,290,267	-	-	1,781,471	**16,071,738**
Current service charges	160,234	781,218	-	1,277,949	**2,219,401**
Investment income	22,084	-	5,414	19,938	**47,436**
Sales/rents	471	-	-	21,710	**22,181**
Grants	6,074	6,512,258	-	5,332,416	**11,850,748**
Other	51,623	-	-	84,182	**135,805**
Total revenues	14,530,753	7,293,476	5,414	8,517,666	**30,347,309**
Expenditures:					
Current:					
General government	1,136,224	-	-	352,158	**1,488,382**
Public safety	883,613	-	-	499,866	**1,383,479**
Health	44,427	-	-	395,102	**439,529**
Welfare	698,143	9,221,925	-	3,058,587	**12,978,655**
Conservation, culture and development	58,860	-	-	459,618	**518,478**
Education	9,340,771	-	-	1,347,484	**10,688,255**
Transportation	487	-	41,245	2,584,012	**2,625,744**
Debt service:					
Capital lease principal	6,096	-	-	52,607	**58,703**
Capital lease interest	5,029	-	-	43,966	**48,995**
Capital outlay	-	-	-	26,252	**26,252**
Total expenditures	12,173,650	9,221,925	41,245	8,819,652	**30,256,472**
Excess (deficiency) of revenues over (under) expenditures	2,357,103	(1,928,449)	(35,831)	(301,986)	**90,837**
Other financing sources (uses):					
Transfers in	1,349,111	2,385,537	249,178	2,267,618	**6,251,444**
Transfers (out)	(3,442,522)	(389,483)	(146,953)	(2,265,952)	**(6,244,910)**
Proceeds from capital lease	773	-	-	3,852	**4,625**
Total other financing sources (uses)	(2,092,638)	1,996,054	102,225	5,518	**11,159**
Net change in fund balances	264,465	67,605	66,394	(296,468)	**101,996**
Fund Balance July 1, as restated	3,621,416	416,567	637,205	3,327,445	**8,002,633**
Fund Balance June 30	**$ 3,885,881**	**$ 484,172**	**$ 703,599**	**$ 3,030,977**	**$ 8,104,629**

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, 2015
(amounts expressed in thousands)

Net change in fund balances-total governmental funds	$	101,996
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.		742,941
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 ($158,069) exceeds depreciation ($89,828) in the current period.		68,241
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Tax revenue		8,408
Non-tax revenue		3,015
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		(92,543)
Statutory expenses		10,000
The change in net pension liability does not provide or require the use of current financial resources:		
Increase in net pension liabilities		257,852
The change in other postemployment benefits do not provide or require the use of current financial resources.		(1,869)
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.		11,903
Change in net position of governmental activities.	$	1,109,944

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, 2015
(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	$ -	$ 74,221	**$ 74,221**	$ 111,469
Cash, cash equivalents and investments - restricted	27,644	-	**27,644**	-
Receivables:				
Accounts	34,544	384	**34,928**	30,059
Interest	-	405	**405**	-
Interfund services provided	-	-	**-**	9,908
Inventory	-	628	**628**	3,440
Prepaid expenses	-	82	**82**	-
Other assets	-	151	**151**	-
Total current assets	62,188	75,871	**138,059**	154,876
Noncurrent assets:				
Accounts receivable	217,242	-	**217,242**	-
Capital assets:				
Capital assets being depreciated/amortized	-	575	**575**	85,871
less accumulated depreciation/amortization	-	(437)	**(437)**	(63,636)
Total capital assets, net of depreciation/amortization	-	138	**138**	22,235
Total noncurrent assets	217,242	138	**217,380**	22,235
Total assets	**279,430**	**76,009**	**355,439**	**177,111**
Deferred Outflows of Resources				
Related to pensions	-	-	**-**	3,596
Total deferred outflows of resources	**-**	**-**	**-**	**3,596**
Liabilities				
Current liabilities:				
Accounts payable	30,317	661	**30,978**	51,075
Claims payable	-	3,199	**3,199**	-
Salaries and benefits payable	-	401	**401**	2,880
Interest payable	12,748	-	**12,748**	-
Accrued liability for compensated absences	-	193	**193**	2,693
Due to federal government (net)	302,799	-	**302,799**	-
Unearned revenue	-	4,192	**4,192**	2
Other liabilities	-	312	**312**	5
Total current liabilities	345,864	8,958	**354,822**	56,655
Noncurrent liabilities:				
Accrued liability for compensated absences	-	359	**359**	2,173
Claims payable	-	23,605	**23,605**	-
Net pension liability	-	-	**-**	15,735
Total noncurrent liabilites	-	23,964	**23,964**	17,908
Total liabilities	**345,864**	**32,922**	**378,786**	**74,563**
Deferred Inflows of Resources				
Related to pensions	-	-	**-**	3,129
Total deferred inflows of resources	**-**	**-**	**-**	**3,129**
Net position				
Net investment in capital assets	-	138	**138**	22,235
Unrestricted (deficit)	(66,434)	42,949	**(23,485)**	80,780
Total net position	**$ (66,434)**	**$ 43,087**	**$ (23,347)**	**$ 103,015**

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, 2015
(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Operating revenues:				
Sales/rents/premiums	$ -	$ 25,660	**$ 25,660**	$ 560,037
Employer contributions	1,175,303	-	**1,175,303**	-
Charges for services	-	-	**-**	9,403
Federal revenues	4,217	-	**4,217**	-
Other	-	341	**341**	699
Total operating revenues	1,179,520	26,001	**1,205,521**	570,139
Cost of sales	-	4,602	**4,602**	22,043
Gross margin	1,179,520	21,399	**1,200,919**	548,096
Operating expenses:				
General and administrative expense	335	16,608	**16,943**	162,165
Claims expense	-	1,096	**1,096**	-
Health / disability benefit payments	-	-	**-**	349,474
Unemployment compensation benefits	385,250	-	**385,250**	-
Depreciation and amortization	-	30	**30**	8,066
Other	-	171	**171**	-
Total operating expenses	385,585	17,905	**403,490**	519,705
Operating income (loss)	793,935	3,494	**797,429**	28,391
Nonoperating revenues (expenses):				
Interest and other investment income	-	1,375	**1,375**	-
Interest and other investment expense	(17,948)	-	**(17,948)**	-
Gain (Loss) on disposition of assets	-	(417)	**(417)**	216
Contributions to other postemployment benefits	-	-	**-**	(13,288)
Total nonoperating revenues (expenses)	(17,948)	958	**(16,990)**	(13,072)
Income before contributions and transfers	775,987	4,452	**780,439**	15,319
Capital contributions	-	-	**-**	365
Transfers in	-	3	**3**	-
Transfers (out)	-	(2,756)	**(2,756)**	(3,781)
Change in net position	775,987	1,699	**777,686**	11,903
Net position, July 1, as restated	(842,421)	41,388	**(801,033)**	91,112
Net position, June 30	**$ (66,434)**	**$ 43,087**	**$ (23,347)**	**$ 103,015**

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, 2015
(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	$ 1,007,438	$ 25,779	**$ 1,033,217**	$ 564,620
Cash received from federal government	4,217	-	**4,217**	-
Cash paid for general and administrative	(335)	(16,881)	**(17,216)**	(162,606)
Cash paid for salary/health/disability benefit payments	-	-	**-**	(350,949)
Cash paid to suppliers	-	(4,901)	**(4,901)**	(20,084)
Cash paid for claims expense	(376,770)	(2,707)	**(379,477)**	-
Net cash provided (used) by operating activities	634,550	1,290	**635,840**	30,981
Cash flows from noncapital financing activities:				
Transfers in	-	3	**3**	-
Transfers out	-	(2,756)	**(2,756)**	(4,631)
Interest on loan from federal government	(28,940)	-	**(28,940)**	-
Repayment of loan from federal government	(619,763)	-	**(619,763)**	-
Contributions to other postemployment benefits	-	-	**-**	(12,438)
Net cash provided (used) by noncapital financing activities	(648,703)	(2,753)	**(651,456)**	(17,069)
Cash flows from capital and related financing activities:				
Acquisition/construction of capital assets	-	(50)	**(50)**	(11,548)
Proceeds from sale of assets	-	-	**-**	707
Net cash provided (used) by capital and related financing activities	-	(50)	**(50)**	(10,841)
Cash flows from investing activities:				
Proceeds from sales of investments	-	7,000	**7,000**	-
Purchase of investments	-	(7,994)	**(7,994)**	-
Interest income (expense) on investments	-	1,863	**1,863**	-
Net cash provided (used) by investing activities	-	869	**869**	-
Net increase (decrease) in cash and cash equivalents	(14,153)	(644)	**(14,797)**	3,071
Cash and cash equivalents, July 1	41,797	12,039	**53,836**	108,398
Cash and cash equivalents, June 30	**$ 27,644**	**$ 11,395**	**$ 39,039**	**$ 111,469**
Reconciliation of cash , cash equivalents and investments:				
Cash and cash equivalents unrestricted at end of year	$ 27,644	$ 11,395	**$ 39,039**	$ 111,469
Investments unrestricted	-	62,826	**62,826**	-
Cash, cash equivalents and investments per balance sheet	**$ 27,644**	**$ 74,221**	**$ 101,865**	**$ 111,469**
Noncash investing, capital and financing activities:				
Increase (Decrease) in fair value of investments	$ -	$ (427)	**$ (427)**	$ -

State of Indiana
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

(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)	$ 793,935	$ 3,494	**$ 797,429**	$ 28,391
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	-	30	**30**	8,066
(Increase) decrease in receivables	(167,865)	189	**(167,676)**	(3,864)
(Increase) decrease in interfund services provided	-	-	**-**	(1,655)
(Increase) decrease in inventory	-	(52)	**(52)**	1,431
(Increase) decrease in prepaid expenses	-	(4)	**(4)**	-
(Increase) decrease in deferred outflows	-	-	**-**	(3,596)
Increase (decrease) in claims payable	-	(1,611)	**(1,611)**	-
Increase (decrease) in health and disability benefits payable	-	-	**-**	(1,474)
Increase (decrease) in accounts payable	8,480	(70)	**8,410**	333
Increase (decrease) in unearned revenue	-	(344)	**(344)**	1
Increase (decrease) in salaries payable	-	(32)	**(32)**	272
Increase (decrease) in compensated absences	-	(27)	**(27)**	(127)
Increase (decrease) in net pension liabilities	-	-	**-**	73
Increase (decrease) in deferred inflows	-	-	**-**	3,129
Increase (decrease) in other payables	-	(283)	**(283)**	1
Net cash provided (used) by operating activities	**$ 634,550**	**$ 1,290**	**$ 635,840**	**$ 30,981**

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, 2015
(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	$ 99,517	$ 36,566	$ -	$ 711,268
Securities lending collateral	1,234,987	-	-	-
Receivables:				
Taxes	-	-	-	187,186
Contributions	17,978	-	-	-
Interest	84,098	5	41	-
Member loans	112	-	-	-
From investment sales	6,251,875	-	-	-
Other	3,805	-	-	61
Total receivables	6,357,868	5	41	187,247
Prepaid expenses	-	-	-	-
Due from local governmental units	-	-	-	-
Pension and other employee benefit investments at fair value:				
Short term investments	1,338,155	-	-	-
Equity Securities	7,501,429	-	-	-
Debt Securities	12,209,015	-	-	-
Other	9,738,740	-	-	-
Total investments at fair value	30,787,339	-	-	-
Pool Investments at Amortized Cost:				
Cash and cash equivalents	-	-	151,323	-
U.S. Government Agencies	-	-	19,878	-
Commercial Paper	-	-	58,246	-
Total investments at amortized cost	-	-	229,447	-
Other assets	503	-	-	-
Property, plant and equipment net of accumulated depreciation	7,026	-	-	-
Total assets	**38,487,240**	**36,571**	**229,488**	**$ 898,515**
Liabilities				
Accounts/escrows payable	4,439	1,160	18	$ 898,515
Salaries and benefits payable	2,680	104	-	-
Benefits payable	142,475	-	-	-
Investment purchases payable	6,190,745	-	-	-
Securities purchased payable	188,092	-	-	-
Securities lending collateral	1,234,987	-	-	-
Other	33,046	-	21	-
Total liabilities	**7,796,464**	**1,264**	**39**	**$ 898,515**
Net Position				
Restricted for:				
Employees' pension benefits	30,296,552	-	-	
OPEB benefits	380,615	-	-	
Future death benefits	13,609	-	-	
Trust beneficiaries	-	35,307	-	
Investment pool participants	-	-	229,449	
Total net position	**$ 30,690,776**	**$ 35,307**	**$ 229,449**	

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, 2015

(amounts expressed in thousands)

	Pension and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Investment Trust Fund
Additions:			
Member contributions	$ 363,348	$ 9,012	$ 119,852
Employer contributions	1,015,614	-	-
Contributions from the State of Indiana	846,122	-	-
Net investment income (loss)	300,330	57	408
Less investment expense	(195,580)	-	-
Federal reimbursements	533	-	-
Donations/escheats	-	140,760	-
Transfers from other retirement funds	17,591	-	-
Reinvestment of distributions	-	-	102
Other	394	-	-
Total additions	2,348,352	149,829	120,362
Deductions:			
Pension and disability benefits	2,464,851	-	-
Retiree health benefits	46,172	-	-
Death benefits	1,010	-	-
Payments to participants/beneficiaries	-	148,232	101
Refunds of contributions and interest	88,659	-	171,406
Administrative	38,198	-	169
Capital projects	4,006	-	-
Transfers to other retirement funds	17,591	-	-
Other	2	-	138
Total deductions	2,660,489	148,232	171,814
Net increase (decrease) in net position	(312,137)	1,597	(51,452)
Net position restricted, July 1, as restated	31,002,913	33,710	280,901
Net position restricted, June 30	**$ 30,690,776**	**$ 35,307**	**$ 229,449**

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, 2015
(amounts expressed in thousands)

	Governmental	Proprietary	Colleges and Universities	Total
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	$ 158,184	$ 606,120	$ 1,062,287	**$ 1,826,591**
Cash, cash equivalents and investments - restricted	-	1,414,921	877,023	**2,291,944**
Securities lending collateral	-	-	95,016	**95,016**
Receivables (net)	1,046	426,187	462,207	**889,440**
Due from primary government	-	5,000	29,210	**34,210**
Inventory	-	180	14,770	**14,950**
Prepaid expenses	-	1,390	4,528	**5,918**
Loans	-	164,945	-	**164,945**
Investment in direct financing lease	-	85,821	701	**86,522**
Other assets	-	1,947	109,258	**111,205**
Total current assets	159,230	2,706,511	2,655,000	**5,520,741**
Noncurrent assets:				
Cash, cash equivalents and investments - unrestricted	-	319,454	3,434,979	**3,754,433**
Cash, cash equivalents and investments - restricted	-	823,518	4,657,424	**5,480,942**
Receivables (net)	-	1,063,660	501,298	**1,564,958**
Due from primary government	-	35,000	-	**35,000**
Loans	47,951	2,016,540	-	**2,064,491**
Investment in direct financing lease	-	2,059,616	5,589	**2,065,205**
Net pension and OPEB assets	-	-	42,945	**42,945**
Other assets	-	4,217	15,477	**19,694**
Capital assets:				
Capital assets not being depreciated/amortized	-	680,905	728,413	**1,409,318**
Capital assets being depreciated/amortized	465	1,003,701	11,751,024	**12,755,190**
less accumulated depreciation/amortization	(348)	(416,049)	(5,289,310)	**(5,705,707)**
Total capital assets, net of depreciation/amortization	117	1,268,557	7,190,127	**8,458,801**
Total noncurrent assets	48,068	7,590,562	15,847,839	**23,486,469**
Total assets	**207,298**	**10,297,073**	**18,502,839**	**29,007,210**
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	-	114,768	1,951	**116,719**
Debt refunding loss	-	76,604	32,626	**109,230**
Related to pensions	973	3,049	46,420	**50,442**
Swap termination	-	81,767	-	**81,767**
Total deferred outflows of resources	**973**	**276,188**	**80,997**	**358,158**
Liabilities				
Current liabilities:				
Accounts payable	16,143	42,087	401,602	**459,832**
Interest payable	-	70,853	31,792	**102,645**
Due to primary government	-	13,143	-	**13,143**
Unearned revenue	6,665	197,595	157,595	**361,855**
Securities lending collateral	-	-	95,016	**95,016**
Accrued liability for compensated absences	-	114	85,785	**85,899**
Other liabilities	375	35,079	51,165	**86,619**
Current portion of long-term liabilities	265	587,385	275,769	**863,419**
Total current liabilities	23,448	946,256	1,098,724	**2,068,428**

State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2015
(amounts expressed in thousands)

	Governmental	Proprietary	Colleges and Universities	Total
Noncurrent liabilities:				
Accrued liability for compensated absences	-	103	72,158	**72,261**
Accrued prize liabilities	-	123,526	-	**123,526**
Net pension and OPEB liabilities	2,422	6,329	338,984	**347,735**
Unearned revenue	-	4,122	32,503	**36,625**
Funds held in trust for others	-	-	247,970	**247,970**
Advances from federal government	-	2,102	28,520	**30,622**
Revenue bonds/notes payable	-	5,626,993	2,803,006	**8,429,999**
Derivative instrument liability	-	114,768	1,951	**116,719**
Other noncurrent liabilities	-	60,996	94,124	**155,120**
Total noncurrent liabilities	2,422	5,938,939	3,619,216	**9,560,577**
Total liabilities	**25,870**	**6,885,195**	**4,717,940**	**11,629,005**
Deferred Inflows of Resources				
Advanced payment for service concession agreement	-	3,260,106	-	**3,260,106**
Service concession arrangement receipts	-	291,019	1,456	**292,475**
Debt refunding gain	-	-	6	**6**
Related to pensions	482	1,506	63,745	**65,733**
Total deferred inflows of resources	**482**	**3,552,631**	**65,207**	**3,618,320**
Net Position				
Net investment in capital assets	117	310,585	4,369,903	**4,680,605**
Restricted - nonexpendable:				
Grants/constitutional restrictions	-	5,827	-	**5,827**
Permanent funds	-	782	381,094	**381,876**
Instruction and research	-	-	886,545	**886,545**
Student aid	-	-	911,416	**911,416**
Other purposes	-	-	110,937	**110,937**
Restricted - expendable:	-			
Grants/constitutional restrictions	-	122,835	24,226	**147,061**
Future debt service	-	446,261	28,787	**475,048**
Instruction and research	-	-	791,439	**791,439**
Student aid	-	19	828,582	**828,601**
Endowments	-	472	829,487	**829,959**
Capital projects	-	1,308,180	339,114	**1,647,294**
Other purposes	583	610	337,997	**339,190**
Unrestricted	181,219	(2,060,136)	3,961,162	**2,082,245**
	-			
Total net position	**$ 181,919**	**$ 135,435**	**$ 13,800,689**	**$ 14,118,043**

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, 2015
(amounts expressed in thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Proprietary	Colleges and Universities	Net (Expense) Revenue
Governmental	$ 54,925	$ 332	$ 21,289	$ -	$ (33,304)	$ -	$ -	$ (33,304)
Proprietary	1,854,197	1,596,862	495,988	330	-	238,983	-	238,983
Colleges and universities	6,540,715	3,502,394	1,179,662	113,791	-	-	(1,744,868)	(1,744,868)
Total component units	$ 8,449,837	$ 5,099,588	$ 1,696,939	$ 114,121	(33,304)	238,983	(1,744,868)	(1,539,189)
General Revenues:								
Gaming tax					918	-	-	918
Total taxes					918	-	-	918
Revenue not restricted to specific programs:								
Investment earnings					504	44,561	190,300	235,365
Payments from State of Indiana					46,354	18,175	1,493,700	1,558,229
Other					-	17,188	576,344	593,532
Total general revenues					47,776	79,924	2,260,344	2,388,044
Change in net position					14,472	318,907	515,476	848,855
Net position - beginning, as restated					167,447	(183,472)	13,285,213	13,269,188
Net position - ending					**$ 181,919**	**$ 135,435**	**$ 13,800,689**	**$ 14,118,043**

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, 2015
(amounts expressed in thousands)

	Indiana Finance Authority	State Lottery Commission	Non-Major	IFA & ISCBA Elimination	Total Component Units
Assets					
Current assets:					
Cash, cash equivalents and investments - unrestricted	$ 109,507	$ 34,964	$ 461,649	$ -	**$ 606,120**
Cash, cash equivalents and investments - restricted	1,079,152	-	335,769	-	**1,414,921**
Receivables (net)	87,660	97,115	251,526	(10,114)	**426,187**
Due from primary government	-	-	5,000	-	**5,000**
Inventory	-	-	180	-	**180**
Prepaid expenses	185	129	1,076	-	**1,390**
Loans	153,039	-	18,556	(6,650)	**164,945**
Investment in direct financing lease	79,171	-	6,650	-	**85,821**
Other assets	-	-	1,947	-	**1,947**
Total current assets	1,508,714	132,208	1,082,353	(16,764)	**2,706,511**
Noncurrent assets:					
Cash, cash equivalents and investments - unrestricted	754	132,341	186,359	-	**319,454**
Cash, cash equivalents and investments - restricted	183,710	8,598	631,210	-	**823,518**
Receivables (net)	-	-	1,063,660	-	**1,063,660**
Due from primary government	-	-	35,000	-	**35,000**
Loans	2,812,734	-	179,106	(975,300)	**2,016,540**
Investment in direct financing lease	1,111,316	-	948,300	-	**2,059,616**
Other assets	4,076	-	141	-	**4,217**
Capital assets:					
Capital assets not being depreciated/amortized	569,586	-	111,319	-	**680,905**
Capital assets being depreciated/amortized	657,585	2,952	343,164	-	**1,003,701**
less accumulated depreciation/amortization	(256,813)	(1,423)	(157,813)	-	**(416,049)**
Total capital assets, net of depreciation/amortization	970,358	1,529	296,670	-	**1,268,557**
Total noncurrent assets	5,082,948	142,468	3,340,446	(975,300)	**7,590,562**
Total assets	**6,591,662**	**274,676**	**4,422,799**	**(992,064)**	**10,297,073**
Deferred Outflows of Resources					
Accumulated decrease in fair value of hedging derivatives	99,545	-	114,768	(99,545)	**114,768**
Debt refunding loss	58,776	-	17,828	-	**76,604**
Related to pensions	385	1,666	998	-	**3,049**
Swap termination	81,767	-	-	-	**81,767**
Total deferred outflows of resources	**240,473**	**1,666**	**133,594**	**(99,545)**	**276,188**
Liabilities					
Current liabilities:					
Accounts payable	6,298	23,437	12,352	-	**42,087**
Interest payable	47,354	-	33,613	(10,114)	**70,853**
Due to primary government	-	13,143	-	-	**13,143**
Unearned revenue	136,364	790	60,441	-	**197,595**
Accrued liability for compensated absences	-	-	114	-	**114**
Other liabilities	190	636	34,253	-	**35,079**
Current portion of long-term liabilities	201,560	96,382	296,093	(6,650)	**587,385**
Total current liabilities	391,766	134,388	436,866	(16,764)	**946,256**
Noncurrent liabilities:					
Accrued liability for compensated absences	-	-	103	-	**103**
Accrued prize liabilities	-	123,526	-	-	**123,526**
Net pension and OPEB liabilities	995	1,993	3,341	-	**6,329**
Unearned revenue	4,118	-	4	-	**4,122**
Advances from federal government	2,102	-	-	-	**2,102**
Revenue bonds/notes payable	3,841,980	-	2,760,313	(975,300)	**5,626,993**
Derivative instrument liability	99,545	-	114,768	(99,545)	**114,768**
Other noncurrent liabilities	1,157	-	59,839	-	**60,996**
Total noncurrent liabilities	3,949,897	125,519	2,938,368	(1,074,845)	**5,938,939**
Total liabilities	**4,341,663**	**259,907**	**3,375,234**	**(1,091,609)**	**6,885,195**

State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units - Proprietary Funds
June 30, 2015
(amounts expressed in thousands)

	Indiana Finance Authority	State Lottery Commission	Non-Major	IFA & ISCBA Elimination	Total Component Units
Deferred Inflows of Resources					
Advanced payment for service concession agreement	3,260,106	-	-	-	**3,260,106**
Service concession arrangement receipts	291,019	-	-	-	**291,019**
Related to pensions	198	627	681	-	**1,506**
Total deferred inflows of resources	**3,551,323**	**627**	**681**	**-**	**3,552,631**
NET POSITION					
Net investment in capital assets	72,249	1,529	236,807	-	**310,585**
Restricted - nonexpendable:					
Grants/constitutional restrictions	-	-	5,827	-	**5,827**
Permanent funds	-	-	782	-	**782**
Restricted - expendable:					
Grants/constitutional restrictions	-	-	122,835	-	**122,835**
Future debt service	348,179	-	98,082	-	**446,261**
Student aid	-	-	19	-	**19**
Endowments	-	-	472	-	**472**
Capital projects	1,301,995	-	6,185	-	**1,308,180**
Other purposes	-	-	610	-	**610**
Unrestricted	(2,783,274)	14,279	708,859	-	**(2,060,136)**
Total net position	**$ (1,060,851)**	**$ 15,808**	**$ 1,180,478**	**$ -**	**$ 135,435**

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, 2015
(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)	$ 258,632	$ 489,870	$ 52,457	$ -	$ 283,695	$ -	$ -	$ -	$ 283,695
State Lottery Commission	1,057,116	1,040,664	-	-	-	(16,452)	-	-	(16,452)
Non-Major Proprietary	613,142	136,921	447,631	330	-	-	(28,260)	-	(28,260)
IFA & ISCBA Interfund Eliminations	(74,693)	(70,593)	(4,100)	-	-	-	-	-	-
Total component units	$ 1,854,197	$ 1,596,862	$ 495,988	$ 330	283,695	(16,452)	(28,260)	-	238,983
General revenues:									
Investment earnings					6,922	839	36,800	-	44,561
Payments from State of Indiana					-	-	18,175	-	18,175
Other					-	16,316	872	-	17,188
Total general revenues					6,922	17,155	55,847	-	79,924
Change in net position					290,617	703	27,587	-	318,907
Net position - beginning, as restated					(1,351,468)	15,105	1,152,891	-	(183,472)
Net position - ending					**$ (1,060,851)**	**$ 15,808**	**$ 1,180,478**	**$ -**	**$ 135,435**

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, 2015
(amounts expressed in thousands)

	Indiana University	Purdue University	Non-Major Colleges and Universities	Totals
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	$ 318,559	$ 356,377	$ 387,351	**$ 1,062,287**
Cash, cash equivalents and investments - restricted	401,249	430,367	45,407	**877,023**
Securities lending collateral	95,016	-	-	**95,016**
Receivables (net)	170,375	138,103	153,729	**462,207**
Due from primary government	9,600	7,181	12,429	**29,210**
Inventory	9,558	-	5,212	**14,770**
Prepaid expenses	-	2	4,526	**4,528**
Investment in direct financing lease	-	-	701	**701**
Other assets	49,588	31,934	27,736	**109,258**
Total current assets	1,053,945	963,964	637,091	**2,655,000**
Noncurrent assets:				
Cash, cash equivalents and investments - unrestricted	1,631,594	1,175,731	627,654	**3,434,979**
Cash, cash equivalents and investments - restricted	1,810,593	2,356,214	490,617	**4,657,424**
Receivables (net)	244,501	223,007	33,790	**501,298**
Investment in direct financing lease	-	-	5,589	**5,589**
Net pension and OPEB assets	-	-	42,945	**42,945**
Other assets	-	3	15,474	**15,477**
Capital assets:				
Capital assets not being depreciated/amortized	296,315	175,719	256,379	**728,413**
Capital assets being depreciated/amortized	4,718,568	3,861,853	3,170,603	**11,751,024**
less accumulated depreciation/amortization	(2,154,630)	(1,883,570)	(1,251,110)	**(5,289,310)**
Total capital assets, net of depreciation/amortization	2,860,253	2,154,002	2,175,872	**7,190,127**
Total noncurrent assets	6,546,941	5,908,957	3,391,941	**15,847,839**
Total assets	**7,600,886**	**6,872,921**	**4,029,032**	**18,502,839**
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	-	-	1,951	**1,951**
Debt refunding loss	22,862	8,818	946	**32,626**
Related to pensions	18,417	14,011	13,992	**46,420**
Total deferred outflows of resources	**41,279**	**22,829**	**16,889**	**80,997**
Liabilities				
Current liabilities:				
Accounts payable	201,761	111,256	88,585	**401,602**
Interest payable	11,726	17,058	3,008	**31,792**
Unearned revenue	91,777	38,667	27,151	**157,595**
Securities lending collateral	95,016	-	-	**95,016**
Accrued liability for compensated absences	44,916	26,407	14,462	**85,785**
Other liabilities	-	22,494	28,671	**51,165**
Current portion of long-term liabilities	71,345	141,071	63,353	**275,769**
Total current liabilities	516,541	356,953	225,230	**1,098,724**
Noncurrent liabilities:				
Accrued liability for compensated absences	23,656	32,506	15,996	**72,158**
Net pension and OPEB liabilities	134,826	111,016	93,142	**338,984**
Unearned revenue	32,503	-	-	**32,503**
Funds held in trust for others	79,208	122,654	46,108	**247,970**
Advances from federal government	-	19,891	8,629	**28,520**
Revenue bonds/notes payable	989,434	943,195	870,377	**2,803,006**
Derivative instrument liability	-	-	1,951	**1,951**
Other noncurrent liabilities	44,107	6,576	43,441	**94,124**
Total noncurrent liabilities	1,303,734	1,235,838	1,079,644	**3,619,216**
Total liabilities	**1,820,275**	**1,592,791**	**1,304,874**	**4,717,940**
Deferred Inflows of Resources				
Service concession arrangement receipts	-	-	1,456	**1,456**
Debt refunding gain	-	6	-	**6**
Related to pensions	30,285	19,627	13,833	**63,745**
Total deferred inflows of resources	**30,285**	**19,633**	**15,289**	**65,207**

State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units - Colleges and Universities
June 30, 2015
(amounts expressed in thousands)

	Indiana University	Purdue University	Non-Major Colleges and Universities	Totals
Net Position				
Net investment in capital assets	1,924,031	1,236,479	1,209,393	**4,369,903**
Restricted - nonexpendable:				
Permanent funds	341,744	-	39,350	**381,094**
Instruction and research	500,035	353,420	33,090	**886,545**
Student aid	471,164	327,101	113,151	**911,416**
Other purposes	32,121	51,827	26,989	**110,937**
Restricted - expendable:				
Grants/constitutional restrictions	-	-	24,226	**24,226**
Future debt service	26,306	-	2,481	**28,787**
Instruction and research	327,658	382,088	81,693	**791,439**
Student aid	167,411	566,109	95,062	**828,582**
Endowments	280,401	536,010	13,076	**829,487**
Capital projects	163,252	76,072	99,790	**339,114**
Other purposes	119,933	173,910	44,154	**337,997**
Unrestricted	1,437,549	1,580,310	943,303	**3,961,162**
Total net position	**$ 5,791,605**	**$ 5,283,326**	**$ 2,725,758**	**$ 13,800,689**

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, 2015
(amounts expressed in thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	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	$ 2,988,854	$ 1,761,056	$ 606,914	$ 47,664	$ (573,220)	$ -	$ -	$ (573,220)
Purdue University	1,965,874	1,098,155	462,702	14,029	-	(390,988)	-	(390,988)
Non-Major Colleges and Universities	1,585,987	643,183	110,046	52,098	-	-	(780,660)	(780,660)
Total component units	$ 6,540,715	$ 3,502,394	$ 1,179,662	$ 113,791	(573,220)	(390,988)	(780,660)	(1,744,868)
General revenues:								
Investment earnings					76,736	90,968	22,596	190,300
Payments from State of Indiana					535,021	399,039	559,640	1,493,700
Other					120,670	104,373	351,301	576,344
Total general revenues					732,427	594,380	933,537	2,260,344
Change in net position					159,207	203,392	152,877	515,476
Net position - beginning					5,632,398	5,079,934	2,572,881	13,285,213
Net position - ending					**$ 5,791,605**	**$ 5,283,326**	**$ 2,725,758**	**$ 13,800,689**

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, 2015

STATE OF INDIANA
Notes to the Financial Statements
June 30, 2015
(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, 2014, 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. These component units are audited by the State Board of Accounts.

The Bureau of Motor Vehicle Commission (BMVC) was established by state law 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 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.

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, 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.

All governmental, proprietary, and fiduciary in nature component units are audited by outside auditors. The State Board of Accounts audits the colleges and universities. College and university foundations are audited by outside auditors.

The Indiana Economic Development Corporation (IEDC) was created 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 retention of existing jobs, the growth and modernization of existing industry and the promotion of Indiana. The IEDC is composed of 12 members, none of whom may be members of the general assembly. These members consist of the governor and 11 individuals appointed by the governor. At least five members must belong to the same political party as the governor. At least three members must belong to a major political party other than the party of which the governor is a member. 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.

Formed on May 15, 2005, the Indiana Finance Authority (IFA) combined five formerly independent bodies under one entity. The entities combined included the Indiana Development Finance Authority, State Office Building Commission, Indiana Transportation Finance Authority, Recreational Development Commission and the State Revolving Fund. Effective July 1, 2005, all records, money, and other property held by the Auditor of State with respect to the Supplemental Drinking Water and Wastewater Assistance Programs were transferred to the IFA as the successor entity. The IFA is 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 refinances 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 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 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, public employees' retirement, 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.

Effective May 15, 2005, the Indiana Stadium and Convention Building Authority was established pursuant to House Bill 1120, which has now been codified at 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 Capital Avenue, Suite 900, Indianapolis, IN 46204.

The Indiana Bond Bank, created in 1984, 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 2980, Indianapolis, IN 46204.

The Indiana Housing and Community Development Authority was created in 1978 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 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 444, Indianapolis, IN 46204.

The Indiana Secondary Market for Education Loans, Inc. (ISM) was formed at the request of the Governor to purchase education loans in the secondary market. 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., 11595 North Meridian Street, Suite 200, Carmel, IN 46032.

The White River State Park Development Commission 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. 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 Commission, 801 West Washington Street, Indianapolis, IN 46204.

The Ports of Indiana is created under 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 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 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 State Fair Commission, 1202 East 38th Street, Indianapolis, IN 46205.

The Indiana Comprehensive Health Insurance Association was created by the State of Indiana 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 twelve State Historic Sites including the Indiana State Museum. The twelve 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, Whitewater Canal and the Indiana State Museum. 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.

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, Poplar's Room 500, 107 S. Indiana Ave., Bloomington, IN 47405-1202; Purdue University, Accounting Services, 401 South Grant Street, West Lafayette, IN 47907-2024; Ball State University, Administration Bldg., 301, 2000 West University Avenue, Muncie, IN 47306; Indiana State University, Office of the Controller, 210 N. 7th Street, Terre Haute, IN 47809; Ivy Tech Community College, 50 West Fall Creek Parkway, North Drive, Indianapolis, IN 46208; University of Southern Indiana, 8600 Boulevard, Evansville, IN 47712; and Vincennes University, 1002 North 1st Street, Vincennes, IN 47591.

Fiduciary in Nature Component Unit

Effective July 1, 2011, the Indiana Public Retirement System (INPRS) was established 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 two death benefit funds. 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.

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 appointments.

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 I.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 and fees and 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 *Major Moves Construction Fund* distributes money received from the Toll Road lease. This money is used for new construction and major preservation of highways and bridges throughout Indiana. Interest income 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 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 loans 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. However, money market investments and participating interest-earning investment contracts that mature within one year of acquisition are reported at amortized cost, which approximates fair value. Fair value is determined by quoted market prices which approximate 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; AAA rated commercial paper, 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 (INRPS) Board of Trustees administers nine pension trust funds including eight Defined Benefit retirement plans and one Defined Contribution retirement plan, two other employment benefit funds, and one agency 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, 2015, 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 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.

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 $1.0 billion, of which $0.5 billion is permanent funds principal, $0.4 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. In accordance with GASB Statement No. 34, all infrastructure assets have been capitalized retroactively.

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 Safety (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 eight-two (382) 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 estimated fair 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.

Employees of the legislative and judicial branches as well as those of the separately elected officials (i.e., Auditor of State) may 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. Employees of the legislative branch of government participated in this program in FY 2015 and have elected to participate in this program for FY 2016.

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.

In the governmental fund financial statements, bond issuance costs and bond discounts are treated as period costs in the year of issue. Proceeds of long term debt, issuance premiums or discounts and certain payments to escrow agents for bond refundings are reported as other financing sources and uses.

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 inventories, 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.

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, 2015, 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	(208,372)	(78,637)
US Department of Labor	(4,404)	(2,707)
US Department of Education	-	(33,126)
S&S Children Home Construction	(709)	-

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, 2015 is as follows:

		Major Special Revenue Funds		
	General Fund	Public Welfare - Medicaid Assistance Fund	Major Moves Construction Fund	Non-Major Funds
Fund Balances:				
Nonspendable:				
Permanent fund principal	-	-	-	519,036
Prepaid expense	98,712	-	-	496
Restricted:				
Administration	380,348	-	-	-
Committed:				
Administration	-	-	-	7,682
Public Health	-	-	-	284,504
Economic Development	5,339	-	-	9,911
Environmental	-	-	-	537
Natural Resources	-	-	-	1,195
Higher Education	-	-	-	4
Secondary Education	-	-	-	572,710
Roads & Bridges	-	-	-	194,812
Other Purposes	-	-	-	14,277
Assigned:				
Administration	102,189	-	-	131,920
Corrections	9,150	-	-	13,430
Police & Protection	14,622	-	-	229,991
Mental Health	-	-	-	51,328
Public Health	22	484,172	-	249,868
Child Services	638,815	-	-	183,925
Disability & Aging	4	-	-	8,455
Economic Development	623	-	-	51,685
Environmental	364	-	-	113,272
Natural Resources	149	-	-	137,390
Higher Education	-	-	-	35,764
Secondary Education	304,236	-	-	20,612
Roads & Bridges	33	-	703,599	390,703
Capital Outlay	175,810	-	-	63,059
Other Purposes	207,258	-	-	72,366
Encumbrances	931,194	-	-	-
Unassigned:	1,017,013	-	-	(327,955)
Total	**$ 3,885,881**	**$ 484,172**	**$ 703,599**	**$ 3,030,977**

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits, Investments and Securities Lending

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

Investment Policy

Indiana Code, Title 5, Article13, 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 Generation 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, 2015:

Primary Government				
	Fair	**Investment Maturities (in Years)**		
Investment Type	**Value Totals**	**Less than 1**	**1 - 5**	**5 - 10**
U.S. Treasuries	$ 2,515,540	$ 2,465,056	$ 50,484	$ -
U.S. Agencies	1,245,404	949,300	296,104	-
Supranationals	32,004	32,004	-	-
Municipal Bonds	43,512	34,353	-	9,159
Local Govt Investment Pool	280,019	280,019	-	-
Non-U.S. Fixed Income	50,143	5,011	45,132	-
Certificate of Deposits	160,704	160,704	-	-
Money Market Mutual Funds	1,207,015	1,207,015	-	-
Total	**$ 5,534,341**	**$ 5,133,462**	**$ 391,720**	**$ 9,159**

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, 2015, 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, 2015. 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:

Primary Government **Investment Type**	**Greatest Risk Rating**	**Fair Value**
U.S. Treasuries	AA	$ 2,515,540
U.S. Agencies	AA	1,245,404
		-
Supranationals	AAA	32,004
Certificate of Deposits	NR	160,704
Municipal Bonds	NR	43,512
Non-US Fixed Income Bonds	A	50,143
Local Govt Investment Pool	NR	280,019
Money Market Mutual Funds	AAA	1,207,015
Total		**$ 5,534,341**

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.

Investments in any one issuer, other than securities issued or guaranteed by the US government, that represent 5% or more of the total investments are:

FHLB	11.81%	$781,573

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, 2015, 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, 2015, was 34 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, 2015, the fair values of the underlying securities on loan were:

Security Type	Fair Value
U.S. Governments	$1,822,482
U.S. Agencies	15,347
Total	**$1,837,829**

The fair values of the collateral received for investment type:

Security Type	Fair Value
U.S. Governments	$1,859,592
U.S. Agencies	15,764
Total	**$1,875,356**

The percentage of collateral received for underlying securities on loan was 102.04%.

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

Collateral Type	Fair Value
Fair value of non-cash collateral	$ 449,184
Fair value of cash collateral (liability to borrowers)	1,426,172
Total	**$1,875,356**

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, 2015, the fair value of the cash collateral reinvestment pool was 95.5% 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	$ 6,000
Certificate of deposit	-
Repurchase agreements	58,099
Asset backed securities	458,571
Floating rate notes	817,318
MMMF's	21,504
Receivable	139
Total	**$1,361,631**

The quality rating of the reinvested cash collateral investments as described by Standard and Poor's at June 30, 2015 is as follows:

S&P Rating	Fair Value of Cash Collateral	% of Portfolio
AAA	$ 412,271	30.3
AAA	514,274	37.8
A	294,811	21.7
CCC	10,673	0.8
NR	129,602	9.4
Total	**$1,361,631**	**100.0**

Major Moves Construction Fund/Next Generation Trust Funds

Investment Policy

Indiana Code, Title 5, Article13, 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 Generation 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, except the funds may not be invested in equity securities. Investment Policy Statements for the investment of these two funds has been adopted by the Treasurer of State. 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 Generation Trust Fund as of June 30, 2015:

Major Moves/Next Generation Funds		Investment Maturities (in Years)			
Investment Type	**Fair Value**	**Less than 1**	**1 - 5**	**6- 10**	**More than 10**
U.S Treasuries	$ 144,244	$ 7,413	$ 93,730	$ 34,455	$ 8,646
U.S. Agencies	25,184	1,408	17,057	6,237	482
Government Asset and Mortgage Backed	21,510	-	1,600	3,220	16,690
Collateralized Mortgage Obligations					
Government CMOs	26,583	-	8,575	6,591	11,417
Corp CMOs	24,948	-	783	883	23,282
Corporate Bonds	537,796	55,721	420,961	48,044	13,070
Corporate Asset Backed	94,503	-	31,037	4,092	59,374
Private Placements	121,392	7,121	65,556	23,872	24,843
Municipal Bonds	22,716	3,008	14,697	3,250	1,761
Non US Government/Corp Bonds	110,692	812	10,441	14,736	84,703
Total	**$ 1,129,568**	**$ 75,483**	**$ 664,437**	**$ 145,380**	**$ 244,268**

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, 2015, 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.

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, 2015. 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.

Major Moves/Next Generation Funds

Investment Type	Greatest Risk Ratings	Fair Value
U.S. Treasuries	AA	$ 144,244
U.S. Agencies	AA	25,184
Government Asset And Mortgage Backed	AA	21,510
Collateralized Mortgage Obligations		
Government CMO's	AA	26,583
Corporate CMO's	AAA	4,752
	AA	556
	A	547
	BBB	1,253
	BB	413
	B	3,738
	CCC&Below	13,689
Non US Govt/Corp Bonds	AAA	131
	A	7,520
	BBB	5,337
	BB	1,764
	B	19,258
	CCC&Below	1,274
	NR	75,408
Corporate Bonds	AAA	3,342
	AA	28,479
	A	232,340
	BBB	32,715
	BB	5,132
	B	232,122
	CCC&Below	1,576
	NR	2,090
Corporate Asset and Mortgage Backed	AAA	68,924
	AA	6,104
	A	3,449
	BBB	74
	B	1,154
	CCC&Below	14,798
Private Placements	AAA	27,620
	AA	14,898
	A	24,661
	BBB	4,628
	BB	1,565
	B	37,295
	CCC&Below	9,496
	NR	1,229
Municipal Bonds	AAA	861
	AA	9,446
	A	10,622
	BBB	858
	BB	845
	B	81
	NR	3
Total		**$ 1,129,568**

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, 2015, 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 Generation Trust Fund’s foreign currency exposure is focused primarily in fixed income securities. The exposure to foreign currency fluctuation is as follows:

Currency	Combined Total	% of Total Market Value
Australia	$ (1,088)	(0.09)
Brazil	1,798	0.15
Canada	(179)	(0.02)
Columbian Peso	1,271	0.11
Euro	(8,447)	(0.70)
Ghana	154	0.01
Hungary	259	0.02
India	1,104	0.09
Indonesia	1,872	0.16
Japan	(3,306)	(0.28)
Malaysia	1,121	0.09
Mexico New Peso	7,393	0.62
New Turkish Lira	1,645	0.14
New Zealand	0	-
Norwegian Krone	0	-
Philippines Peso	236	0.02
Polish Zloty	1,645	0.14
Singapore Dollar	(538)	(0.05)
South African Comm Rand	898	0.08
South Korean Won	(1,781)	(0.15)
Switzerland Franc	(34)	-
United Kingdon	100	0.01
Uruguayan Peso	590	0.05
Total	**$ 4,714**	**40.00%**

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.

TrustINdiana, Local Government Investment Pool (Investment Trust Funds)

Investment Policy

Indiana Code, Title 5, Article13, Chapter 9, Section 11 established the local government investment pool (TrustINdiana) within the office and custody of the Treasurer of State. The Treasurer of State shall invest the funds in TrustINdiana 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 of TrustINdiana shall be invested and to comply with state statute relating to the investment and deposit of public funds.

Valuation of Investments

Consistent with the provisions of a 2a-7 like pool as defined by GASB Statement No. 31, TrustINdiana securities are valued at amortized cost, which approximates market value.

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, 2015:

TrustINdiana - Local Government Investment Pool		Investment Maturities (in Years)
Investment Type	**Amortized Cost**	**Less than 1**
U.S Treasuries	$ 6,627	$ 6,627
U.S. Agencies	13,251	13,251
Commercial Paper	58,246	58,246
Money Market Mutual Funds	4,894	4,894
Total	**$ 83,018**	**$ 83,018**

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, 2015, 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:

TrustINdiana - Local Government Investment Pool		
Investment Type	**Greatest Risk Ratings**	**Fair Value**
U.S Treasuries	AA+	$ 6,627
U.S. Agencies	AA+	13,251
Commercial Paper	A1	58,246
Money Market Mutual Funds	AAA	4,894
Total		**$ 83,018**

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 to 40% of net assets if the issuer is rated A1+/P1 and 25% of net assets if the issuer is rated A1/P1. The only exemptions from disclosures are US Government Debt, US Government Guaranteed Investments, Mutual Funds, or External Investment Pools.

At June 30, 2015, 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, 2015, there were no securities on loan and therefore, no credit risk exposure.

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 10-12-2-2 (c-e), established the prudent investor standard as the primary statutory provision governing the investment of the Trust's assets. IC 10-12-2-2 (c-e) 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 similar capacity and familiar with such matters would use in the conduct of an enterprise of a like character with similar 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 SPRF's adopted asset allocation policy as of June 30, 2015:

Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Broad domestic equity	29.0	7.7
Global ex U.S. equity	13.0	7.9
Defensive fixed income	4.0	2.8
Domestic fixed income	17.0	3.0
High yield fixed income	5.0	5.1
Hedge funds - alternatives	30.0	5.1
Cash and equivalents	2.0	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.

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.

State Police Pension Investment Type	Greatest Risk Ratings	Fair Value
U.S. Treasuries	AA	$ 5,065
U.S. Agencies	AA	511
U.S. Agencies Assets and Mortgage Backed Securities	AA	8,422
Collateralized Mortgage Obligations		
Corporate CMO's	AAA	228
	A	52
	BBB	17
U.S. Agencies CMOs	AA	891
	NR	565
Corporate Bonds	AA	637
	A	6,494
	BBB	1,603
	BB	164
	B	12,204
	CCC & Below	129
Corporate Asset Backed	AAA	1,633
	AA	218
	A	3,172
Private Placements	A	486
	BBB	202
	BB	603
Municipal Bonds	AAA	225
	AA	1,517
	A	1,241
	BBB	257
Mutual/Commingled Funds	NR	29,886
Total		**$ 76,422**

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, 2015, 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. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

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 eighteen 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, 2015, 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:

State Police Pension									
			Investment Maturities (in Years)						
Investment Type		**Fair Value**		**Less than 1**		**1 - 5**		**6- 10**		**More than 10**
U.S. Treasuries	$	5,065	$	197	$	650	$	2,297	$	1,921
U.S. Agencies										
Bonds		511		304		-		207		-
Mortgage Backed		8,422		4		21		775		7,622
Government CMO's		1,456		-		-		277		1,179
Collateralized Mortgage Obligations										
Corporate CMO's		297		-		54		-		243
Corporate Bonds		21,231		1,702		7,277		9,636		2,616
Corporate Asset Backed		5,023		-		2,562		161		2,300
Foreign Bonds		-		-		-		-		-
Private Placements		1,291		-		1,070		214		7
Municipal Bonds		3,240		319		1,199		968		754
Money Market Mutual Funds		29,886		29,886		-		-		-
Total	**$**	**76,422**	**$**	**32,412**	**$**	**12,833**	**$**	**14,535**	**$**	**16,642**

Rate of Return

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -0.26%. 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. 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		**Market Value**	**% of Total Market Value**
Australia	$	440	0.10
Canada		1,425	0.32
Denmark		619	0.14
Euro		1,905	0.43
Hong Kong		1,391	0.31
Mexico		9	-
Japan		3,767	0.84
South Africa		182	0.04
Sweden		1,200	0.27
Switzerland		710	0.16
United Kingdom		3,096	0.69
Total	**$**	**14,744**	**3.30**

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, and agency of the United States, an agency of the United States, a federal instrumentality, or a federal government sponsored enterprise. 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, 2015, the State Police Pension Trust did not have any securities on loan and therefore, no credit risk exposure.

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, the SPD OPEB Trust Fund, the DNR OPEB Trust Fund, and the ATC/Excise OPEB Trust Fund.

The State Police Retiree Health Benefit Trust Fund 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 this Fund, since it is to be invested in the same manner as the State Police Pension Fund, is established under Indiana Code IC 10-12-2-2(c). There is no formal deposit policy other than compliance to State statute.

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.

The SPD, DNR, and the ATC/Excise OPEB Trust Funds were established pursuant to HEA 1123 of the 2012 Indiana General Assembly. The State Personnel Department administers the SPD OPEB Trust Fund. The Department of Natural Resources administers the DNR OPEB Trust Fund. The ATC/Excise OPEB Trust Fund is administered by the Alcohol and Tobacco Commission. These trust funds were created to provide for the prefunding of annual required contributions and for covering the OPEB liability of covered individuals. 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. State statute does not establish any parameters or guidelines related to the concentration of investment risk, investment credit risk, nor interest rate risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

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

State Employee Retiree Health Benefit Trust Funds - DB

Investment Type	Greatest Risk Ratings	Fair Value
U.S. Agencies	AA+	$ 85,834
Supranationals	AAA	16,001
Total		**$ 101,835**

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, 2015, 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 – 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:

FHLB	51.79%	$ 56,169
FHLMC	13.06%	14,163
FFCB	14.29%	15,502
IBRD	14.75%	16,001

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) interest bearing obligations that are issued by, fully insured by, or guaranteed by the united states, an agency of the United State, an agency of the united States government, 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.

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, 2015:

State Employee Retiree Health Benefit Trust Fund - DB Plans			
		Investment Maturities (in Years)	
Investment Type	Fair Value	Less than 1	1 - 5
U.S. Agencies	85,834	77,314	8,520
Supranationals	16,001	16,001	-
Total	$ 101,835	$ 93,315	$ 8,520

State Employee Retiree Health Benefit Trust Fund-DC

Investment Policy

Indiana Code, Title 5, Article13, 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.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

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

State Employee Retiree Health Benefit Trust Fund - DC		
Investment Type	Greatest Risk Ratings	Fair Value
U.S. Treasuries	AA	$ 22,481
U.S. Agencies	AA	176,103
Supranationals	AAA	5,008
Local Government Investment Pool	NR	10,001
Total		$213,593

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, 2015, 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 Home Loan Banks	37.30%	$ 100,956
Federal Home Loan Mortgage Corporation	9.25%	25,042
Federal Agriculture Mortgage Corporation	16.66%	45,091

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) interest bearing obligations that are issued by, fully insured by, or guaranteed by the United States, an agency of the United States, an agency of the United States government, 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.

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, 2015:

State Retiree Health Benefit Trust - DC

		Investment Maturities (in Years)	
Investment Type	**Fair Value**	**Less than 1**	**1 - 5**
U.S. Treasuries	$ 22,481	$ 22,481	$ -
U.S. Agencies	176,103	115,033	61,070
Supranationals	5,008	5,008	-
Local Governmnet Investment Pool	10,001	10,001	-
Total	**$ 213,593**	**$ 152,523**	**$ 61,070**

3. Pension Trust Funds – Fiduciary in Nature Component Unit

Indiana Public Retirement System

Investment Guidelines and Limitations

The Indiana General Assembly enacted the prudent investor standard to apply to the INPRS Board of Trustees and govern all its investments. Under statute (IC 5-10.3-5-3(a)) for PERF and (IC 5-10.4-3-10(a)) for TRF, the Board of Trustees must "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." The Board of Trustees also is required to diversify such investments in accordance with the prudent investor standard.

Within these governing statutes, the INPRS Board of Trustees has broad authority to invest the assets of the plans. The INPRS Board of Trustees utilizes external investment managers, each with specific mandates to collectively achieve the investment objectives of the retirement funds. Depending on the mandate and the contractual agreement with the investment manager, investments may be managed in separate accounts, commingled accounts, mutual funds or other structures acceptable to the INPRS Board of Trustees. An asset allocation review is conducted periodically.

In October 2011, the INPRS Board of Trustees adopted a new Investment Policy Statement effective January 1, 2012, and the new strategic asset allocation for the Consolidated Defined Benefit Assets is as follows:

Asset Classes	Target Allocation - %	Allowable Ranges - %
Public Equity	22.5	20-25
Private Equity	10	7-13
Fixed Income - Ex Inflation - Linked	22	19-25
Fixed Income - Inflation - Linked	10	7-13
Commodities	8	6-10
Real Estate	7.5	4-11
Absolute Return	10	6-14
Risk Parity	10	5-15

Contributions and asset reallocation in the PERF, TRF Pre-1996 and TRF 1996 Annuity Savings Accounts and the Legislators' Defined Contribution Plan (LEDC) are directed by the members in each plan and as such, the asset allocation will differ from that of the Consolidated Defined Benefit Assets.

The Pension Relief Fund (PR Fund) is invested 100 percent in a money market fund.

The State Employees' Death Benefit Fund and the Public Safety Officers' Special Death Benefit Fund are 100 percent invested in short-term and fixed income investments.

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the fiscal year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense is as follows:

Pension Trust Funds (1)	2015 Annual Money Weighted Rate of Return
Public Employees' Retirement Fund	0.32%
Teachers' Retirement Fund Pre-1996 Account (2)	0.57%
Teachers' Retirement Fund 1996 Account (2)	0.57%
1977 Police Officers' and Firefighters' Pension and Disability Fund	(0.07%)
Judges' Retirement System	(0.06%)
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan	(0.09%)
Prosecuting Attorneys' Retirement Fund	(0.08%)
Legislators' Defined Benefit Plan	(0.13%)
Total (3)	**0.44%**

(1) Excludes the Legislators' Defined Contribution Plan.
(2) The Teachers' Retirement Fund Accounts are combined for investment purposes.
(3) Rate of return also includes Legislators' Defined Contribution Plan, State Employees' Death Benefit Fund, Public Safety Officers' Special Death Benefit Fund and Pension Relief Fund.

Cash in Bank and Deposits

Cash balances represent both operational demand deposit accounts held at the bank and, investment related cash and short-term investments, both pooled and non-pooled, on deposit with the investment custodian. To maximize investment income, the float caused by outstanding checks is invested in a short-term investment account, thus causing a possible negative book balance. Negative book balances are reflected in the liabilities section of the Statement of Fiduciary Net Position.

The table below presents the INPRS total deposits and short-term investment funds as of June 30, 2015.

Cash Deposits	Total
Demand Deposit Account – Bank Balances (Insured by FDIC up to $250 thousand per financial institution)	$ 6,472
Held with Treasurer of State (Fully insured)	554
Demand Deposit - Outstanding Check Flot	(40,632)
Held with Custodian Bank (Uncollateralized)	219,000
Short-term Investment Funds held at Bank (Collateralized)	943,432
Total	**$ 1,128,826**

Summary of Investments Held

A summary of investments held as of June 30, 2015, exclusive of operational cash and the securities lending program is as follows:

Investment Type (1)	Fair Value	% of Total Investments
Short Term Investments (2)	$ 70,988	0.2%
Short Term		
Cash at Brokers	219,000	0.7
Money Market Sweep Vehicle	872,444	2.9
Commercial Paper	1,250	0.0
U.S. Treasury Obligations	120,528	0.4
U.S. Agencies	37,726	0.1
Non-U.S. Governments	16,219	0.1
Subtotal	1,267,167	4.2
Fixed Income		
U.S. Governments	4,039,049	13.5
Non-U.S. Governments	2,650,291	8.8
U.S. Agencies	600,841	2.0
Corporate Bonds	2,912,785	9.7
Asset-Backed Securities	760,515	2.5
Commingled Fixed Income Funds	832,407	2.8
Subtotal	11,795,888	39.3
Equity		
Domestic Equities	3,095,918	10.3
International Equities	2,854,181	9.5
Commingled Equity Funds	1,345,359	4.5
Subtotal	7,295,458	24.3
Alternative Investments		
Private Equity	4,755,395	15.8
Absolute Return	1,564,922	5.2
Private Real Estate	797,717	2.7
Risk Parity	2,506,380	8.3
Subtotal	9,624,414	32.0
Derivatives	2,711	0.0
Total	**$30,056,626**	**100.0%**

(1) The amounts disclosed above differ from the Asset Allocation Summary. The investment type disclosure groups 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 non-pooled and pooled, that are an integral part of the pension investments.

Custodial Credit Risk

Deposits, investment securities, and collateral securities are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of a failure of the counterparty, INPRS will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to risk if the securities are uninsured, are not registered in the name of INPRS and are held by either the counterparty or the counterparty trust department's agent, but not in INPRS' name.

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, 2015, there were no investment or collateral securities subject to custodial credit risk and $225,472 thousand of cash on deposit which was uninsured and uncollateralized and therefore exposed to credit risk as disclosed under cash in bank and deposits.

Per IC 5-10.3-5-4(a) and IC 5-10.3-5-5 for PERF and IC 5-10.4-3-14(a) and IC 5-10.4-3-13 for TRF, securities are required to be held for the fund under custodial agreements. INPRS' custody agreement with the custodian requires that the custodian segregate the securities on the custodian's books and records from the custodian's own property. In addition, any investment manager for INPRS is not allowed, under any circumstances, to take possession, custody, title, or ownership of any managed assets.

Method Used to Value Investments

The pooled and non-pooled investments are reported at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Short-term investments consist primarily of cash, money market funds, certificates of deposits and fixed income instruments with maturities of less than one year. Short-term investments are reported at cost, which approximates fair value or, for fixed income instruments, valued using similar methodologies as other fixed income securities described below.

Fixed income securities consist primarily of the U.S. government, U.S. government-sponsored agencies, publicly traded debt and commingled investment debt instruments. Equity securities consist primarily of domestic and international stocks in addition to commingled equity instruments. Fixed income and equity securities are generally valued based on published market prices and quotations from national security exchanges and securities pricing services. Securities that are not traded on a national security exchange are valued using modeling techniques that include market observable inputs required to develop a fair value. Commingled funds are valued using the net asset value (NAV) of the entity.

Alternative investments include limited partnership interests in private equity, absolute return, private real estate and risk parity investment strategies. Publicly traded alternative investments are valued based on quoted market prices. In the absence of readily determinable public market values, alternative investments are valued using current estimates of fair value obtained from the general partner or investment manager. Moreover, holdings are generally valued by a general partner or investment manager on a quarterly or semi-annual 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 expert judgment. Alternative investments, such as investments in private equity or real estate, are generally considered to be illiquid long-term investments. Due to the inherent uncertainty that exists in the valuation of alternative investments, the realized value upon the sale of an asset may differ from the fair value.

Derivative instruments are marked to market daily with changes in fair value recognized as part of investments and investment income.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investments. Duration is a measure of interest rate risk. The longer the maturity, the more the value of the fixed-income investment will fluctuate with interest rate changes. The INPRS Investment Policy Statement recognizes interest rate risk as a market risk factor that is monitored on an absolute and relative basis.

As of June 30, 2015 the debt securities had the following duration information:

Debt Security Type	Fair Value 6/30/2015	% of All Debt Securities	Portfolio Weighted Average Effective Duration (Years)
Short Term Investments			
Money Market Sweep Vehicle	$ 902,800	6.9	0.01
Commercial Paper	1,250	0.0	0.79
U.S. Treasury Obligations	120,528	0.9	0.14
U.S. Agencies	37,726	0.3	0.05
Non-U.S. Government	11,172	0.1	0.33
Duration Not Available	264,679	2.0	N/A
Subtotal	**1,338,155**	**10.2**	
Fixed Income Investments			
U.S. Governments	4,039,049	30.7	7.90
Non-U.S. Government	2,650,443	20.2	7.24
U.S. Agencies	599,121	4.6	2.93
Corporate Bonds	2,692,460	20.5	4.77
Asset-Backed Securities	682,887	5.2	1.22
Duration Not Available	1,131,928	8.6	N/A
Subtotal	**11,795,888**	**89.8**	
Total	**$13,134,043**	**100.0**	

The $1,397 million, for which no duration was available, is primarily made up of cash and commingled debt funds.

Credit Risk

The credit risk of investments is the risk that the issuer will default and not meet their obligations.

The INPRS Investment Policy Statement recognizes credit (quality) risk as a market and strategic risk factor that is monitored on an absolute and relative basis.

The quality rating of investments in debt securities as described by using Standard and Poor's as the primary rating, followed by Moody's next, if Standard and Poor's did not have a rating, and Fitch last, if Standard and Poor's and Moody's did not have ratings, at June 30, 2015 is as follows:

Credit Rating	Short-Term Investments	Fixed Income Securities	Total	Percentage of All Debt Securities
AAA	$ -	$ 1,021,392	$ 1,021,392	7.9
U.S. Government Guaranteed	-	4,639,890	4,639,890	35.9
AA	158,253	1,373,919	1,532,172	11.9
A	10,146	1,608,462	1,618,608	12.5
BBB	1,250	1,418,765	1,420,015	11.0
BB	-	337,491	337,491	2.6
B	-	139,966	139,966	1.1
Below B	-	246,587	246,587	1.9
Unrated	949,506	1,009,416	1,958,922	15.2
Total	**$ 1,119,155**	**$11,795,888**	**$ 12,915,043**	**100.0**

The $1,959 million not rated is primarily in 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 that 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.

INPRS Investment Policy Statement has placed an upper limit on the concentration of assets placed with an investment manager.

No investment manager shall manage more than 10 percent of the system's assets in actively managed portfolios at the time of funding. Through capital appreciation and additional purchases, no investment manager shall be allowed to manage in excess of 15 percent of the system's assets in actively managed portfolios without Board approval.

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

No investment manager shall manage more than 25 percent of the system's assets in a combination of actively and passively managed portfolios.

At June 30, 2015, single issuer exposure in the portfolio did not exceed 5 percent of the total net 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. INPRS' foreign currency exposure is focused primarily in international fixed income and equity holdings.

At June 30, 2015, INPRS did not have a currency hedging program at the total fund level. However, at the manager level, hedging currency risk is allowed and certain managers actively manage currency exposure. INRPS monitors currency risk at the total fund level, portfolio level, and asset class level.

INPRS has exposure to foreign currency risk at June 30, 2015 as follows:

	Foreign Currency Held at June 30, 2015					
Currency	Short Term	Fixed Income	Equity	Other Investments	Grand Total	% of Total
Australian Dollar	$ 379	$ 63,857	$ 79,350	$ (78,626)	$ 64,960	0.2%
Brazilian Real	664	54,592	27,562	(29,304)	53,514	0.2
Canadian Dollar	1,340	118,860	111,845	(109,899)	122,146	0.4
Chilean Peso	-	(20)	-	3,081	3,061	-
Chinese R Yuan HK	-	-	-	(9,567)	(9,567)	-
Colombian Peso	422	20,623	-	(1,455)	19,590	0.1
Czech Koruna	-	547	537	(526)	558	-
Danish Krone	298	17,196	45,768	(14,501)	48,761	0.2
Dominican Rep Peso	-	3,063	-	3	3,066	-
Egyptian Pound	-	-	924	-	924	-
Euro Currency Unit	14,158	1,090,236	559,133	(985,475)	678,052	2.3
German Mark	-	167	-	-	167	-
Hong Kong Dollar	404	-	165,918	(143)	166,179	0.6
Hungarian Forint	16	3,326	1,858	9,223	14,423	-
Indian Rupee	168	45	26,179	2,119	28,511	0.1
Indonesian Rupiah	24	28,124	2,657	(322)	30,483	0.1
Israeli Shekel	56	-	5,633	-	5,689	-
Japanese Yen	5,251	310,441	504,603	(331,598)	488,697	1.6
Malaysian Ringgit	18	18,099	-	7,005	25,122	0.1
Mexican Peso	17,532	61,591	1,209	(9,571)	70,761	0.2
Taiwan New Dollar	81	-	53,563	(4,935)	48,709	0.2
Turkish Lira	260	25,870	20,900	(343)	46,687	0.2
New Zealand Dollar	132	8,456	3,143	(8,591)	3,140	-
Nigerian Naira	-	-	-	1,385	1,385	-
Norwegian Krone	362	4,301	11,329	15,012	31,004	0.1
Peruvian Nuevo Sol	-	2,366	-	350	2,716	-
Philipines Peso	17	-	2,904	1,294	4,215	-
Polish Zloty	87	24,616	3,657	6,123	34,483	0.1
British Pound Sterling	8,738	584,614	356,961	(581,868)	368,445	1.2
Qatari Riyal	90	-	1,010	(90)	1,010	-
Romania Leu	6	1,707	-	6,416	8,129	-
Russian Ruble	2	17,016	-	(4,683)	12,335	-
South African Rand	243	28,852	32,003	(558)	60,540	0.2
Singapore Dollar	231	8,352	23,014	(18,491)	13,106	-
South Korean Won	94	(224)	79,473	(21,787)	57,556	0.2
Swedish Krona	464	64,204	82,073	(58,243)	88,498	0.3
Swiss Franc	1,917	4,033	148,299	(9,525)	144,724	0.5
Thai Baht	6	14,734	8,051	(1,248)	21,543	0.1
UAE Dirham	-	-	4,366	-	4,366	-
Zambia Kwacha	-	150	-	-	150	-
Total	**$ 53,460**	**$ 2,579,794**	**$ 2,363,922**	**$ (2,229,338)**	**$ 2,767,838**	**9.2%**

The foreign currency exposure consists of unhedged assets within the investment portfolio. The short term investment, debt securities and equity securities include accruals. Other investments include foreign holdings of other investments, derivatives and receivables/payables.

Securities Lending

Indiana Code 5-10.2-2-13(d) provides that the INPRS Board of Trustees may authorize a custodian bank to enter into a securities lending program agreement under which certain securities held by the custodian on behalf of INPRS may be loaned. The statute requires that collateral initially in excess of the total fair value of the loaned securities must be pledged by the borrower and must be maintained at no less than the total fair value of the loaned securities.

The purpose of such a program is to provide additional revenue for the Consolidated Defined Benefits Assets. The INPRS Investment Policy Statement requires that collateral securities and/or cash be initially pledged at 102 percent of the fair value of the securities lent for domestic securities and 105 percent for international securities. No more than 40 percent of the Consolidated Defined Benefit Assets may be lent at one time. The custodian bank and/or its securities lending sub-agents provide 100 percent indemnification of the Consolidated Defined Benefit Assets against borrower default, overnight market risk and failure to return loaned securities. Securities received as collateral cannot be pledged or sold unless the borrower defaults.

At June 30, 2015, INPRS had no credit risk exposure since the collateral value held exceeded the fair value of securities on loan. Securities lending as of June 30, 2015 is as follows:

Security Type	Fair Value of Securities on Loan	Collateral Value (Securities and Cash)
U.S. Governments	$ 1,183,756	$ 1,214,189
Corporate Bonds	120,349	123,581
International Bonds	24,443	25,576
Domestic Equities	594,077	608,724
International Equities	111,797	119,988
Total	**$ 2,034,422**	**$ 2,092,058**

Cash collateral can be reinvested. The reinvested assets are subject to the investment guidelines specified by the INPRS Investment Policy Statement. It states that the maximum weighted average days to maturity may not exceed 60. The securities lending agent matches the maturities of the cash collateral investments with stated securities loans' termination dates. Cash collateral received for open-ended loans that can be terminated on demand are invested with varying maturities. INPRS retains the fair value risk with respect to the investment of the cash collateral.

The quality rating of the reinvested cash collateral investments as described by Standard and Poor's at June 30, 2015 is as follows:

Credit Rating	Commercial Paper	Repurchase Agreements	Floating Rate Notes	Money Funds	Fair Value of Reinvested Cash Collateral	Percent of Portfolio
A-1	$ 141,853	$ -	$ -	$ -	$ 141,853	11.5
AA-	-	-	419,963	-	419,963	34.0
A	-	-	115,366	-	115,366	9.3
Unrated	-	472,533	14,997	70,275	557,805	45.2
Total	**$ 141,853**	**$ 472,533**	**$ 550,326**	**$ 70,275**	**$ 1,234,987**	**100.0**

The majority of the unrated reinvested cash collateral investments consist of repurchase agreements that are not rated by any of the rating agencies.

Repurchase Agreements

A repurchase agreement is an agreement in which INPRS transfers cash to a broker-dealer or financial institution. The broker-dealer or financial institution transfer securities to INPRS and promises to repay the cash plus interest in exchange for the same securities. Repurchase agreements are assets with the security collateral held at INPRS' custodian bank.

An obligation under 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 with INPRS' security collateral held at the broker dealer or financial institution's custodian bank.

Cash received and reinvested in securities are not required to match the maturities of the securities posted as collateral.

At June 30 2015, INPRS did not have a repurchase agreement or an obligation under reverse repurchase agreement program at the total fund level. However, at the manager level, repurchase agreements and obligations under reverse repurchase agreements are allowable investments.

There were no repurchase agreements held at June 30, 2015 outside of the securities lending collateral holdings. The amounts held at June 30, 2015 for obligations under reverse repurchase agreements, exclusive of securities lending reinvested cash collateral, are as follows:

Obligations Under Reverse Repurchase Agreements by Collateral Type	Cash Collateral Posted	Market Value
U.S. Treasury	$ 187,635	$ 190,010

At June 30, 2015, INPRS had no credit risk exposure related to obligations under reverse repurchase agreements since the collateral value posted exceeded the fair value of the liability held.

Derivative Financial Instruments

Overview of Derivatives

Derivative instruments are financial contracts whose values depend on the values of one or more underlying assets, reference rates, or financial indices. The fair value of all derivative financial instruments is reported in the Statement of Fiduciary Net Position as either assets or liabilities, and the change in the fair value is recorded in the Statement of Changes in Fiduciary Net Position as investment income. A derivative instrument could be a contract negotiated on behalf of the Master Trust and a specific counterparty. This would typically be referred to as an "OTC contract" (Over the Counter) such as swaps and forward contracts. Alternatively, a derivative instrument, such as futures, could be listed and traded on an exchange and referred to as "exchange traded." Due to the level of risk associated with certain derivative investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term, and such changes could affect the amounts reported in the financial statements. Investments in limited partnerships may include derivatives that are not shown in the derivative total.

The derivative instruments held by INPRS are considered investments and not hedges for accounting purposes. The gains and losses arising from this activity are recognized as incurred in the Statement of Changes in Fiduciary Net Position.

All investment derivatives discussed below are included within the Investment Risk Schedules, which precede this section. Investment derivative instruments are disclosed separately to provide a comprehensive and distinct view of this activity and its impact on the overall investment portfolio. INPRS holds investments in limited partnership and commingled investment funds, which may utilize derivatives from time to time for hedging purposes, and any derivatives held by these types of investment vehicles are not included in the information describing the INPRS' derivatives.

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.

INPRS' investment managers use financial futures to replicate an underlying security or index they intend to hold or sell in the portfolio. In certain instances, it may be beneficial to own a futures contract rather than the underlying security. Additionally, INPRS' investment managers use futures contracts to adjust the portfolio risk exposure. Futures contracts may be used for the purpose of investing cash flows or modifying duration, but in no event may leverage be created by any individual security or combination of securities. No short sales of equity securities or equity index derivatives are permitted.

As the fair value of the futures contract varies from the original contract price, a gain or loss is recognized and paid to, or received from, the clearinghouse. The cash or securities to fulfill these obligations are held in the investment portfolio.

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.

The purchaser of put options pays a premium at the outset of the agreement and stands to gain from an unfavorable change (i.e., a decrease) in the price of the instrument underlying the option. The writer of a call option receives a premium at the outset of the agreement and bears the risk of an unfavorable change (i.e., an increase) in the price of the instrument underlying the option. An interest rate swaption is the option to enter into an interest rate swap based off a set of predetermined conditions.

Options are generally used to manage interest rate risk, adjust portfolio duration, or rebalance the total portfolio to the target asset allocation. The fair value of exchange-traded options is determined based upon quoted market prices.

The fair value of over the counter options is determined by external pricing services, using various proprietary methods, based upon the type of option.

Swaps

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

Interest rate swaps are generally used to manage interest rate risk, adjust portfolio duration, or rebalance the total portfolio to the target asset allocation. The fair value is determined by external pricing services using various proprietary methods.

An inflation swap is a derivative used to transfer inflation risk from one party to another through an exchange of cash flows. In an inflation swap, one party pays a fixed rate on a notional principal amount, while the other party pays a floating rate linked to an inflation index, such as the Consumer Price Index (CPI) or an inflation bond.

Credit default swap agreements involve one party (referred to as the buyer of protection) making a stream of payments to another party (the seller of protection) in exchange for the right to receive a specified return in the event of a default or other predetermined credit event for the referenced entity, obligation or index.

Credit default swaps are used to achieve the desired credit exposure of a security or basket of securities. One of the main advantages of a credit default swap is it allows for exposure to credit risk while limiting exposure to other risks, such as interest rate and currency risk. The fair value is determined by external pricing services using various proprietary methods.

Forwards

A forward currency exchange 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. Risks associated with such contracts include movement in the value of a foreign currency relative to the U.S. dollar. The contracts are valued at forward exchange rates and include net appreciation / depreciation in the Statement of Fiduciary Net Position. Realized gains or losses on forward currency contracts is the difference between the original contract and the closing value of such contract and is included in the Statement of Changes in Fiduciary Net Position.

The fund enters into foreign currency forwards to manage exposure to fluctuations in foreign currency exchange rates on portfolio holdings and to settle future obligations.

Derivative Contracts

The tables below summarize INPRS' derivative contracts for the year ending June 30, 2015:

Investment Derivatives	Changes in Fair Value	Fair Value	Notional
Futures			
Index Futures - Long	$ 4,746	$ 4,746	$ 634,840
Commodity Futures - Long	(227)	(227)	1,217,244
Fixed Income Futures - Long	(1,939)	(1,939)	466,368
Fixed Income Futures - Short	115	115	(535,520)
Subtotal	**2,695**	**2,695**	**1,782,932**
Options			
Currency Spot Options Bought	(628)	574	201,005
Currency Spot Options Written	646	(689)	126,004
Interest Rate Options Bought	(1,006)	6,983	2,329,410
Interest Rate Options Written	1,117	(7,285)	931,800
Fixed Income Options Bought	(214)	400	400
Fixed Income Options Written	75	(52)	(52)
Inflation Rate Swaptions Bought	(12)	2	6,955
Subtotal	**(22)**	**(67)**	**3,595,522**
Swaps			
Interest Rate Swaps - Pay Fixed Receive Variable	(2,237)	(2,238)	1,157,707
Interest Rate Swaps - Pay Variable Receive Fixed	3,379	(3,322)	484,488
Inflation Swaps - Pay Fixed Receive Variable	655	632	36,500
Inflation Swaps - Pay Variable Receive Fixed	(106)	(102)	3,036
Currency Swaps	(254)	(251)	16,819
Total Return Swaps	(18)	(18)	6,323,000
Credit Default Swaps Single Name - Buy Protection	(182)	865	50,543
Credit Default Swaps Single Name - Sell Protection	(401)	1,406	68,480
Credit Default Swaps Index - Buy Protection	(849)	1,479	7,917
Credit Default Swaps Index - Sell Protection	(56)	1,632	54,766
Subtotal	**(69)**	**83**	**8,203,256**
Total	**$ 2,604**	**$ 2,711**	**$ 13,581,710**

The table below summarizes the swap maturity profile as of June 30, 2015.

	Swap Maturity Profile at June 30, 2015					
Swap Type	**< 1 yr**	**1 - 5 yrs**	**5 -1 0 yrs**	**10 - 20 yrs**	**20 + yrs**	**Total**
Interest Rate Swaps - Pay Fixed Receive Variable	$ 124	$ (2,202)	$ (1,226)	$ 821	$ 245	$ (2,238)
Interest Rate Swaps - Pay Variable Receive Fixed	(210)	(560)	(3,565)	1,014	(1)	(3,322)
Inflation Swaps - Pay Fixed Receive Variable	-	632	-	-	-	632
Inflation Swaps - Pay Variable Receive Fixed	-	-	-	(64)	(38)	(102)
Currency Swaps	(62)	(37)	(152)	-	-	(251)
Total Return Swaps	(18)	-	-	-	-	(18)
Credit Default Swaps Single Name - Buy Protection	-	(462)	745	-	582	865
Credit Default Swaps Single Name - Sell Protection	16	1,390	-	-	-	1,406
Credit Default Swaps Index - Buy Protection	-	-	-	-	1,479	1,479
Credit Default Swaps Index - Sell Protection	91	1,551	-	-	(10)	1,632
Total	**$ (59)**	**$ 312**	**$ (4,198)**	**$ 1,771**	**$ 2,257**	**$ 83**

Credit Risk

Counterparty credit risk exists on all open OTC positions. Counterparty credit risk is the risk that a derivative counterparty may fail to meet its payment obligation under the derivative contract.

INPRS' investment managers use International Swaps and Derivative Association Master Agreements to further reduce counterparty risk by specifying credit protection mechanisms and providing standardization that improves legal certainty, thereby reducing the probability of unforeseen losses. Furthermore, the master agreements can provide additional credit protection through the requirement of collateral exchange and certain event of default and mutual termination provisions. Securities eligible as collateral are typically United States government bills and U.S. dollar cash.

The maximum amount of loss due to credit risk that the Fund would incur if the counterparty to the derivative instrument failed to perform according to the terms of the contract, without respect to any collateral or other security, or netting arrangements, is the total unrealized gain of derivatives at the end of the reporting period. The aggregate fair value of investment derivative instruments in an unrealized gain position at June 30, 2015, was $17,514 thousand, of which $13,519 thousand was uncollateralized.

The tables below summarize the counterparty positions as of June 30, 2015:

		Fair Value			Collateral	
Swaps Counterparty	**S&P Rating**	**Receivable/ Unrealized Gain**	**Payable/ (Unrealized Loss)**	**Total Fair Value**	**Posted**	**Received**
Bank of America	A-	$ 689	$ (942)	$ (98)	$ 1,720	$ (100)
Banque Nationale De Paris	A+	98	(164)	(49)	660	-
Barclays	BBB	67	(58)	(49)	-	-
Citibank	A-	662	(1,824)	1,564	1,442	(3,170)
CME Central	AA-	11,902	(6,243)	(1,888)	-	-
Credit Suisse	BBB+	28	(318)	(241)	877	(2)
Deutsche Bank	BBB+	2,396	(3,149)	(658)	650	(3,909)
Goldman Sachs	A-	492	(761)	1,441	-	(1,590)
HSBC Securities Inc	A	23	(348)	(337)	910	-
Intercontinental Exchange, Inc.	A	1	(181)	2,262	830	-
JPMorgan Chase Bank	A	245	(229)	(20)	300	(1,000)
London Clearing House	BBB+	911	(3,378)	(1,842)	-	-
Total		**$ 17,514**	**$ (17,595)**	**$ 85**	**$ 7,389**	**$ (9,771)**

Interest Rate Risk

The System has exposure to interest rate risk due to investments in interest rate and inflation swaps and TBAs. The required risk disclosures are included in the Interest Rate Risk schedule.

The table below summarizes INPRS's Investments that are highly sensitive to interest rate changes:

Reference Currency	Pays	Receives	Fair Value	Notional
Interest Rate Swap - Pay Fixed Receive Variable:				
U.S. Dollar	1.25% to 3.75%	3M USD LIBOR	$ (2,349)	$1,027,376
Indian Rupee	7.35% to 7.66%	INR MIBOR OIS COMPOUND	45	30,444
British Pound Sterling	0.65% to 2.75%	6M GBP LIBOR BBA	(211)	20,791
Brazilian Real	12.00% to 13.16%	1D BRL CDI	168	19,276
Euro Currency Unit	0.75% to 2.10%	6M EURIBOR REUTERS	557	19,181
Mexican Peso	3.57% to 5.66%	28D MXN TIIE BANXICO	7	14,310
Chilean Peso	3.64% to 5.36%	6M CLP CLICP BLOOMBERG	(20)	6,751
Swedish Krona	0.75%	3M SEK STIBOR SIDE	22	4,906
South Korean Won	3.47% to 3.56%	3M KRW KWCDC COD	(433)	4,246
Malaysian Ringgit	0.00% to 4.52%	3M MYR KLIBOR	(24)	4,164
Japanese Yen	0.75% to 1.00%	6M JPY LIBOR BBA	-	3,587
Colombian Peso	4.85% to 5.35%	1D COP COOVIBR	(2)	1,036
South African Rand	7.89% to 8.55%	3M ZAR JIBAR SAFEX	10	636
Colombian Peso	5.11% to 5.92%	DTF90 COP	(1)	568
Australian Dollar	3.50%	6M AUD BBR BBSW	(3)	300
New Zealand Dollar	4.25%	3M NZD BBR FRA	(4)	135
Total			**$ (2,238)**	**$1,157,707**
Interest Rate Swap - Pay Variable Receive Fixed:				
Brazilian Real	1D BRL CDI	8.86% to 13.95%	$ (1,590)	$ 128,911
U.S. Dollar	3M USD LIBOR	1.00% to 3.00%	(1,645)	127,270
Euro Currency Unit	6M EURIBOR REUTERS	0.50% to 1.85%	654	79,849
Mexican Peso	28D MXN TIIE BANXICO	3.51% to 7.64%	(564)	53,543
Thailand Baht	6M THBFIX REUTERS	1.80% to 1.99%	103	22,836
Brazilian Real	1M BRL CDI	11.12% to 13.87%	(43)	21,942
Canadian Dollar	3M CAD BA CDOR	1.00%	25	12,964
South Korean Won	3M KRW CD KSDA	2.17% to 2.88%	107	8,065
Norwegian Krone	6M NOK NIBOR BBG	1.00%	(42)	7,742
South African Rand	3M ZAR JIBAR SAFEX	6.55% to 7.64%	(255)	7,292
South Korean Won	3M KRW KWCDC COD	2.03% to 2.94%	103	6,664
Swedish Krona	3M SEK STIBOR SIDE	1.50% to 1.75%	(197)	4,304
British Pound Sterling	6M GBP LIBOR BBA	2.25%	8	1,541
Japanese Yen	6M JPY LIBOR BBA	1.50%	(1)	1,253
Canadian Dollar	6M CAD BA CDOR	2.75%	15	312
Total			**$ (3,322)**	**$ 484,488**

Foreign Currency Risk

The Fund is exposed to foreign currency risk on its foreign currency forward contracts and futures contracts. The required risk disclosures are included in the Foreign Currency Risk schedule.

At June 30, 2015, INPRS' investments included the following currency forwards balances:

Forward Currency Contract Receivable	$ 5,798,575
Forward Currency Contract Payable	(5,819,991)

The aggregate realized gain/loss recognized for the year ended June 30, 2015 due to foreign currency transactions was $132.1 million realized gain.

Long Term Commitments for Alternative Investments

INPRS enters into long term commitments for funding other investments in private equity and private real estate. These amounts include Euro currency, Norwegian Krone and British Pound Sterling denominated commitments to limited liability partnerships. The remaining amount of unfunded commitments, converted to U.S. dollars using the closing exchange rate, as of June 30, 2015, is as follows:

Currency	Total Unfunded Commitments
U.S. Dollar	$ 2,030,629
Euro Currency Unit	37,957
Norwegian Krone	5,949
British Pound Sterling	1,078
Total	**$ 2,075,613**

B. Interfund Transactions

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, 2015, the following funds had temporary cash overdrafts covered by loans from the General Fund: U.S. Department of Health and Human Services Fund, $208.4 million, U.S. Department of Labor Fund, $4.4 million, and S&S Children’s Home Construction Fund, $0.7 million. Also, reported is 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.

The following is a summary of the Interfund Loans as of June 30, 2015:

	Loans To Governmental Funds	Loans From Governmental Funds
Governmental Funds		
General Fund	$ 213,485	$ -
Nonmajor Governmental Funds	8,000	221,485
Total	**$ 221,485**	**$ 221,485**

Interfund Services Provided/Used

Interfund Services Provided of $9.9 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, 2015:

	Interfund Services Provided To Governmental Funds	Interfund Services Used By Governmental Funds
Governmental Funds		
General Fund	$ -	$ 5,677
Nonmajor Governmental Funds	-	4,231
Total Governmental Funds	-	9,908
Proprietary Funds		
Internal Service Funds	9,908	-
Total Proprietary Funds	9,908	-
Total	$ 9,908	$ 9,908

Due From/Due To

The $40.0 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 $13.1 million represents the accrued distribution amount from the State Lottery Commission to the Build Indiana Fund. The amounts due to Indiana University of $9.6 million, Purdue University for $7.2 million, and the nonmajor universities of $12.4 million are from FY 2015 state appropriations. $2.5 million of the $12.4 million due to the nonmajor universities is due from nonmajor governmental funds of the Indiana Commission for Higher Education.

The following is the schedule of Due From/Due To of component units, as of June 30, 2015:

	Due From Primary Government	Due To Component Units	Due From Component Units	Due To Primary Government
Governmental Funds				
General Fund	$ -	$ 66,712	$ -	$ -
Nonmajor Governmental Funds	-	2,498	13,143	-
Total Governmental Funds	-	69,210	13,143	-
Component Units				
Indiana University	9,600	-	-	-
Purdue University	7,181	-	-	-
Nonmajor Universities	12,429	-	-	-
Board for Depositories	40,000	-	-	-
State Lottery Commission	-	-	-	13,143
Total Component Units	69,210	-	-	13,143
Total	**$ 69,210**	**$ 69,210**	**$ 13,143**	**$ 13,143**

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 – $389.5 million was transferred in from the Medicaid Assistance Fund of which $159.7 million was unused State match appropriations from prior fiscal years, $182.9 million was the State's share of hospital assessment fees, and $46.9 million was quality assessment fees. The hospital assessment fees and qualifying assessment fees can only be used for the State's share of Medicaid services under Title XIX of the Social Security Act. $446.8 million was transferred in from the State Gaming Fund which was wagering taxes from riverboats and slot machines at horse tracks. The Build Indiana Fund transferred in $236.2 million as Motor Vehicle Excise Tax Cut Replacement distributions. $135.2 million was received from the Fund 6000 Programs Fund of which $84.8 million was distribution of financial institutions tax per IC 6-5.5; $19.9 million was transferred in for Indiana Veterans' Home administration from the Comfort-Welfare Fund's receipts of resident fees and Medicaid reimbursements; $18.1 million was distributed from the Standard and Poor's settlement per IC 4-12-1-14.7(d) of which $14.6 million was transferred to the adjustments to surplus fund and $3.5 million was transferred to the securities and enforcement fund belonging to the Secretary of State; $3.8 million was transferred in from consumer and non-consumer settlements, unclaimed property litigation, the telephone solicitation fund, and real estate appraiser licensing for the Office of the Indiana Attorney General; $3.2 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; $3.6 million was transferred in from permit fees collected from business that sell alcoholic beverages per IC 7.1-4-9-4; and $1.8 million was transferred to the Indiana Department of Toxicology's administrative fund. $43.9 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 Addition.

The following were transfers out from the General Fund: The Public Welfare Medicaid Assistance Fund received $2.2 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's needs. $281.2 million was transferred to the U.S. Department of Health and Human Services Fund in support of: $109.2 million for Department of Child Services programs including adoption services grants, adoption assistance, special needs adoption, family and children services, administration (for case management, state, and county), Social Security Title IV-D services to needy families with children, the Indiana Support Enforcement Tracking System, child welfare services state grants and training, child welfare administration, independent living, and healthy families Indiana; $96.1 million for the Family and Social Services' Division of Family Resources for local offices, state administration, child care services, information systems, and the temporary assistance for needy families program; $51.0 million for the State Medicaid program; $10.3 million to the FSSA divisions of Aging and Disability and Rehabilitative Services for developmental disabled client and aging services, $8.0 million for county prosecutors' and local judges' salaries; $6.4 million for FSSA's central office; and $0.2 million for the Department of Health including the cancer registry and state match for the children with special health care needs program. $200.0 million was transferred to the Major Moves Construction Fund pursuant to Indiana Code 8-14-14.1-4. $281.5 million was transferred to the Indiana Commission for Higher Education's Division of Student Financial Aid mostly for the awarding of the State's grants and scholarships for Hoosier students to attend colleges. The Mental Health Center Fund received appropriation transfers in totaling $99.7 million to fund services to adults who are seriously mentally ill in comprehensive community health centers and for the administration of services by the Department of Mental Health. The Build Indiana Fund received

$65.3 million from riverboat ($65.2 million) and pari-mutuel ($0.1 million) wagering taxes which went to the Lottery and Gaming Surplus Account. $57.0 million was transferred to the Hospital Care for the Indigent Fund for the Hospital Care for the Indigent Program. $59.5 million was transferred to the U.S. Department of Agriculture Fund as the State's match of which $50.4 million was for the FSSA Division of Family Resources' local offices, state administration, information systems, TANF, and IMPACT, $4.9 million was for the National School Lunch program administered by the Indiana Department of Education's Division of School and Community Nutrition Programs, $2.5 million was for the FSSA central office fund, $1.4 million was for Board of Animal Health and administration and their meat and poultry inspection program, and $0.3 million was for DNR administration and capital projects. $40.7 million was received by the Indiana Department of Transportation for the Public Mass Transportation Fund, which is used for the promotion and development of public transportation.

Medicaid Assistance Fund – The Medicaid Assistance Fund had a transfer in of $2.2 billion from the General Fund to support the state Medicaid program administered through the Office of Medicaid Policy and Planning. $101.8 million was transferred in from the healthy Indiana plan trust fund to support the newly approved Healthy Indiana Plan (or HIP 2.0). $57.5 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. $48.8 million was transferred in from the Mental Health Centers Fund for reimbursement of services to the seriously mentally ill.

Transfers out included $389.5 million to the General Fund of which $159.7 million was the return of unused State match appropriations for Medicaid from prior fiscal years, $182.9 million was hospital assessment fees, and $46.9 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.

Major Moves Construction Funds – The Major Moves Construction Fund had a transfer in of $200.0 million from the Major Moves 2020 Trust Fund which is part of the General Fund pursuant to Indiana Code 8-14-14.1-4. $49.2 million was transferred in from the State Highway Department for the funds to be reinvested.

The Major Moves Construction Fund had a transfer out of $147.0 million to the State Highway Department for construction and maintenance of the State's highways, roads, and bridges.

Proprietary Funds

Non-Major Enterprise Funds

The Inns and Concessions Fund – This fund had transfers out of $2.8 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

$3.8 million was transferred from the Institutional Industries Fund to the General Fund representing cash assets in excess of $1.5 million pursuant to Indiana Code 11-10-6-8.

A summary of interfund transfers for the year ended June 30, 2015 is as follows:

	Operating transfers in	Operating transfers (out)	Net transfers
Governmental Funds			
General Fund	$ 1,349,111	$ (3,442,522)	**$ (2,093,411)**
Public Welfare-Medicaid Assistance Fund	2,385,537	(389,483)	**1,996,054**
Major Moves Construction Fund	249,178	(146,953)	**102,225**
Nonmajor Governmental Fund	2,267,618	(2,265,952)	**1,666**
Proprietary Funds			
Nonmajor Enterprise Funds	3	(2,756)	**(2,753)**
Internal Service Funds	-	(3,781)	**(3,781)**
Total	**$ 6,251,447**	**$ (6,251,447)**	**-**

C. Receivables

Primary Government – Governmental Activities

Taxes Receivable/Tax Refunds Payable as of June 30, 2015, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities			
	General Fund	Special Revenue Funds	Capital Projects Funds	Total Primary Government
Income taxes	$ 917,555	$ -	$ -	**$ 917,555**
Sales taxes	756,196	8,584	-	**764,780**
Fuel taxes	137	79,143	-	**79,280**
Gaming taxes	838	12,015	-	**12,853**
Inheritance taxes	-	-	-	**-**
Alcohol and tobacco taxes	50,303	29,353	1,792	**81,448**
Insurance	5,342	-	-	**5,342**
Financial institutions taxes	-	2,409	-	**2,409**
Other taxes	14,314	22,891	-	**37,205**
Total taxes receivable	1,744,685	154,394	1,792	**1,900,871**
Less allowance for uncollectible accounts	(320,840)	(10,000)	(3)	**(330,843)**
Net taxes receivable	**$ 1,423,845**	**$ 144,394**	**$ 1,789**	**$ 1,570,028**
Tax refunds payable	**$ 48,153**	**$ 6,305**	**$ -**	**$ 54,458**

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, 2015 is as follows:

	Business - Type Activities
	Unemployment Compensation
Employer	$ 78,083
Claimant	173,702
Total receivable	**$ 251,785**

Within the last fiscal year, statutory changes have increased the time period for collecting amounts due to the state. Resources provided by the US Department of Labor have increased the tools that can be used to recover amounts. In addition, greater efforts have been made to properly identify amounts that are considered outstanding. Due to these statutory changes, additional tools, and increased efforts, the overall probability that more delinquent debt could be collected has substantially increased. Therefore, we have determined that a larger portion of funds owed to the state should be considered as collectible and reported as a receivable in the current fiscal year. However, we have determined that a major portion of the accounts receivable, $61.5 million of employer receivables and $155.7 million of claimant receivables for a total of $217.2 million, will not be collected within one year.

D. Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

Primary Government – Governmental Activities

	Balance, July 1, As restated	Increases	Decreases	Balance, June 30
Governmental Activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 1,951,642	$ 77,086	$ (4,591)	$ 2,024,137
Infrastructure	9,831,291	1,293,583	(12,990)	11,111,884
Construction in progress	1,616,872	641,101	(1,181,268)	1,076,705
Total capital assets, not being depreciated/amortized	13,399,805	2,011,770	(1,198,849)	14,212,726
Capital assets, being depreciated/amortized:				
Land and water use rights	21,668	423	-	22,091
Buildings and improvements	2,137,545	4,749	(16,189)	2,126,105
Furniture, machinery, and equipment	566,874	48,137	(37,798)	577,213
Computer software	48,580	7,622	(9,999)	46,203
Infrastructure	22,982	116	(55)	23,043
Total capital assets, being depreciated/amortized	2,797,649	61,047	(64,041)	2,794,655
Less accumulated depreciation/amortization for:				
Land and water use rights	(8,441)	(1,101)	-	(9,542)
Buildings and improvements	(1,132,186)	(46,733)	6,548	(1,172,371)
Furniture, machinery, and equipment	(400,360)	(39,964)	31,553	(408,771)
Computer software	(31,653)	(9,588)	9,891	(31,350)
Infrastructure	(14,832)	(508)	3	(15,337)
Total accumulated depreciation/amortization	(1,587,472)	(97,894)	47,995	(1,637,371)
Total capital assets being depreciated/amortized, net	1,210,177	(36,847)	(16,046)	1,157,284
Governmental activities capital assets, net	**$ 14,609,982**	**$ 1,974,923**	**$ (1,214,895)**	**$ 15,370,010**

Primary Government – Business-Type Activities

	Balance July 1, restated	Increases	Decreases	Balance, June 30
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	$ 233	$ 50	$ -	$ 283
Furniture, machinery, and equipment	902	-	(610)	292
Total capital assets, being depreciated	1,135	50	(610)	575
Less accumulated depreciation for:				
Buildings and improvements	(162)	(18)	-	(180)
Furniture, machinery, and equipment	(438)	(12)	193	(257)
Total accumulated depreciation	(600)	(30)	193	(437)
Total capital assets being depreciated, net	535	20	(417)	138
Business-type activities capital assets, net	**$ 535**	**$ 20**	**$ (417)**	**$ 138**

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

Governmental activities:		
General government	$	18,856
Public safety		35,105
Health		922
Welfare		8,547
Conservation, culture and development		11,569
Education		1,406
Transportation		21,489
Total depreciation/amortization expense - governmental activities	**$**	**97,894**
Business-type activities:		
Inns and Concessions	$	30
Wabash Memorial Bridge		-
Total depreciation expense - business-type activities	**$**	**30**

E. Leases

The future minimum lease obligations, the net present value of these minimum lease payments as of June 30, 2015 and the assets acquired through capital leases are as follows:

		Capital leases		
		Governmental Activities		
Year ending June 30,	**Operating leases**	**Principal**	**Interest**	**Future Minimum Lease Payments**
2016	$ 29,498	$ 61,710	$ 45,548	$ 107,258
2017	26,924	62,668	43,822	106,490
2018	22,015	61,843	41,964	103,807
2019	13,300	63,074	39,487	102,561
2020	8,830	66,336	36,206	102,542
2021-2025	13,091	385,342	127,504	512,846
2026-2030	-	363,822	38,373	402,195
2031-2035	-	347	9	356
Total minimum lease payments (excluding executory costs)	**$ 113,658**	**1,065,142**	**$ 372,913**	**1,438,055**
Less:				
Remaining premium(discount)	-	(7,231)	-	(7,231)
Total minimum lease payments	**113,658**	**$ 1,057,911**	**$ 372,913**	**$ 1,430,824**
Assets acquired through capital lease				
Land		-		
Building		$ 5,364		
Machinery and equipment		34,011		
Infrastructure		1,020,879		
less accumulated depreciation		(3,242)		
		$ 1,057,012		

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 $29.5 million for the year ended June 30, 2015. 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, 2015 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	$ 146,313	$ 81,652	$ (86,550)	$ 141,415	$ 79,299	$ 62,116
Net pension liability	12,285,047	1,523,029	(2,172,242)	11,635,834	-	11,635,834
Other postemployment benefits	133,712	3,067	-	136,779	-	136,779
Pollution remediation	45,901	710	-	46,611	5,598	41,013
Intergovernmental payable	10,000	-	(10,000)	-	-	-
Capital leases	1,112,598	4,625	(59,312)	1,057,911	61,850	996,061
	$ 13,733,571	**$ 1,613,083**	**$(2,328,104)**	**$ 13,018,550**	**$ 146,747**	**$ 12,871,803**
Business-type activities:						
Compensated absences	$ 580	$ 187	$ (215)	$ 552	$ 193	$ 359
Claims liability	28,415	1,096	(2,707)	26,804	3,199	23,605
	$ 28,995	**$ 1,283**	**$ (2,922)**	**$ 27,356**	**$ 3,392**	**$ 23,964**

Long term obligations of governmental activities include capital lease obligations of governmental funds 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 Reclassifications

For the fiscal year ended June 30, 2015, 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 statements for governmental funds, and the government-wide statements, there is a decrease of $1.4 million in net position of the General Fund for Inheritance tax distributions that were not recorded in the prior year.

In the fund financial statements for the General Fund there was an increase in fund balance of $150.0 million and a corresponding decrease in fund balance in Special Revenue Funds for the reclassification of the State Tuition Reserve Fund from a special revenue fund to the general fund.

In the fund financial statements for the General Fund there was a decrease in fund balance of $0.5 million and a corresponding increase in fund balance in Special Revenue Funds for revenues that were incorrectly deposited into the general fund in the prior year.

In the fund statements for the General, and the government-wide statements, net position increased by $1.1 million due to the reclassification of certain private purpose trust funds.

In the fund statements for Special Revenue funds, and the government-wide statements, net position increased by $18.1 million in the Other Special Revenue fund and $0.3 million in the Fund 6000 Programs fund due to the reclassification of certain agency funds.

In the fund statements for Special Revenue funds fund balance decreased $6.2 million in the Medicaid Assistance fund, and in the government-wide statements, net position increased $248.7 million due to errors in the calculation of payables and receivables in the prior year.

In the fund statements for Special Revenue funds, and in the government-wide statements, net position decreased $4.9 million in the US Department of Labor fund and $1.5 million in the Other Special Revenue fund due to expenses being recorded in the incorrect funds in the prior year.

For the government-wide statements, there is an increase of $24.4 million in net position for capital assets. This was the result of not capitalizing capital assets by June 30, 2014 that were acquired prior to this date and for corrections to acquisition cost by state agencies.

For the government-wide statements, there is a decrease of $18.7 million for software that was incorrectly reported as in development on June 30, 2014.

For the government-wide statements, there is a decrease of $378.1 million in net position for infrastructure assets and Department of Administration Public Works projects that were incorrectly capitalized in prior years as construction in progress.

For the government-wide statements, there is a decrease of $10.2 billion in net position due to the implementation of GASB 68 relating to the net pension liability.

For the Internal Service funds and the government-wide statements, there is a decrease of $15.5 million in net position due to the implementation of GASB 68 relating to the net pension liability.

For the Fiduciary Funds, there was a decrease of $4.1 million due to the reclassification of certain private purpose trust funds.

For the discrete proprietary component units, net position decreased by $10.1 million due to the implementation of GASB 68. The State Fair Commissions net position increased by $0.8 million due to an omission of a receivable in the prior year.

For the discrete governmental component unit, net position decreased by $2.1 million due to the implementation of GASB 68.

For the colleges and universities, net position decreased by $250.1 million due to the implementation of GASB 68. In addition, the net position of Indiana State University decreased by $1.0 million due to a change in their method of calculating a receivable.

The following schedule reconciles June 30, 2014 net position as previously reported, to beginning net position, as restated:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Discretely Presented Component Units (Non Fiduciary)
June 30, 2014, fund balance/retained earnings/net assets as reported	$ 20,513,475	$ (801,033)	$ 31,321,575	$ 13,531,582
Change in accounting principle				
Implementation of GASB 68	(10,221,039)	-	-	(262,209)
Correction of errors	(137,621)	-	-	(185)
Reclassifications of funds	19,549	-	(4,051)	-
Balance July 1, 2014 as restated	**$ 10,174,364**	**$ (801,033)**	**$ 31,317,524**	**$ 13,269,188**

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.

	State Police Health Insurance Fund	State Employee Disability Fund	State Employees' Health Insurance Fund	Conservation and Excise Officers Health Insurance Fund	Total
2015					
Unpaid Claims, July 1	$ 2,762	$ 5,230	$ 36,266	$ 537	**$ 44,795**
Incurred Claims and Changes in Estimate	19,383	19,470	307,385	2,655	**348,893**
Claims Paid	(19,703)	(19,895)	(307,952)	(2,818)	**(350,368)**
Unpaid Claims, June 30	**$ 2,442**	**$ 4,805**	**$ 35,699**	**$ 374**	**$ 43,320**
2014					
Unpaid Claims, July 1	$ 3,352	$ 4,840	$ 34,891	$ 391	**$ 43,474**
Incurred Claims and Changes in Estimate	17,468	20,856	300,228	2,431	**340,983**
Claims Paid	(18,058)	(20,466)	(298,853)	(2,285)	**(339,662)**
Unpaid Claims, June 30	**$ 2,762**	**$ 5,230**	**$ 36,266**	**$ 537**	**$ 44,795**

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 $9.0 million to be made from the Tort Claim Fund during the next fiscal year. During the fiscal year ending June 30, 2015, the State paid $8.1 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 1968, a lawsuit seeking to desegregate the Indianapolis Public Schools was filed in the United States District Court for the Southern District of Indiana. Since 1978, the State has paid several million dollars per year for inter-district busing that is expected to continue through 2016. The District Court entered its final judgment in 1981 holding the State responsible for most of the costs of its desegregation plan, and those costs have been part of the State's budget since then. In June 1998, the parties negotiated an 18-year phase out of the desegregation plan that was approved by the Court for some school corporations and a 13-year phase out of the desegregation plan for the school corporations that had already began the desegregation plan. State expenditures will be gradually reduced as the plan is phased out.

In 2008, Plaintiffs brought a case against employees of the Indiana Department of Child Services, an Indiana State Police detective, and a doctor, alleging the Defendants engaged in a conspiracy to deprive the Plaintiffs' family members of their rights. The Plaintiff children were removed from the home after another child passed away, and the Plaintiff parents were charged with neglect of a dependent, but those charges were subsequently dropped. A jury trial was held beginning on September 16, 2015. The jury reached a verdict in the amount of $31.3 million against the current and former state employees. A motion to alter or amend the judgment was filed on November 6, 2015; Plaintiffs' response filed December 3, 2015. Plaintiffs petitioned for attorney fees and costs on November 23, 2015 in the following amounts: $2.7 million in attorney fees, $22.7 thousand in costs, and $74.3 thousand in expenses.

On August 13, 2011, the temporary structure supporting spotlights and other equipment mounted on top of the Indiana State Fair Grandstand Stage collapsed. As a result of the collapse, seven people died and more than fifty others required medical treatment. A number of lawsuits were filed as a result of this incident. Under the Indiana Tort Claims Act, Indiana Code 34-13-3, claims are capped at $5,000,000 per event and $700,000 per person. The State, on behalf of the Commission, settled with many of the claimants, distributing the full cap amount of $5,000,000 in amounts determined under a formula developed for this purpose in November 2011. The General Assembly supplemented the amount with an additional $6,000,000 during the 2012 Session, which was distributed pursuant to legislative directives. Tort claims were paid from the State General Fund and not the funds of the Commission. The remaining open litigation concerns the indemnification claims as a result of the August 13, 2011 incident. Oral Argument before the Indiana Supreme Court was held on August 23, 2015; awaiting decision. An estimate of the possible remaining loss cannot be made.

In March 2013, Plaintiffs filed a class action lawsuit against the State which alleges the Indiana Bureau of Motor Vehicles charged amounts that were not authorized by law to persons under the age of 75 who have paid a fee to obtain or renew their drivers' licenses since March 7, 2007. A settlement has been reached that provides for credits, in a total amount of about $30 million, to be paid to class members and their attorneys. In November 2013, The Court's Order and Judgment Approving

Settlement was entered. For a period of 3 years after the Court's final approval of the Settlement, any refunds that have not been paid as advance payments will be available to class members as outlined. Settlement agreement amended to remove obligation to promulgate rules regarding certain fees. Payments are to be made under agreement until December 2017. As of June 30, 2015, $5.9 million remained to be refunded which has been accrued as an expense and payable in the government-wide financial statements.

In May 2013, Plaintiffs filed an inverse condemnation complaint against the State seeking $8 million in damages to their real estate which Plaintiffs allege will be caused by construction of the Illiana Expressway, which is a proposed highway to connect northwestern Indiana to the greater Chicago area. Construction of the Illiana Expressway has not yet begun. On June 3, 2015, the Court denied the State's motion to dismiss and overruled the State's objection to the Plaintiffs' complaint for inverse condemnation. The Court set the matter for an evidentiary hearing for November 17, 2015 on the issue of whether there has been a taking or not due to actions of the State regarding the Illiana Expressway. On September 8, 2015, the State filed a motion for summary judgment on the issue of whether the actions of INDOT constituted an inverse condemnation of the plaintiffs' property taking the position that there was no genuine issue of material fact and that it was purely a question of law. There was a hearing set on the State's Motion for Summary Judgment on December 10, 2015; however, the Court vacated that hearing and has indicated it will reset the hearing for some time in February 2016.

In June 2014, Plaintiffs filed a class action lawsuit against the Department of Child Services alleging they were purportedly promised monies for adoptions, but then never paid. Mediation was held on August 15, 2014, and a tentative settlement of $15.1 million was reached. The proposed class is all individuals who entered into adoption subsidy agreements with the Department of Child Services, but have not received any payment before June 30, 2014. A settlement was reached and the settlement agreement was approved by the Court on November 3, 2014. As of June 30, 2015, $324.1 thousand remained to be paid which has been accrued as an expense and payable in the government-wide financial statements.

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:

<u>Indiana Family and Social Services Agency (FSSA)</u>

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 IBM; it affirmed the trial court's denial of deferred fees to IBM; 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 IBM; and found IBM materially breached the contract. The Court of Appeals remanded the case to the trial court to determine the amount of fees IBM is entitled to for change orders and to determine the state's damages and offset damages awarded to IBM as a result of IBM'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. The next week, the Indiana Supreme Court issued an order encouraging the parties to mediate. The parties agreed to mediation, and underwent lengthy negotiations over a period of many months, which ultimately did not result in settlement.

The case is now back in the hands of the Indiana Supreme Court. The Indiana Supreme Court could do any of the following: (a) decline to rule on the merits of the matter, leaving the Court of Appeals decision intact; (b) accept the case on the merits, issue an opinion, but not change the outcome from the Court of Appeals decision; or (c) accept the case on the merits, issue an opinion, and alter the outcome from the Court of Appeals decision. It is not possible to reasonably predict what the Indiana Supreme Court will do. But in terms of potential exposure, the State's outer bounds of potential exposure remain as follows: assignment fees ($40 million); equipment ($9.5 million); change orders ($2.5 million); interest ($10.7million); deferred fees ($43 million). Meanwhile, the State's potential recovery on its claims remains in excess of $100 million, to be determined at trial if the Indiana Supreme Court so rules.

It is anticipated that a decision will be issued from the Indiana Supreme Court within the next six months. Thereafter, if further trial court proceedings are required (as contemplated by the Court of Appeals decision), the case would likely take another 6-12 months to cycle through the trial court, with appeal possible thereafter.

<u>Indiana Bureau of Motor Vehicles (BMV)</u>

In October 2013, an individual brought a putative class action against Indiana's Bureau of Motor Vehicles alleging overcharges ranging from $35 to $100 million. In September 2015, the trial court granted the plaintiff's motion for class certification and ordered the parties to mediate in an attempt to resolve the case outside of court. The original trial date of December 1, 2015 was vacated by the court on November 16, 2015 and has not been rescheduled as of December 7, 2015. Is it anticipated that trial will be rescheduled for the first half of calendar year 2016. In the event of a judgment against the BMV, the agency will seek appropriate appellate relief and believes any judgment of damages to the class will be overturned; thus, the loss contingency range for this matter is $0 to $100 million.

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, 2015 there was $38.2 million in findings in which 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.

During fiscal year 2015, Indiana's Tax Court granted summary judgment to a Plaintiff that overturned the Indiana Department of Revenue's regulations regarding the tax treatment of time and materials contractors. A consequence of this ruling is that time-and-materials contractors will likely be harmed at the expense of those for whom they performed real property improvement services. The State anticipates that legislation to address this issue will likely be passed in the upcoming session to codify fair treatment and eliminate unnecessary transaction costs which would result in probable refunds on the markup portion only of construction contracts. $23.6 million has been accrued as an expense and payable in the government-wide financial statements.

Construction Commitments

As of June 30, 2015, the Indiana Department of Transportation had outstanding construction commitments totaling $1.1 billion for road and bridge projects. It is anticipated that these projects will be financed with approximately 14% State funds, 4% local funds, 61% traditional Federal funds, 6% from the Major Moves Construction Fund and 15% Major Moves 20/20 Construction Funds. These amounts do not include the LSIORBP project described below.
The State of Indiana and the Commonwealth of Kentucky have entered into a legal agreement known as the "Bi-State Development Agreement" which governs "The Louisville- Southern Indiana Ohio River Bridges Project (LSIORBP)." The project consists of the construction of the East End Bridge and highway connections that will complete an outer loop around the greater Louisville area; a Downtown Crossing including a new I-65 bridge for northbound traffic; a revamped John F. Kennedy Memorial Bridge for southbound traffic, and rebuilding of the downtown interchanges on both sides of the Ohio River. Kentucky is responsible for the financing, reconstruction and operational improvements of the Downtown Crossing Bridges; and, Indiana is responsible for financing and constructing the East End Crossing.

The Ohio River Bridge Project structures will be ultimately owned 50% by Indiana and 50% by Kentucky and is expected to cost $2.6 billion. Kentucky's portion of the total project cost is estimated to be $1.3 billion and Indiana's portion is estimated to be $1.3 billion.

The State of Indiana has spent approximately $349.5 million to date. This total includes $196.5 million paid to the Indiana Finance Authority for Admin/Financial/Legal Fees, and Milestone and Annual Relief payments. The Commonwealth of Kentucky has spent approximately $925.9 million to date.

The Indiana Department of Administration, Public Works Division, had remaining construction commitments totaling $14.7 million for building and improvement projects of the State's agencies as of June 30, 2015. These projects are to be funded through State appropriations, the State Highway Department Fund, capital projects funds, and federal funds.

The State had $50.5 million in total commitments for software in development as of June 30, 2015. 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, 2015 were as follows:

Governmental Funds	Encumbrances
General Fund	$ 953,506
Non-Major Governmental Funds	2,383,073
Total	**$ 3,336,579**

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

In 1982 the Indiana General Assembly adopted Indiana Code 4-10-18, which established the Counter-Cyclical Revenue and Economic Stabilization Fund ("Rainy Day Fund").

This fund was established to assist in stabilizing revenue during periods of economic recession and is accounted for within the State general fund.

Each year, the State Budget Director determines calendar year Adjusted Personal Income (API) for the State and its growth rate over the previous year, using a formula determined by the legislature.

In general, monies are deposited automatically from the reverting accounts of the State General Fund, also known as the state surplus, into the Rainy Day Fund if the growth rate in API exceeds 2%; monies are removed automatically from the Rainy Day Fund if API declines by more than 2%. If the balance in the fund at the end of the fiscal year exceeds 7% of total General Fund revenues for the same period, the excess is transferred from the Rainy Day Fund to the state surplus.

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 2015 was $376.6 million. Total outstanding loans were $3.7 million, resulting in total assets of $380.3 million. Because the API did not increase or decrease by more than 2% no money was transferred between the state surplus and the Rainy Day Fund.

E. Employee Retirement Systems and Plans

The State of Indiana sponsors nine 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).

<u>Summary of Significant Accounting Policies (Pensions)</u>

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 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:

<u>State Police Retirement Fund (Presented as a pension fund)</u>

<u>Financial Statements</u> - As separately issued financial statements are not available for the State Police Retirement Fund, summarized financial statements are as follows:

Combining Statement of Fiduciary Net Position
June 30, 2015

	State Police Pension Fund
Assets	
Cash, cash equivalents and non-pension investments	$ 7,806
Receivables:	
Contributions	257
Interest	442
Member loans	112
From investment sales	5,020
Total receivables	5,831
Pension and other employee benefit investments at fair value:	
Equity Securities	205,971
Debt Securities	118,509
Other	111,615
Total investments at fair value	436,095
Total assets	**449,732**
Liabilities:	
Accounts/escrows payable	96
Securities purchased payable	457
Other	7
Total liabilities	**560**
Net Position	
Restricted for:	
Employees' pension benefits	449,172
Total net position	**$ 449,172**

Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2015

	State Police Pension Fund
Additions:	
Member contributions	$ 3,967
Employer contributions	13,451
Net investment income (loss)	386
Less investment expense	(1,381)
Other	6
Total additions	16,429
Deductions:	
Pension and disability benefits	34,955
Administrative	298
Other	2
Total deductions	35,255
Net increase (decrease) in net position	(18,826)
Net position restricted for pension and other employee benefits, July 1, as restated:	
Pension benefits	467,998
Net position restricted for pension and other employee benefits, June 30	**$ 449,172**

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 does not issue a stand-alone financial report. The SPRF's financial statements are included in the State of Indiana's CAFR as part of the statements presented with fiduciary funds.

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.

<u>Pre-1987 Plan</u> 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, 2015, the following employees were covered by the benefit terms of the SPRF:

	Pre-1987 Plan	1987 Plan
Inactive employees or beneficiaries currently receiving benefits	884	723
Inactive employees entitled to but not yet receiving benefits	9	147
Active employees	36	1,148
Total	**929**	**2,018**

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. Under the terms of the Trust Agreement, in the event the Department fails to make the minimum contribution for five successive years, the Trust shall terminate and the fund shall be liquidated. 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, 2015, the State's contribution rate was 20.4 percent of 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) 36 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, 2015, the amount held by the plan pursuant to the DROP is $0.5 million.

Net Pension Liability

The components of the net pension liability of the SPRF at June 30, 2015 were as follows:

Total pension liability	$ 570,380
Plan fiduciary net position	(449,171)
SPRF's net pension liability	**$ 121,209**
Plan fiduciary net position as a percentage of the total pension liability	78.7%

The SPRF's net pension liability was measured as of June 30, 2014, 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, 2014 were as follows:

Total pension liability	$ 540,797
Plan fiduciary net position	(467,998)
SPRF's net pension liability	**$ 72,799**
Plan fiduciary net position as a percentage of the total pension liability	86.5%

Actuarial assumptions. The total pension liability in the June 30, 2015 and June 30, 2014 actuarial valuations were 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

June 30, 2015 Actuarial Valuation. 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 Disabled Mortality Tables adjusted to 2006 with MP-2015 Mortality Improvement Scale.

June 30, 2014 Actuarial Valuation. 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.

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, 2011 actuarial valuation based on the results of the study.

The long-term expected rate of return on pension plan investments 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	7.7
Global ex U.S. equity	13.0	7.9
Defensive fixed income	4.0	2.8
Domestic fixed income	17.0	3.0
High yield fixed income	5.0	5.1
Hedge funds - alternatives	30.0	5.1
Cash and equivalents	2.0	2.0
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 all periods of projected benefit payments 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 6/30/13	$ 523,216	$ 438,588	$ 84,628
Changes for the year:			
Service cost	13,747	-	13,747
Interest	34,935	-	34,935
Changes in benefit terms	269	-	269
Differences between expected and actual experience	778	-	778
Changes of assumptions or other inputs	775	-	775
Contributions - employer	-	14,005	(14,005)
Contributions - employee	-	3,763	(3,763)
Net investment income	-	44,883	(44,883)
Benefit payments, including refunds of employee contributions	(32,923)	(32,923)	-
Administrative expense	-	(307)	307
Other changes	-	(11)	11
Net changes	17,581	29,410	(11,829)
Balances at 6/30/14	$ 540,797	$ 467,998	$ 72,799

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:

June 30, 2015 Actuarial Valuation:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net pension liability	192,993	121,209	61,393

June 30, 2014 Actuarial Valuation:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net pension liability	139,722	72,799	16,569

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the State recognized pension expense of $13.6 million for the SPRF. At June 30, 2015, 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	$ 648	$ -
Changes of assumptions or other inputs	644	-
Net difference between projected and actual earnings on pension plan investments	-	12,677
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	10,218	-
Total	**$ 11,510**	**$ 12,677**

Deferred outflows of resources in the amount of $10.2 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, 2016. 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)
2016	(2,907)
2017	(2,907)
2018	(2,907)
2019	(2,907)
2020	243

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, pension benefits vest after 15 years of creditable service. Officers becoming participants after age 50 are vested after completion of 10 years of service. A participant is entitled to an annual pension benefit, paid in equal monthly installments beginning on the participant's normal retirement date, equal to 25 percent of the participant's average annual salary. A participant who completes more than 10 years of creditable service is entitled to receive an additional amount equal to 1.67 percent of the participant's average annual salary for each completed year of creditable service over 10 years. However, a participant's annual pension benefit may not exceed 75 percent of the participant's average annual salary.

Each participant is required to retire on or before the first day of the month following the participant's 65th birthday. However, a participant who is hired after age 50 must retire upon the earlier of: (1) the first day of the month following the participant's 65th birthday; or (2) the first day of the month following the date the participant completes 15 years of creditable service. A participant, who is at least 55 years of age and the sum of the participant's years of creditable service and age in years, equals at least 85, may retire and become eligible for full retirement benefits. In addition, a participant may elect full retirement benefits at age 50 with 25 years of service. A reduced benefit is provided for early retirements that are elected upon attainment of age 45 with at least 15 years of creditable service. The monthly benefit is reduced by 0.25 percent for each full month by which the participant's early retirement date precedes the participant's 60th birthday.

Any participant who terminates service before accumulating 15 years of creditable service may become a member of the Public Employees' Retirement Fund (PERF). Upon payment of contributions and interest required by the INPRS Board of Trustees, the withdrawing participant shall be entitled to transfer creditable service to PERF.

The monthly pension benefits for members in pay status may be increased periodically as COLA. Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly. There was no COLA for the year ended June 30, 2015; however, eligible members did receive a one-time check (a.k.a. 13th check) in September 2014. The amount of the one-time check ranged from $125 to $400, depending upon a member's years of service, and was for a member who retired or was disabled on or before December 1, 2013, and who was entitled to receive a monthly benefit on July 1, 2014.

Disability and survivor benefits provided. A participant who becomes permanently or temporarily disabled from performing all suitable and available work "on the force" for which the participant is or may be capable of becoming qualified, considering reasonable accommodation to the extent required by the Americans and Disability Act, is entitled to receive a disability benefit. The amount of the disability benefit paid to a participant depends on whether the disability arose in the line of duty, the degree of impairment as determined by INPRS Board of Trustees' medical authority, and the participant's monthly salary. A participant is entitled to receive creditable service for the time the participant receives disability benefits under a State disability plan established under IC 5-10-8-7.

If a participant has more than 15 years of creditable service at the time of death, survivor benefits are payable to the surviving spouse, parents, or dependent children, as nominated by the participant's written direction, acknowledged, and filed with the INPRS Board of Trustees. The surviving spouse or the parent(s) is entitled to an annual survivor's allowance for life equal to 50 percent of the amount the participant would have been entitled to if he/she had retired on the date of death. If nominated and eligible, surviving unmarried minor child(ren) are entitled to an annual survivor's allowance equal to 50 percent of the amount the participant would have been entitled to if he/she had retired, divided equally between or among all nominated and eligible children. This benefit will continue until the child reaches 18 years of age or marries, whichever occurs first.

Deferred Retirement Option Plan. The DROP for the EG&C Plan was established by the Indiana Legislature in 2008 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10-5.5-22. Members of the EG&C Plan that are eligible to retire at an unreduced annual retirement allowance, 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 remains in active service contributing to the plan until that date. The DROP retirement date must be not less than twelve (12) months and not more than thirty-six (36) months after their DROP entry date, and not after the date they reach any mandatory retirement age that may apply. The member may make an election to enter the DROP only once in their lifetime. The DROP and future retirement monthly benefit is calculated as of the member's DROP entry date. At the time of retirement, the member must choose among the available options for distribution of the accumulated benefit under the DROP. As of June 30, 2015, the amount held by the plan pursuant to the DROP is $1.2 million.

Employees covered by benefit terms. As of June 30, 2015, the EG&C plan membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	207
Terminated vested members entitled to but not yet receiving benefits	3
Terminated non-vested members entitled to a distribution of contributions	101
Active members: vested and non-vested	448
Total	**759**

Contributions. The funding policy for the EG&C Plan is in accordance with statute IC 5-10-5.5-8.5. The employer contribution rate is actuarially determined. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation. During fiscal year 2015, the State of Indiana was required to contribute 20.75 percent of covered payroll.

The member contribution rate is established by statute IC 5-10-5.5-8 at four (4) percent of a participant's salary to be contributed to the participant's savings account. The employer may pay all or a part of the contribution for the participant. Member contributions are used to fund a portion of the defined benefit payment. Any participant who terminates employment before accumulating 15 years of creditable service and before attaining the age of 45 shall be entitled to a lump sum refund of all contributions in the participant's savings account plus accumulated interest as determined by the INPRS Board of Trustees in accordance with IC 5-10-5.5-17.

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 (888) 526-1687, 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, 2014, 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, 2014 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	3.25%
Inflation	3.00%
Cost of living increases	1.00%

Mortality rates for healthy and disabled members were based on the mortality table from the 2013 IRS Static Mortality projected five (5) years with Scale AA.

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, 2011 actuarial valuation based on the results of the study. The mortality assumption was further updated for the June 30, 2012 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	22.5	5.3
Private equity	10.0	5.6
Fixed income - ex inflation - linked	22.0	2.1
Fixed income - inflation - linked	10.0	0.7
Commodities	8.0	2.0
Real estate	7.5	3.0
Absolute return	10.0	3.9
Risk parity	10.0	5.0
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 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 each 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 6/30/13	$ 118,097	$ 97,019	$ 21,078
Changes for the year:			
Service cost	3,841	-	3,841
Interest	8,031	-	8,031
Differences between expected and actual experience	(430)	-	(430)
Contributions - employer	-	5,359	(5,359)
Contributions - employee	-	1,019	(1,019)
Net investment income	-	13,339	(13,339)
Benefit payments, including refunds of employee contributions	(5,938)	(5,938)	-
Administrative expense	-	(141)	141
Net changes	5,504	13,638	(8,134)
Balances at 6/30/14	**$ 123,601**	**$ 110,657**	**$ 12,944**

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	28,722	12,944	(749)

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 (888) 526-1687, 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, 2015, the State recognized pension expense of $2.4 million for the EG&C Plan. At June 30, 2015, 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	$ -	$ 380
Net difference between projected and actual earnings on pension plan investments	-	4,789
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	5,215	-
Total	$ 5,215	$ 5,169

Deferred outflows of resources in the amount of $5.2 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, 2016. 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)
2016	(1,247)
2017	(1,247)
2018	(1,247)
2019	(1,247)
2020	(49)
Thereafter	(132)

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. PARF was established in 1989 and is governed through the INPRS Board of Trustees by IC 33-39-7. Coverage is for individuals who: (1) serve as a prosecuting attorney or a chief deputy prosecuting attorney; or (2) serve as the executive director or assistant executive director of the Indiana Prosecuting Attorneys Council or as a State-paid deputy prosecuting attorney. These individuals' salaries are paid from the General Fund of the State of Indiana.

Retirement benefits provided. A participant is entitled to a retirement benefit if the participant: (1) is at least age 62 and has at least eight (8) years of service credit; (2) is at least age 55 and whose years of service as a member of PARF plus years of age equal at least 85; and (3) is not receiving salary for services currently performed. A member whose service ended prior to July 1, 2006 must have at least ten (10) years of service.

The retirement benefit of a participant who is at least age 65 (or are at least 55 years of age and the participant's age in years plus the participant's years of service total 85 or more) is calculated by multiplying: (1) the highest annual salary paid to the participant before the participant's separation from service; by (2) a percentage based on the participant's years of service. The percentages range from 24 percent for eight (8) years of service to 60 percent for 22 or more years of service. If a participant is at least 62 years of age with at least eight (8) years of creditable service, a participant is entitled to receive a reduced annual retirement benefit that equals the benefit, as calculated above, reduced by 0.25 percent per month for each month the participant retires prior to age 65.

In addition, a PARF participant is a member of PERF. A PARF participant's retirement benefit is reduced by the amount of the employer-financed pension benefit that would be payable to the participant had the participant retired from PERF on the date of the participant's retirement from the fund. However, the benefits payable to a participant from the fund are not reduced by any payments made to the participant from the participant's PERF annuity savings account. The employer may elect to make the contributions on behalf of the member.

Disability and survivor benefits provided. PARF also provides disability and survivor benefits. A participant who has at least five (5) years of creditable service and becomes disabled while in active service may retire for the duration of the disability if the participant has qualified for social security disability benefits and has furnished proof of the qualification. The amount of the annual benefit payable to a participant for disability benefits is equal to the product of the annual salary that was paid to the participant at the time of separation from service multiplied by a percentage based on the participant's years of service. The percentages range from 40 percent for 5 to 10 years of service to 50 percent for 20 or more years of service. These benefits are reduced by any benefits payable to the participant from PERF.

The surviving spouse or designated beneficiary of a participant is entitled to a benefit if, on the date of the participant's death, the participant: (1) was receiving benefits; (2) has completed at least eight (8) years of service and was in service as a prosecuting attorney or chief deputy prosecuting attorney, executive director or assistant executive director of the Indiana Prosecuting Attorneys Council, or as a State-paid deputy prosecuting attorney; or (3) had met the requirements for a disability benefit.

Regardless of the participant's age at death, the surviving spouse's benefit is equal to the greater of: (1) $7,000 annually; or (2) 50 percent of the amount of retirement benefit the participant was drawing at the time of death, or to which the participant would have been entitled had the participant retired and begun receiving retirement benefits on the date of death. Survivor benefits are not subject to reduction for early retirement. If there is not a surviving spouse, there are provisions for dependents to receive benefits.

Employees covered by benefit terms. As of June 30, 2015, the PARF membership consisted of:

Inactive employees or beneficiaries currently receiving benefits	107
Inactive employees entitled to but not yet receiving benefits	97
Inactive employees entitled to refunds of contributions	153
Active employees	196
Total	**553**

Contributions. The funding policy for PARF is in accordance with statute IC 33-39-7-23 that requires an appropriation, determined by the INPRS Board of Trustees from the State of Indiana General Fund, for each biennium to PARF computed on an actuarially funded basis and the recommendation of the actuary. For fiscal year 2015, employer contributions were $1.1 million.

The member contribution rate is established by statute IC 33-39-7-12 at six (6) percent of salary. The employer may elect to pay the contributions for a member. Members receive interest earnings at a rate specified by the INPRS Board of Trustees in accordance with IC 33-39-7-14. Member contributions are used to fund a portion of the defined benefit payment unless the member ends employment other than by death or disability before the member completes eight (8) years of creditable service. The INPRS Board of Trustees shall return to the fund member an amount equal to the total sum contributed to the fund plus interest as determined by the INPRS Board of Trustees in accordance with IC 33-39-7-13.

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 (888) 526-1687, 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, 2014, 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, 2014 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	4.00%
Inflation	3.00%
Cost of living increases	N/A

Mortality rates for healthy and disabled members were based on the mortality table from the 2013 IRS Static Mortality projected five (5) years with Scale AA.

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, 2011 actuarial valuation based on the results of the study. The mortality assumption was further updated for the June 30, 2012 valuation and the retirement assumption was updated for the June 30, 2013 valuation due to changes in the retirement provisions of PARF enacted as part of 2013 House Bill 1057.

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	22.5	5.3
Private equity	10.0	5.6
Fixed income - ex inflation - linked	22.0	2.1
Fixed income - inflation - linked	10.0	0.7
Commodities	8.0	2.0
Real estate	7.5	3.0
Absolute return	10.0	3.9
Risk parity	10.0	5.0
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 each 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 6/30/13	$ 61,940	$ 47,920	$ 14,020
Changes for the year:			
Service cost	1,587	-	1,587
Interest	4,207	-	4,207
Contributions - employer	-	1,174	(1,174)
Contributions - employee	-	1,334	(1,334)
Net investment income	-	6,582	(6,582)
Benefit payments, including refunds of employee contributions	(2,398)	(2,398)	-
Administrative expense	-	(105)	105
Net changes	3,396	6,587	(3,191)
Balances at 6/30/14	**$ 65,336**	**$ 54,507**	**$ 10,829**

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	18,219	10,829	4,341

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 (888) 526-1687, 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, 2015, the State recognized pension expense of $344.7 thousand for the PARF. At June 30, 2015, 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	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	-	2,363
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	1,063	-
Total	**$ 1,063**	**$ 2,363**

Deferred outflows of resources in the amount of $1.1 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, 2016. 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)
2016	(591)
2017	(591)
2018	(591)
2019	(590)

<u>Legislators' Retirement System – Legislators' Defined Benefit Plan (Presented as part of INPRS – a fiduciary in nature component unit)</u>

Plan description. The Legislators' Retirement System was established in 1989 by IC 2-3.5 and accordingly is governed by the INPRS Board of Trustees. The retirement system is for certain members of the General Assembly of the State of Indiana as specified by the provisions of the statute.

The Legislators' Retirement System is comprised of two (2) separate and distinct plans. The Legislators' Defined Benefit Plan (LEDB Plan) (IC 2-3.5-4), a single-employer (the State of Indiana) defined benefit plan, applies to members of the General Assembly who were serving on April 30, 1989, and who filed an election under IC 2-3.5-3-1(b). The Legislators' Defined Contribution Plan (LEDC Plan) (IC 2-3.5-5) applies to: (1) members of the General Assembly who were serving on April 30, 1989, and who filed an election under IC 2-3.5-3-1(b); (2) members of the General Assembly who are first elected or appointed after April 30, 1989; and (3) members of the General Assembly who: (a) served before April 30, 1989; (b) were not serving on April 20, 1989; and (c) are subsequently reelected or reappointed to the General Assembly.

Retirement benefits provided. A participant is entitled to an unreduced monthly retirement benefit if the participant is: (1) at least age 65 and has at least 10 years of service as a member of the General Assembly; (2) at least age 55 and whose years of service as a member of the General Assembly plus years of age equal at least 85; or (3) at least age 60 and has at least 15 years of service as a member of the General Assembly. To qualify for a monthly retirement benefit, the member: (1) must have terminated service as a member of the General Assembly; (2) has at least 10 years of service as a member of the General Assembly; and (3) is not receiving and is not entitled to receive a salary from the State.

The monthly retirement benefit is equal to the lesser of: (1) $40 multiplied by the number of years of service in the General Assembly completed before November 8, 1989, or (2) the highest consecutive three-year average annual salary of the participant under IC 2-3-1-1 at the date the participant's service as a member of the General Assembly is terminated, divided by 12.

A participant who has reached at least age 55, has terminated service as a member of the General Assembly, has at least 10 years of service as a member of the General Assembly, and is not receiving, nor is entitled to receive, a salary from the State of Indiana, is eligible for early retirement with a reduced benefit. The reduction in the benefit is equal to: (1) 0.1 percent a month between ages 60 and 65; and (2) 5/12 percent a month between ages 55 and 60.

The monthly pension benefits for members in pay status are increased periodically as COLA. COLA increases for the LEDB Plan are equal to the increase for the PERF Plan in accordance with IC 2-3.5-4-13 on an "ad hoc" basis and are generally based on date of retirement, and other eligibility factors. There was no COLA for the year ended June 30, 2015.

Disability and survivor benefits provided. The LEDB Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service may retire for the duration of the disability if the member has qualified for social security disability and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. If a participant dies while receiving retirement benefits, or had completed at least 10 years of service as a member of the General Assembly, or was permanently disabled and receiving disability benefits from the system, the surviving spouse is entitled to receive survivor benefits. The benefits are for life and are equal to 50 percent of the amount of retirement benefits that the participant was receiving at the time of death or that the participant would have been entitled to receive at 55 years of age, or at the date of death, whichever is later. If there is not a surviving spouse, there are provisions for dependents to receive benefits.

Employees covered by benefit terms. As of June 30, 2015, the LEDB Plan membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	68
Terminated vested members entitled to but not yet receiving benefits	14
Terminated non-vested members entitled to a distribution of contributions	-
Active members: vested and non-vested	17
Total	**99**

Contributions. For the LEDB Plan, the funding policy is in accordance with statute IC 2-3.5-4-9 and IC 2-3.5-4-10. The amount required to actuarially fund participants' retirement benefits, as determined by the INPRS Board of Trustees on the recommendation of the actuary, is to be appropriated from the state of Indiana General Fund for each biennium. For fiscal year 2015, employer contributions were $0.1 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 (888) 526-1687, 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, 2014, 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, 2014 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	N/A
Future salary increases	3.00%
Inflation	3.00%
Cost of living increases	1.00%

Mortality rates for healthy and disabled members were based on the mortality table from the 2013 IRS Static Mortality projected five (5) years with Scale AA.

The most recent comprehensive experience study was completed in 2011 and was based on member experience for a period of five years ended June 30, 2010. The demographic assumptions were updated as needed for the June 30, 2011 actuarial valuation based on the results of the study.

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	22.5	5.3
Private equity	10.0	5.6
Fixed income - ex inflation - linked	22.0	2.1
Fixed income - inflation - linked	10.0	0.7
Commodities	8.0	2.0
Real estate	7.5	3.0
Absolute return	10.0	3.9
Risk parity	10.0	5.0
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 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 each 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 6/30/13	$ 4,285	$ 3,337	$ 948
Changes for the year:			
Service cost	3	-	3
Interest	277	-	277
Differences between expected and actual experience	(36)	-	(36)
Contributions - employer	-	138	(138)
Net investment income	-	439	(439)
Benefit payments, including refunds of employee contributions	(363)	(363)	-
Administrative expense	-	(62)	62
Net changes	(119)	152	(271)
Balances at 6/30/14	**$ 4,166**	**$ 3,489**	**$ 677**

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	964	677	414

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 (888) 526-1687, 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, 2015, the LEDB Plan recognized pension expense of $25.1 thousand. At June 30, 2015, 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	$ -	$ 158
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	131	-
Total	**$ 131**	**$ 158**

Deferred outflows of resources in the amount of $131.0 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, 2016. 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)
2016	(39)
2017	(39)
2018	(39)
2019	(41)

<u>Judges' Retirement System (Presented as part of INPRS – a fiduciary in nature component unit)</u>

Plan description. The Judges' Retirement System (JRS) is a single-employer (the State of Indiana) defined benefit plan established to provide retirement, disability, and survivor benefits to judges and magistrates. JRS was established in 1985, and is governed through the INPRS Board of Trustees by IC 33-38-6, IC 33-38-7 (judges beginning service before September 1, 1985) and IC 33-38-8 (judges beginning service after August 31, 1985). Coverage is for any person who has served, is 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.

Retirement benefits provided. A member vests after eight (8) years of creditable service. Judges who retire at or after age 65 with eight (8) years of creditable service (or are at least 55 years of age and the participant's age in years plus the participant's years of service total 85 or more) are entitled to an annual retirement benefit, payable monthly for life, in an amount calculated in accordance with the statute.

The annual retirement benefit for a participant equals the product of the salary that was paid to the participant at the time of separation from service, multiplied by a percentage for years of service as defined in the statute. Applicable salary for participants in the 1985 Judges' System is defined in IC 33-38-8-14(e). The pension benefit for participants of the 1977 Judges' System is based on the salary being paid for the office that the participant held at the time of separation from service [IC 33-38-7-11(d)]. The statute provides for the percentage to be prorated for partial years of service. If the annual retirement benefit of a participant who began service as a judge before July 1, 1977, as computed per IC 33-38-7-11, is less than the benefit the participant would have received under IC 33-38-6 as in effect on June 30, 1977, the participant is entitled to receive the greater amount as the participant's annual retirement benefit.

A member may retire at age 62 with the requisite years of service, however the participant's benefit is reduced by 0.1 percent for each month the member's age on the date the participant begins receiving a retirement benefit precedes the participant's 65th birthday.

The monthly pension benefits of the retired judges that were former participants in the 1977 System receive benefit increases whenever the salary of the position the retiree held at separation from service increases. Before fiscal year 2011, benefits of judges who are members of the 1985 System were tied to the salary of the position at the time the participant separated from service and did not increase if the salary of the position increased after the participant separated from service. Before fiscal year 2011, the General Assembly provided COLA increases to participants in the 1985 System on an "ad hoc" basis. Beginning after June 30, 2010, a participant in the 1985 System receives an increase in the monthly benefit of the same percentage by which the salary of the office of the participant held at separation from service increases. The percentage increase to the monthly benefit takes effect at the same time the salary increase takes effect (IC 33-38-8-25). There was no COLA for the fiscal year ended June 30, 2015 for eligible participants in the 1977 System and 1985 System.

Disability and survivor benefits provided. There is no vesting requirement for permanent disability benefits. For both the 1977 System and the 1985 System, a participant is considered permanently disabled if the INPRS Board of Trustees receives a written certification by at least two (2) licensed and practicing physicians appointed by the INPRS Board of Trustees. A participant receiving disability benefits must be reexamined at least once a year by at least two (2) physicians appointed by the INPRS Board of Trustees.

Surviving spouses or dependent child(ren) are entitled to benefits if the participant had qualified to receive a retirement or disability benefit, or had completed at least eight (8) years of service and was in service as a judge. The minimum survivor benefit is $12,000.

Employees covered by benefit terms. The Judges' Retirement System consists of two classes of members (the 1977 System and the 1985 System). The 1977 System includes all individuals who began service as a judge before September 1, 1985, unless the individual, within twenty days after becoming a judge, filed an irrevocable election not to participate in the 1977 System. The 1985 System covers all individuals who: (1) began service as a judge after August 31, 1985; and (2) are not participants in the 1977 System. Beginning January 1, 2011, full-time magistrates who were serving on July 1, 2010, may elect to be members of the 1985 System. The 1985 System is for all new judges, and beginning January 1, 2011, all new full-time magistrates (IC 33-38-8-10).

As of June 30, 2015, the Judges' Retirement System membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	326
Terminated vested members entitled to but not yet receiving benefits	78
Terminated non-vested members entitled to a distribution of contributions	32
Active members: vested and non-vested	368
Total	**804**

Contributions. The funding policy for the Judges' Retirement System is in accordance with statute IC 33-38-6-17 that requires an appropriation by the Indiana General Assembly, determined by the INPRS Board of Trustees from the State of Indiana General Fund, for each biennium to the Judges' Retirement System computed on an actuarially funded basis and the recommendation of the actuary. The statute also provides for remittance of docket fees and court fees which are considered employer contributions. For fiscal 2015, employer contributions were $21.0 million.

The member contribution rate is established by statute IC 33-38-7-10 (1977 System) and IC 33-38-8-11 (1985 System) at six (6) percent of salary. Each fund member shall contribute during the period of the fund member's employment, or for 22 years, whichever is shorter. The employer may pay all or a part of the contributions for the member. Member contributions are used to fund a portion of the defined benefit payment unless the member ends employment other than by death or disability before being eligible for a retirement benefit. The INPRS Board of Trustees shall return to the fund member an amount equal to the total sum contributed to the fund plus interest at a rate specified by the INPRS Board of Trustees in accordance with IC 33-38-7-13 (1977 System) and IC 33-38-8-12 (1985 System).

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 (888) 526-1687, 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, 2014, 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, 2014 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	4.00%
Inflation	3.00%
Cost of living increases	4.00%

Mortality rates for healthy and disabled members were based on the mortality table from the 2013 IRS Static Mortality projected five (5) years with Scale AA.

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, 2011 actuarial valuation based on the results of the study. The mortality assumption was further updated for the June 30, 2012 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	22.5	5.3
Private equity	10.0	5.6
Fixed income - ex inflation - linked	22.0	2.1
Fixed income - inflation - linked	10.0	0.7
Commodities	8.0	2.0
Real estate	7.5	3.0
Absolute return	10.0	3.9
Risk parity	10.0	5.0
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 each 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 6/30/13	$ 453,110	$ 375,752	$ 77,358
Changes for the year:			
Service cost	15,302	-	15,302
Interest	30,992	-	30,992
Differences between expected and actual experience	(16,026)	-	(16,026)
Contributions - employer	-	20,895	(20,895)
Contributions - employee	-	2,856	(2,856)
Net investment income	-	51,890	(51,890)
Benefit payments, including refunds of employee contributions	(18,527)	(18,527)	-
Administrative expense	-	(146)	146
Other changes	4	10	(6)
Net changes	11,745	56,978	(45,233)
Balances at 6/30/14	**$ 464,855**	**$ 432,730**	**$ 32,125**

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:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net pension liability	85,443	32,125	(14,742)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the JRS recognized pension expense of $4.9 million. At June 30, 2015, 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	$ -	$ 10,538
Net difference between projected and actual earnings on pension plan investments	-	18,659
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	21,020	-
Total	$ 21,020	$ 29,197

Deferred outflows of resources in the amount of $21.0 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, 2016. 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)
2016	(10,153)
2017	(9,714)
2018	(4,665)
2019	(4,665)

The State sponsors the following cost-sharing multiple-employer plans:

Public Employees' Retirement Fund (Presented as part of INPRS – a fiduciary in nature component unit)

Plan description. The Public Employees' Retirement Fund (PERF) as part of the implementation of GASB Statement No. 67 changed from an agent to a cost-sharing, multiple-employer defined benefit plan effective July 1, 2013 based on 35 IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. Political subdivisions mean a county, city, town, township, political body corporate, public school corporation, public library, public utility of a county, city, town, or township, and any department of, or associated with, a county, city, town, or township, which department receives revenue independently of, or in addition to, funds obtained from taxation. There are two (2) tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the Public Employees' Annuity Savings Account Only Plan (PERF ASA Only Plan). Details of the PERF Hybrid Plan and PERF ASA Only Plan are described below.

PERF Hybrid Plan

Plan description. The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.3, and IC 5-10.5. There are two (2) aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the annuity savings account (ASA) that supplements the defined benefit at retirement.

Retirement benefits – Defined Benefit Pension provided. The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's annuity savings account. Pension benefits (non ASA) vest after 10 years of creditable service. The vesting period is eight (8) years for certain elected officials. Members are immediately vested in their annuity savings account. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested PERF members leaving a covered position, who wait 30 days after termination, may withdraw their annuity savings account and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the annuity savings account. A non-vested member who terminates employment prior to retirement may withdraw his/her annuity savings account after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) different groups. For PERF members who serve as an elected official, the highest one (1) year (total of four (4) consecutive quarters) of annual compensation is used. Member contributions paid by the employer on behalf of the member and severance pay up to $2,000 are included as part of the member's annual compensation.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.
The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly. There was no COLA for the year ended June 30, 2015; however, eligible members received a one-time check (a.k.a. 13th check) in September 2014. The amount of the one-time check ranged from $150 to $450, depending upon a member's years of service, and was for a member who retired or was disabled on or before December 1, 2013, and who was entitled to receive a monthly benefit on July 1, 2014.

Disability and survivor benefits provided. The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is $180 per month, or the actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

Retirement benefits – Annuity Savings Account. Members are required to participate in an Annuity Savings Account (ASA). The ASA consists of the member's contributions, set by statute at three (3) percent of compensation as defined by IC 5-10.2-3-2 for PERF, plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. In addition, under certain conditions, members may elect to make additional voluntary contributions of up to 10 percent of their compensation into their annuity savings accounts. A member's contributions and interest credits belong to the member and do not belong to the State or political subdivision.

Investments in the members' annuity savings accounts are individually directed and controlled by plan participants who direct the investment of their account balances among the following eight (8) investment options, with varying degrees of risk and return potential:

- Guaranteed Fund -- This fund's objective is to provide stability of principal and a competitive interest rate. The interest rate is set by the INPRS Board of Trustees each year and is guaranteed for the fiscal year. Market risk is assumed by the Fund.

- Large Cap Equity Index Fund – This fund's objective is to seek investment growth/capital appreciation through passive investment in the stocks of the 500 largest U.S. companies. Market risk is assumed by the member.

- Small/Mid Cap Equity Fund – This fund's objective is to seek investment growth/capital appreciation through both active and passive investment in stocks of small- and mid-sized U.S. companies. Market risk is assumed by the member.

- International Equity Fund – This fund's objective is to seek investment growth/capital appreciation through both active and passive investment in stocks of non-U.S. companies in both developed and emerging markets. Market risk is assumed by the member.

- Fixed Income Fund – This fund's objective is to seek total return, consisting of income and capital appreciation. Market risk is assumed by the member.

- Inflation-Linked Fixed Income Fund – This fund's objective is to provide investors inflation protection and income consistent with investment in inflation-indexed securities. Principal and interest payments are adjusted in response to changes in inflation. Market risk is assumed by the member.

- Target Date Funds – The Funds are designed to seek an appropriate amount of total return, commensurate with risk, given the specific time horizon of each Fund. The Target Date Funds provide participants with a one-stop shop for investing. Participants simply choose the Fund most appropriate for them based on the year in which they plan to withdraw their money (usually their retirement year). Once a participant selects the appropriate Fund, the underlying asset allocation automatically adjusts over time. Market risk is assumed by the member.

- Money Market Fund – This fund's objective is to provide a market rate of return consistent with the preservation of capital through a shorter maturity, high quality portfolio. Market risk is assumed by the member.

Members may make changes to their investment directions daily and investments are reported at fair market value.

<u>ASA Only Plan</u>

Plan description. The PERF ASA Only Plan was established by the Indiana Legislature in 2011 with an effective date of March 1, 2013 and is governed by the INPRS Board of Trustees in accordance with IC 5-10.3-12, and IC 5-10.5. This plan is funded by an employer and a member for the use of the member, or the member's beneficiaries or survivors, after the member's retirement. PERF ASA Only Plan members are full-time employees of the State of Indiana (as defined in IC 5-10.3-7-1(d)), who are in a position eligible for membership in the PERF Hybrid Plan and who elect to become members of the PERF ASA Only Plan. The PERF ASA Only Plan membership does not include individuals who: (1) before March 1, 2013 were members of the PERF Hybrid Plan or (2) on or after March 1, 2013 do not elect to participate in the PERF ASA Only Plan. Any government agency that pays employees through the Auditor of the State is a mandatory participant in the ASA Only Plan and must offer eligible employees the ASA Only Plan option. Quasi-government agencies and State educational institutions may choose to offer the ASA-Only Plan as an option to their employees. Since inception 759 members have selected the ASA Only Plan, or approximately 8 percent of eligible new hires of the State.

Retirement account. The PERF ASA Only Plan maintains an annuity savings account for each member. Each member's account consists of two (2) subaccounts within the annuity savings account structure. There is a member contribution subaccount (which is the same as the annuity savings account in the PERF Hybrid Plan) and an employer contribution subaccount.

The member's contribution subaccount consists of the member's contributions, set by statute at three (3) percent of covered payroll as defined by IC 5-10.3-12-23 plus the interest/earnings or losses credited to the member's contribution subaccount. The State shall pay the member's contributions on behalf of the member. The employer contribution subaccount consists of the employer's contributions and the earnings on the employer's contributions. The employer contribution rate is set by INPRS Board of Trustees in accordance with IC 5-10.2-2-11.

The PERF ASA Only Plan allows members to actively participate in managing their retirement benefits through self-directed investment options. All contributions made to a member's account (member contribution subaccount and employer contribution subaccount) are invested as a combined total according to the member's investment elections. The members can direct their investments among the following aforementioned eight (8) investment options: Large Cap Equity Index Fund, Small/Mid Cap Equity Fund, International Equity Fund, Fixed Income Fund, Inflation-Linked Fixed Income Fund, Money Market Fund, Stable Value Fund, and Target Date Funds. A description of each of these Funds is earlier in this note in the PERF Hybrid Plan Retirement Benefits – Annuity Savings Account section, except for the Stable Value Fund:

- Stable Value Fund (available only to PERF ASA Only members) - This fund's objective is to provide a market rate of return consistent with the preservation of principal through a shorter maturity, high quality portfolio.

A member is immediately vested in the member contribution subaccount. In order to receive contributions and earnings from the employer contribution subaccount, a member must meet vesting requirements (full years of participation) to qualify for a distribution. The vesting schedule is as follows:

One (1) year of participation	20%
Two (2) years of participation	40%
Three (3) years of participation	60%
Four (4) years of participation	80%
Five (5) years of participation	100%

A member who terminates service with their employer is entitled to withdraw the total amount in the member contribution subaccount. In addition, the member is entitled to withdraw amounts in the employer contribution subaccount to the extent the member is vested in this account. The member must be separated from employment for at least 30 days before the member may take a withdrawal from the member's account. The amount available for withdrawal is the fair value of the participant's account on the processing date. The withdrawal amount can be paid in a lump sum, a direct rollover to another eligible retirement plan, or if the member has attained normal retirement age and met other criteria established by the INPRS Board of Trustees as a monthly annuity provided through INPRS.

If a member becomes disabled while in active service, subject to the member providing proof of the member's qualification for social security disability benefits to the Board of Trustees, a member may withdraw the total amount in the member contribution subaccount. To the extent that the member is vested, the member may make a withdrawal from the member's employer subaccount. The withdrawal amount can be paid in a lump sum, a direct rollover to another eligible retirement plan, or a monthly annuity provided through INPRS if the member has attained normal retirement age and met other criteria established by the INPRS Board of Trustees.

If a member dies while in active service or after terminating service in a position covered by the Plan, but before withdrawing the member's account, all of the member's contribution subaccount, and to the extent that the member is vested, the employer contribution subaccount, will be paid to the beneficiary or beneficiaries designated by the member. The amount available for payment is the fair value of the participant's account. The beneficiary may elect to the have member's account paid as a lump sum, a direct rollover to another eligible retirement plan, or as a monthly annuity in accordance with the rules of the INPRS Board of Trustees. The monthly annuity is an option only on or after the beneficiary attains normal retirement age and meets other criteria established by the INPRS Board of Trustees. If a member dies in the line of duty while in active service, the designated beneficiary or beneficiaries or surviving spouse or dependents, are entitled to payment of the member's account as described above. In addition, if the member was not fully vested in the employer contribution subaccount, the account is deemed to be fully vested for purposes of withdrawal.

Employees covered by benefit terms. As of June 30, 2015, there were 1,166 participating political subdivisions in addition to the State. As of June 30, 2015, the PERF membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	79,198
Terminated vested members entitled to but not yet receiving benefits	26,681
Terminated non-vested members entitled to a distribution of contributions	43,803
Active members: vested and non-vested	138,660
Total	**288,342**

Contributions. The State of Indiana is obligated by statute to make contributions to the PERF Hybrid Plan or the PERF ASA Only Plan. Any political subdivision that elects to participate in the PERF Hybrid Plan is obligated by statute to make contributions to the plan. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. During fiscal year 2015, all participating employers were required to contribute 11.2 percent of covered payroll for members employed by the State. For political subdivisions, an average contribution rate of 11.03 percent was required from employers during the period of July 1 – December 31, 2014, and an average contribution rate of 11.19 percent was required for the period of January 1 – June 30, 2015. For the ASA Only Plan, all participating employers were also required to contribute 11.2 percent of covered payroll. In accordance to IC 5-10.3-12-24, the amount credited from the employer's contribution rate to the member's account shall not be less than 3 percent and not be greater than the normal cost of the fund which was 4.6 percent for fiscal year 2015 and any amount not credited to the member's account shall be applied to the pooled assets of the PERF Hybrid Plan.

The PERF Hybrid Plan or the PERF ASA Only Plan members contribute three (3) percent of covered payroll to their annuity savings account, which is not used to fund the defined benefit pension for the PERF Hybrid Plan. For the PERF Hybrid Plan, the employer may elect to make the contributions on behalf of the member. The employer shall pay the member's contributions on behalf of the member for the PERF ASA Only Plan. In addition, members of the PERF Hybrid Plan (effective 7/1/2014 the PERF ASA Only Plan may also participate) may elect to make additional voluntary contributions, under certain criteria, of up to 10 percent of their compensation into their annuity savings accounts.

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 (888) 526-1687, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Actuarial assumptions. The total pension liability in the June 30, 2014 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	3.25% - 4.5%
Inflation	3.00%
Cost of living increases	1.00%

Mortality rates for healthy and disabled members were based on the mortality table from the 2013 IRS Static Mortality projected five (5) years with Scale AA.

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, 2011 actuarial valuation based on the results of the study. The interest rate and mortality assumptions were further updated for the June 30, 2012 valuation. Minor assumptions were updated for the June 30, 2013 valuation including the interest rate on member account balances. There were no updates to the actuarial assumptions for the June 30, 2014 valuation. However, the June 30, 2014 valuations are the first valuations that incorporate member census data as of a date one year prior to the valuation date. Standard actuarial techniques were used to roll forward valuation results from June 30, 2013 to June 30, 2014.

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	22.5	5.3
Private equity	10.0	5.6
Fixed income - ex inflation - linked	22.0	2.1
Fixed income - inflation - linked	10.0	0.7
Commodities	8.0	2.0
Real estate	7.5	3.0
Absolute return	10.0	3.9
Risk parity	10.0	5.0
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 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 each 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	1,048,160	652,920	318,050

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 (888) 526-1687, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Pension Liabilties, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the State reported a liability of $652.9 million for its proportionate share of the net pension liability. The PERF net pension liability was measured as of June 30, 2014, 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, 2014, the State's proportion was 24.85 percent, which was an increase of 0.40 percentage points from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the State recognized pension expense of $65.1 million. At June 30, 2015, 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	$ -	$ 2,930
Net difference between projected and actual earnings on pension plan investments	-	126,891
Changes in the employer proportion and differences between the employer's contributions and the employer's proportionate share of contributions	15,412	-
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	133,755	-
Total	**$ 149,167**	**$ 129,821**

Deferred outflows of resources in the amount of $133.8 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, 2016. 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)
2016	(28,156)
2017	(28,156)
2018	(28,156)
2019	(29,941)

State Teachers' Retirement Fund 1996 Account (Presented as part of INPRS – a fiduciary in nature component unit)

Plan description. The Indiana State Teachers' Retirement 1996 Account (TRF 1996) is a cost-sharing, multiple-employer defined benefit plan established to provide retirement, disability, and survivor benefits to public school teachers and administrators, regularly employed licensed teachers at certain State universities and other educational institutions, and certain INPRS employees (hired before July 1, 2011) hired after June 30, 1995. Members who were hired before July 1, 1995, were members of TRF Pre-1996. However, pursuant to the law in place prior to July 1, 2005, if a member of TRF Pre-1996 left employment and re-employed after June 30, 1995, the member and the liability were transferred to TRF 1996. There are two (2) aspects to the TRF 1996 defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the TRF 1996 benefit structure is the annuity savings account that supplements the defined benefit at retirement and was described in the PERF Hybrid Plan Retirement Benefits – Annuity Savings Account section. Investment options are similar to the PERF Hybrid Plan.

Retirement benefits. The TRF retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's annuity savings account as described earlier in this note above. Pension benefits (non ASA) vest after 10 years of creditable service. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity provided through INPRS, or leave the contributions invested with INPRS. Vested TRF members terminating service with an employer, who wait 30 days after termination, may withdraw their annuity savings account and will not forfeit creditable service or a future retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the annuity savings account. A non-vested member who terminates employment prior to retirement may withdraw his/her annuity savings account after 30 days, but by doing so forfeit his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. Generally, the average annual compensation in this calculation is the average of the highest five (5) years of annual compensation in a covered position. For TRF members who take a leave of absence to serve as an elected official, the highest one (1) year of salary is used. In order for a salary year to be included as one of the five (5) years, the member must have received at least one-half (1/2) year of service credit for that year as stated in IC 5-10.4-4-2. The five (5) years do not have to be continuous. Member contributions paid by the employer on behalf of the member and severance pay up to $2,000 are included as part of the member's salary.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

Monthly pension benefits for members in pay status may be increased as COLA. Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly. There was no COLA for the year ended June 30, 2015; however, eligible members did receive a one-time check (a.k.a. 13th check) in August 2014. The amount of the one-time check ranged from $150 to $450, depending upon a member's years of service, and was for a member who retired or was disabled on or before December 1, 2013, and who was entitled to receive a monthly benefit on July 1, 2014.

Disability and survivor benefits provided. TRF also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits, may retire for the duration of the disability if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement.

Members are eligible for a classroom disability benefit once they have earned five (5) years of service, have a temporary or permanent disability that continues for six (6) months or more, and applies for classroom disability benefits within one (1) year of the disability. Classroom disability refers to a medically confirmed inability to continue classroom teaching due to a mental or physical condition that is not necessarily of sufficient severity to meet social security disability guidelines. The eligible members may receive $125 per month plus $5 for each additional year of service credit over five (5) years.

Upon the death in service of a member with 15 or more years of creditable service, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after March 31, 1990, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

Employees covered by benefit terms. As of June 30, 2015, the number of participating employers was 359 in addition to the State. As of June 30, 2015, TRF 1996 Account membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	4,136
Terminated vested members entitled to but not yet receiving benefits	4,132
Terminated non-vested members entitled to a distribution of contributions	12,292
Active members: vested and non-vested	52,424
Total	**72,984**

Contributions. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As the TRF 1996 Account is a cost-sharing system, all risks and costs, including benefit costs, are shared proportionally by the participating employers. During fiscal year 2015, all participating employers in the TRF 1996 Account were required to contribute 7.5 percent of covered payroll.

TRF 1996 Account members contribute three (3) percent of covered payroll to their annuity savings account, which is not used to fund the defined benefit pension. The employer may elect to make the contributions on behalf of the member. In addition, members may elect to make additional voluntary contributions, under certain criteria, of up to 10 percent of their compensation into their annuity savings accounts.

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 (888) 526-1687, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Actuarial assumptions. The total pension liability in the June 30, 2014 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	3.0% - 12.5%
Inflation	3.00%
Cost of living increases	1.00%

Mortality rates for healthy and disabled members were based on the mortality table from the 2013 IRS Static Mortality projected five (5) years with Scale AA.

The most recent comprehensive experience study was completed in 2012 and was based on member experience between June 30, 2007 and June 30, 2011. The demographic assumptions were updated for the June 30, 2012 actuarial valuation based on the results of the study. There were no updates to the actuarial assumptions for the June 30, 2014 valuation. However, the June 30, 2014 valuations are the first valuations that incorporate member census data as of a date one year prior to the valuation date. Standard actuarial techniques were used to roll forward valuation results from June 30, 2013 to June 30, 2014.

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	22.5	5.3
Private equity	10.0	5.6
Fixed income - ex inflation - linked	22.0	2.1
Fixed income - inflation - linked	10.0	0.7
Commodities	8.0	2.0
Real estate	7.5	3.0
Absolute return	10.0	3.9
Risk parity	10.0	5.0
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 1996 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 each 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	3,136	191	(2,250)

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 (888) 526-1687, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Pension Liabilties, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the State reported a liability of $190.7 thousand for its proportionate share of the net pension liability. The TRF 1996 Account net pension liability was measured as of June 30, 2014, 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, 2014, the State's proportion was 0.40 percent, which was a decrease of 0.02 percentage points from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the State recognized pension expense of $520.9 thousand. At June 30, 2015, 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	$ 2	$ -
Net difference between projected and actual earnings on pension plan investments	-	820
Changes in the employer proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	87
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	772	-
Total	**$ 774**	**$ 907**

Deferred outflows of resources in the amount of $772.0 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, 2016. 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)
2016	69
2017	69
2018	69
2019	69
2020	274
Thereafter	(1,455)

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 established to provide retirement, disability, and survivor benefits to public school teachers and administrators, regularly employed licensed teachers at certain State universities and other educational institutions, and certain INPRS employees hired before July 1, 1995, and who have maintained continuous employment with the same school corporation or covered institution since that date to June 30, 2005. There are two (2) aspects to the TRF Pre-1996 defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the State of Indiana. The second portion of the TRF Pre-1996 benefit structure is the annuity savings account that supplements the defined benefit at retirement and was described in the PERF Hybrid Plan Retirement Benefits – Annuity Savings Account section. Investment options are similar to the PERF Hybrid Plan.

Retirement benefits – Defined Benefit Pension provided. The TRF retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member’s annuity savings account as described earlier in this note above. Pension benefits (non ASA) vest after 10 years of creditable service. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member’s annuity savings account, receive the amount as an annuity provided through INPRS, or leave the contributions invested with INPRS. Vested TRF members terminating service with an employer, who wait 30 days after termination, may withdraw their annuity savings account and will not forfeit creditable service or a future retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the annuity savings account. A non-vested member who terminates employment prior to retirement may withdraw his/her annuity savings account after 30 days, but by doing so forfeit his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. Generally, the average annual compensation in this calculation is the average of the highest five (5) years of annual compensation in a covered position. For TRF members who take a leave of absence to serve as an elected official, the highest one (1) year of salary is used. In order for a salary year to be included as one of the five (5) years, the member must have received at least one-half (1/2) year of service credit for that year as stated in IC 5-10.4-4-2. The five (5) years do not have to be continuous. Member contributions paid by the employer on behalf of the member and severance pay up to $2,000 are included as part of the member's salary.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is
89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

Monthly pension benefits for members in pay status may be increased as COLA. Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly. There was no COLA for the year ended June 30, 2015; however, eligible members did receive a one-time check (a.k.a. 13th check) in August 2014. The amount of the one-time check ranged from $150 to $450, depending upon a member's years of service, and was for a member who retired or was disabled on or before December 1, 2013, and who was entitled to receive a monthly benefit on July 1, 2014.

Disability and survivor benefits provided. TRF also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits, may retire for the duration of the disability if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement.

Members are eligible for a classroom disability benefit once they have earned five (5) years of service, have a temporary or permanent disability that continues for six (6) months or more, and applies for classroom disability benefits within one (1) year of the disability. Classroom disability refers to a medically confirmed inability to continue classroom teaching due to a mental or physical condition that is not necessarily of sufficient severity to meet social security disability guidelines. The eligible members may receive $125 per month plus $5 for each additional year of service credit over five (5) years.

Upon the death in service of a member with 15 or more years of creditable service, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after March 31, 1990, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

Employees covered by benefit terms. Membership in TRF Pre-1996 is closed to new entrants. 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 hired before July 1, 2011, are required to participate in TRF as a condition of employment. Generally, members hired prior to 1996 participate in the TRF Pre-1996 Account and members hired after 1996 participate in the TRF 1996 Account (IC 5-10.2-2-2; IC 5-10.4-4-1; IC 5-10.4-7-1; 35 IAC 14-4-16(a)).

As of June 30, 2015, the number of participating employers was 338 in addition to the State. The State of Indiana makes contributions as the sole non-employer contributing entity. As of June 30, 2015, TRF Pre-1996 Account membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	50,214
Terminated vested members entitled to but not yet receiving benefits	4,545
Terminated non-vested members entitled to a distribution of contributions	408
Active members: vested and non-vested	16,310
Total	**71,477**

Contributions. State appropriations are made in accordance with IC 5-10.4-2-4 for each fiscal year. Currently, a three (3) percent year-over-year increase is being provided through State appropriations. If the actual pension benefit payout for the fiscal year exceeds the amount appropriated, the difference is paid from the Pension Stabilization Fund as part of the assets of the TRF Pre-1996, which was established according to IC 5-10.4-2-5. As a nonemployer contributing entity, the State of Indiana contributed $845.6 million in fiscal year 2015 to TRF Pre-1996. As part of the $845.6 million contribution, the State pre-funded a one-time check (a.k.a.13th check) of $20.4 million in accordance with 2014 HEA 1074 (which went into the Pension Stabilization Fund).

TRF Pre-1996 Account members contribute three (3) percent of covered payroll to their annuity savings account, which is not used to fund the defined benefit pension. The employer may elect to make the contributions on behalf of the member. In addition, members may elect to make additional voluntary contributions, under certain criteria, of up to 10 percent of their compensation into their annuity savings accounts.

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 (888) 526-1687, 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, 2015, the State reported a liability of $10,853.3 billion for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, 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, 2014, the State's proportion was 100.00 percent, which was the same as its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the State recognized pension expense of $695.4 million. At June 30, 2015, 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	$ -	$ 35,259
Net difference between projected and actual earnings on pension plan investments	-	223,208
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	845,774	-
Total	**$ 845,774**	**$ 258,467**

$845.8 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, 2016. 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)
2016	(91,061)
2017	(55,802)
2018	(55,802)
2019	(55,802)

Actuarial assumptions. The total pension liability in the June 30, 2014 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	3.00% - 12.5%
Inflation	3.00%
Cost of living increases	1.00%

Mortality rates for healthy and disabled members were based on the mortality table from the 2013 IRS Static Mortality projected five (5) years with Scale AA.

The most recent comprehensive experience study was completed in 2012 and was based on member experience covering the period June 30, 2007 through June 30, 2011. The demographic assumptions were updated for the June 30, 2012 actuarial valuation based on the results of the study. There were no assumption changes applicable for the measurement of liabilities on June 30, 2014.

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	22.5	5.3
Private equity	10.0	5.6
Fixed income - ex inflation - linked	22.0	2.1
Fixed income - inflation - linked	10.0	0.7
Commodities	8.0	2.0
Real estate	7.5	3.0
Absolute return	10.0	3.9
Risk parity	10.0	5.0
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-1996 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 each 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	12,327,000	10,853,349	9,579,000

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.

The State sponsors the following defined contribution plan:

Legislators' Retirement System – Legislators' Defined Contribution Plan (Presented as part of INPRS – a fiduciary in nature component unit)

The Legislators' Retirement System was established in 1989 by IC 2-3.5 and accordingly is governed by the INPRS Board of Trustees. The retirement system is for certain members of the General Assembly of the State of Indiana as specified by the provisions of the statute.

The Legislators' Retirement System is comprised of two (2) separate and distinct plans. The Legislators' Defined Benefit Plan (LEDB Plan) (IC 2-3.5-4), a single-employer (the State of Indiana) defined benefit plan, applies to members of the General Assembly who were serving on April 30, 1989, and who filed an election under IC 2-3.5-3-1(b). The Legislators' Defined Contribution Plan (LEDC Plan) (IC 2-3.5-5) applies to: (1) members of the General Assembly who were serving on April 30, 1989, and who filed an election under IC 2-3.5-3-1(b); (2) members of the General Assembly who are first elected or appointed after April 30, 1989; and (3) members of the General Assembly who: (a) served before April 30, 1989; (b) were not serving on April 20, 1989; and (c) are subsequently reelected or reappointed to the General Assembly.

For the LEDC Plan, each participant is required to contribute five (5) percent of annual salary in accordance with statute IC 2-3.5-5-4. In addition, the State of Indiana is required by statute IC 2-3.5-5-5.5 to contribute a percentage of the member's annual salary on behalf of the participant as determined by INPRS Board of Trustees and confirmed by the State Budget Agency each year. This rate, by statute, cannot exceed the total contribution rate paid that year by the State to PERF for State employees. The State contribution rate is the sum of: (1) the State's employer contribution rate for State employees, and (2) the rate the State pays on behalf of State employees to their annuity savings accounts (3.0 percent). The rate for fiscal year 2015 is 14.2 percent. For the fiscal year ended June 30, 2015, employee contributions totaled $368.6 thousand, and the State contributions totaled $1.3 million.

Investments in the members' accounts are individually directed and controlled by plan participants who direct the investment of their account balances among several investment options of varying degrees of risk and return potential. There are nine (9) investment options available to LEDC Plan members: Defined Benefit Unitized Assets, Stable Value Fund, Fixed Income Fund, Inflation-Linked Fixed Income Fund, Money Market Fund, Small/Mid Cap Equity Fund, Large Cap Equity Index Fund, International Equity Fund and Target Date Funds. Members may make changes to their investment directions daily and investments of the plan are reported at fair value.

A participant of the LEDC Plan who terminates service as a member of the General Assembly is entitled to withdraw both the employee and employer contributions to the LEDC Plan. The amount available for withdrawal is the fair market value of the participant's account on the processing date. Account balances are fully vested to the participants. The withdrawn amount can be paid in a lump sum, a partial lump sum, a monthly annuity as purchased by the INPRS Board of Trustees, or a series of monthly installment payments over 60, 120, or 180 months as elected by the participant.

If a participant dies while a member of the General Assembly or after terminating service as a member, but prior to withdrawing from the LEDC Plan, the participant's account is to be paid to the beneficiary(ies) or to the survivor(s) if there is no properly designated beneficiary, or if no beneficiary survives the participant. The amount to be paid is the fair market value of the participant's account (employer and employee contributions) on the processing date.

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. 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.

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, 2015

	SPP & LP	ISPP	CEPP	Total
Assets				
Cash, cash equivalents and non-pension investments	$ 131	$ 26,707	$ 561	**$ 27,399**
Receivables:				
Contributions	678	115	-	**793**
Interest	-	27	-	**27**
Total receivables	678	142	-	**820**
Pension and other employee benefit investments at fair value:				
Debt Securities	44,002	27,119	9,903	**81,024**
Total investments at fair value	44,002	27,119	9,903	**81,024**
Total assets	**44,811**	**53,968**	**10,464**	**109,243**
Liabilities:				
Accounts/escrows payable	14	-	-	**14**
Benefits payable	234	1,727	125	**2,086**
Total liabilities	**248**	**1,727**	**125**	**2,100**
Net Position				
Restricted for:				
OPEB benefits	44,563	52,241	10,339	**107,143**
Total net position	**$ 44,563**	**$ 52,241**	**$ 10,339**	**$ 107,143**

State of Indiana
Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Year Ended June 30, 2015

	SPP & LP	ISPP	CEPP	Total
Additions:				
Member contributions	$ 619	$ 9,202	$ 771	**$ 10,592**
Employer contributions	5,047	27,688	2,202	**34,937**
Net investment income (loss)	66	75	17	**158**
Less investment expense	-	(1)	-	**(1)**
Federal reimbursements	-	533	-	**533**
Other	-	200	-	**200**
Total additions	5,732	37,697	2,990	**46,419**
Deductions:				
Retiree health benefits	5,008	21,356	1,482	**27,846**
Administrative	6	1,011	124	**1,141**
Total deductions	5,014	22,367	1,606	**28,987**
Net increase (decrease) in net position	718	15,330	1,384	**17,432**
Net position restricted for pension and other employee benefits, July 1, as restated:				
OPEB benefits	43,845	36,911	8,955	**89,711**
Net position restricted for pension and other employee benefits, June 30, as restated	**$ 44,563**	**$ 52,241**	**$ 10,339**	**$ 107,143**

Funding Policy and Annual OPEB Cost The contribution funding policy for each of the four plans is on a pay-as-you-go cash basis. However, trust funds as authorized by the Indiana General Assembly were created to start pre-funding the SPP, ISPP, and CEPP plans. The State of Indiana's annual other postemployment benefit (OPEB) cost (expense) for each plan is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The State of Indiana's annual OPEB cost for the current year and the related information for each plan are as follows:

	State Personnel Healthcare Plan	**Legislature's Healthcare Plan**	**Indiana State Police Healthcare Plan**	**Conservation and Excise Police Health Care Plan**
Contribution rates:				
State of Indiana	Pay-as-you-go	Pay-as-you-go	Pay-as-you-go	Pay-as-you-go
Plan members (monthly premium)	See next chart	See next chart	See next chart	See next chart
Annual required contribution	$ 1,839	$ 842	$ 29,604	$ 3,124
Interest on net OPEB obligation	(1,457)	75	5,498	443
Amortization adjustment to ARC	1,988	(103)	(7,501)	(605)
Annual OPEB Cost	2,370	814	27,601	2,962
Contributions made	(3,567)	(554)	(25,320)	(2,437)
Change in net OPEB obligation	(1,197)	260	2,281	525
Net OPEB obligation - beginning of year	(32,384)	1,674	122,184	9,854
Net OPEB obligation - end of year	$ (33,581)	$ 1,934	$ 124,465	$ 10,379

The plan administrators (see plan descriptions above) establish the contribution requirements of plan members. Plan members (retirees and eligible dependents) who participate in these healthcare plans must pay the full 2016 monthly premiums (except for grandfathered LP current retirees) as shown in the following chart.

	Monthly Premium
State Personnel Healthcare Plan (SP) and Legislature's Healthcare Plan (LP)	
Consumer Driven Health Plan #1	
Single (Non-Tobacco)	$ 476.19
Family (Non-Tobacco)	1,423.89
Consumer Driven Health Plan #2	
Single (Non-Tobacco)	674.96
Family (Non-Tobacco)	1,961.57
Traditional PPO	
Single (Non-Tobacco)	1,137.37
Family (Non-Tobacco)	3,227.12
Dental	
Single	25.35
Family	66.56
Vision	
Single	3.55
Family	9.01
Indiana State Police Healthcare Plan (ISPP)	
Basic Plan - Medical Only	
Retiree Only (Pre-Medicare)	395.36
Retiree Plus One Dependent (Pre-Medicare)	508.52
Spouse Increment (Pre-Medicare)	113.16
Retiree Only (Post-Medicare)	145.16
Retiree Plus One Dependent (Post-Medicare)	174.76
Spouse Increment (Post-Medicare)	29.60
Optional Plan - Medical, Dental, & Vision	
Retiree Only (Pre-Medicare)	462.31
Retiree Plus One Dependent (Pre-Medicare)	631.65
Spouse Increment (Pre-Medicare)	169.34
Retiree Only (Post-Medicare)	169.16
Retiree Plus One Dependent (Post-Medicare)	223.02
Spouse Increment (Post-Medicare)	53.86
Conservation and Excise Police Health Care Plan (CEPP) - Medical, Dental, & Vision	
Retiree Only - (Pre-Medicare)	337.84
Retiree plus One Dependent - (Pre-Medicare)	592.25
Spouse Increment (Pre-Medicare)	254.41
Retiree Only (Post-Medicare)	134.93
Retiree plus One Dependent - (Post-Medicare)	193.64
Spouse Increment (Post-Medicare)	58.71

The State of Indiana's annual OPEB cost, the percentage of annual OPEB cost contributed, and the net OPEB obligation for June 30, 2013 through June 30, 2015 for each of the plans were as follows:

	Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
	6/30/2015	$ 2,369	150.5%	$ (33,582)
State Personnel Healthcare Plan	6/30/2014	1,513	211.5%	(32,384)
	6/30/2013	1,234	340.6%	(30,697)
	6/30/2015	$ 814	68.0%	$ 1,935
Legislature's Healthcare Plan	6/30/2014	787	64.6%	1,674
	6/30/2013	809	65.9%	1,396
	6/30/2015	$ 27,601	91.7%	$ 124,466
Indiana State Police Healthcare Plan	6/30/2014	24,013	103.4%	122,184
	6/30/2013	25,850	45.2%	123,005
	6/30/2015	$ 2,962	82.3%	$ 10,379
Conservation and Excise Police Health Care Plan	6/30/2014	2,663	93.2%	9,854
	6/30/2013	2,894	100.0%	9,673

Funded Status and Funding Progress The funded status of the plans as of June 30, 2015, was as follows:

	State Personnel Healthcare Plan	Legislature's Healthcare Plan	Indiana State Police Healthcare Plan	Conservation and Excise Police Health Care Plan
Actuarial accrued liability (a)	$ 44,263	$ 11,964	$ 341,219	$ 41,831
Actuarial value of plan assets (b)	44,133	-	53,909	10,464
Unfunded actuarial accrued liability (funding excess) (a) - (b)	$ 130	$ 11,964	$ 287,310	$ 31,367
Funded ratio (b)/(a)	99.7%	0.0%	15.8%	25.0%
Covered payroll (c)	$ 1,180,296	$ 3,504	$ 92,130	$ 15,106
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ([(a)-(b)]/(c))	0.0%	341.4%	311.9%	207.6%

GASB 45 regulations permit employers to use the most recent available actuarial information up to two years prior to the current period. The State elected to use the actuarial results for the period ending June 30, 2014 with adjustments for known experience for the period ending June 30, 2015.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions were as follows:

	State Personnel Healthcare Plan	Legislature's Healthcare Plan	Indiana State Police Healthcare Plan	Conservation and Excise Police Health Care Plan
Actuarial valuation date	6/30/2015	6/30/2015	6/30/2015	6/30/2015
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Level dollar amount, open	Level dollar amount, open	Level dollar amount, open	Level dollar amount, open
Remaining amortization period	30 years	30 years	30 years	30 years
Asset valuation method	Market Value of Assets	N/A	Market Value of Assets	Market Value of Assets
Actuarial assumptions:				
Inflation rate	3.00%	3.00%	3.00%	3.00%
Investment rate of return	4.50%	4.50%	4.50%	4.50%
Projected salary increases	4.00%	4.00%	4.00%	4.00%
Healthcare inflation rate	8.5%	8.5%	8.5%	8.5%

GASB 45 regulations permit employers to use the most recent available actuarial information up to two years prior to the current period. The State elected to use the actuarial results for the period ending June 30, 2014 projected to June 30, 2015 with adjustments for claims experience, premium changes, and assumption changes.

Adjustments were made to the actuarial accrued liability, normal cost, and expected benefit payments for the following material events:

1. SPP – higher than expected claims experience for the CDHP 1 and 2 plans that was partially offset by lower than expected claims experience for the traditional plan. This adjustment increased the SPP's liabilities.
2. ISPP – slightly higher than expected claims experience and a lower than expected increase in retiree contributions increased the ISPP's liabilities.
3. CEPP – lower than expected claims experience and a lower than expected increase in retiree contributions resulted in a net decrease to the CEPP liabilities.

Additionally, the following assumption changes were updated since the last full valuation, which was for the fiscal year ending June 30, 2014.

1. Mortality, which caused a net increase to all four plans' liabilities. The SPP and LP plans changed from the IRS 2008 Static Mortality Table projected to 2018 using scale AA to the SS-2012 Employee and Annuitant Mortality Table fully generational using SSA scale. The ISPP and CEPP plans changed from the IRS 2008 Static Mortality Table projected to 2018 using scale AA to the SS-2012 Total Dataset Mortality Table with blue collar adjustment fully generational using SSA scale.
2. Termination rates were updated for the SPP and CEPP plans which caused a decrease to their liabilities.
3. Retirement rates were updated for the SPP, and CEPP plans which caused an increase to their liabilities.

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 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:

Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
June 30, 2015

	State Employee Retiree Health Benefit Trust Fund - DC
Assets	
Cash, cash equivalents and non-pension investments	$ 57,036
Receivables:	
Contributions	3,096
Interest	27
Total receivables	3,123
Pension and other employee benefit investments at fair value:	
Debt Securities	213,594
Total investments at fair value	213,594
Total assets	**273,753**
Liabilities:	
Accounts/escrows payable	23
Benefits payable	258
Total liabilities	**281**
Net Position	
Restricted for:	
OPEB benefits	273,472
Total net position	**$ 273,472**

Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Year Ended June 30, 2015

	State Employee Retiree Health Benefit Trust Fund - DC
Additions:	
Employer contributions	$ 43,466
Net investment income (loss)	588
Total additions	44,054
Deductions:	
Retiree health benefits	18,325
Administrative	309
Total deductions	18,634
Net increase (decrease) in net position	25,420
Net position restricted for pension and other employee benefits, July 1, as restated:	
OPEB benefits	248,052
Net position restricted for pension and other employee benefits, June 30	**$ 273,472**

Plan Provisions 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.

The trust meets the requirements of a qualified OPEB trust. The trust is qualified under section 115 of the Internal Revenue Code.

Regular Contributions The State makes regular annual contributions to the account based on the following schedule:

Attained Age	Annual State Contributions
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.

Employees who meet the eligibility requirements for bonus contributions by June 30, 2017 will receive their last regular contribution on June 30, 2017.

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, 2015, the plan participants consisted of:

Active participants with accounts, not yet retired	26,986
Retired participants with accounts	6,396
Total	**33,382**

At June 30, 2015, plan participants' retirement medical plan account balances totaled $311.7 million which consisted of $172.0 million in unretired active participants' accounts and $139.7 million in retired participants' accounts.

This plan is a defined contribution individual account for GASB 45 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 plan benefits satisfy the condition of being a defined contribution OPEB benefit and by definition, there is no unfunded liability.

The annual required contribution for the fiscal year ending June 30, 2015 was $43.3 million. For the fiscal year ending June 30, 2015, the State contributed $18.1 million in cigarette tax revenues to this fund. Another $25.4 million was contributed by state agencies that are funded by federal or dedicated funds for their portion of funding. The retiree contribution includes the bonus contributions of $1,000 per year of service to employees retiring after July 1, 2007 who also met certain minimum age and service requirements.

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-three pollution sites pursuant to the State's implementation of GASB 49, Accounting and Financial Reporting for Pollution Remediation Obligations effective July 1, 2008. 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 $46.6 million of which $5.6 million is estimated to be payable within one year and $41.0 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 $18.4 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 $4.3 million of program revenue for four sites whose realized recoveries exceeded the pollution remediation liability.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress
Other Postemployment Benefits

(amounts expressed in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
State Personnel Healthcare Plan						
6/30/2015	$ 44,133	$ 44,263	$ 130	99.7%	$ 1,180,296	0.0%
6/30/2014	44,067	36,355	(7,712)	121.2%	1,219,424	-0.6%
6/30/2013	44,011	39,999	(4,012)	110.0%	1,178,197	-0.3%
Legislature's Healthcare Plan						
6/30/2015	-	11,964	11,964	0.0%	3,504	341.4%
6/30/2014	-	11,768	11,768	0.0%	3,623	324.8%
6/30/2013	-	12,078	12,078	0.0%	3,204	377.0%
Indiana State Police Healthcare Plan						
6/30/2015	53,909	341,219	287,310	15.8%	92,130	311.9%
6/30/2014	38,014	294,840	256,826	12.9%	93,630	274.3%
6/30/2013	21,133	297,104	275,971	7.1%	93,680	294.6%
Conservation and Excise Police Healthcare Plan						
6/30/2015	10,464	41,831	31,367	25.0%	15,106	207.6%
6/30/2014	9,023	38,063	29,040	23.7%	15,969	181.9%
6/30/2013	7,446	38,810	31,364	19.2%	16,038	195.6%

Schedule of Contributions
Employee Retirement Systems and Plans
State Police Retirement Fund
(amounts expressed in thousands)

	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	6/30/2006
Actuarially determined contribution	$ 13,886	$ 13,869	$ 14,509	$ 14,517	$ 12,267	$ 14,230	$ 10,362	$ 9,174	$ 9,472	$ 12,666
Contributions in relation to the actuarially determined contribution	10,218	10,603	12,367	44,040	9,450	9,471	9,472	9,412	12,114	7,536
Contribution deficiency (excess)	3,668	3,266	2,142	(29,523)	2,817	4,759	890	(238)	(2,642)	5,130
Covered-employee payroll	68,219	68,490	63,347	66,083	64,948	66,603	68,283	65,421	59,863	54,156
Contributions as a percentage of covered-employee payroll	15.0%	15.5%	19.5%	66.6%	14.6%	14.2%	13.9%	14.4%	20.2%	13.9%

Notes to Schedule:
Valuation date
June 30, 2015
Actuarial cost method
Entry age normal cost
Amortization method
Level percentage of payroll, closed
Remaining amortization period
25 years
Asset valuation method
4 year smoothed value
Inflation
3.5%
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.
Investment rate of return
6.75%, net of pension plan investment expense, including inflation
Retirement age
Pre-1987 Plan - Retirement rates are based on age with 10% assumed to retire at agees 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-2015 Mortality.
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. For the 7/1/15 actuarial valuation, the mortality tables were revised from the 2014 IRS separate non-annuitant and annuitant mortality tables to the RP-2014 Blue Collar Mortality Tables adjusted to 2006 with MP-2015 Mortality Improvement Scale.

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)

	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	$ 4,820	$ 5,341	$ 4,794
Contributions in relation to the actuarially determined contribution	5,215	5,359	19,740
Contribution deficiency (excess)	(395)	(18)	(14,946)
Covered-employee payroll	25,133	25,825	24,675
Contributions as a percentage of covered-employee payroll	20.7%	20.8%	80.0%

Notes to Schedule:

Valuation date

June 30, 2015

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

30 years, closed

Asset valuation method

4 year smoothing of gains and losses on the market value of assets subject to a 20% corridor.

Inflation

2.25%

Salary increases

2.5%

Investment rate of return

6.75%

Mortality

RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improment scale from 2016

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 June 30, 2014 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2014 and June 30, 2015. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2014 to the June 30, 2015. Prior to the June 30, 2014 valuation, census data as of the valuation date was used.

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)

	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	$ 1,419	$ 2,345	$ 2,542
Contributions in relation to the actuarially determined contribution	1,063	1,174	19,443
Contribution deficiency (excess)	356	1,171	(16,901)
Covered-employee payroll	21,145	20,608	18,805
Contributions as a percentage of covered-employee payroll	5.0%	5.7%	103.4%

Notes to Schedule:

Valuation date

June 30, 2015

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

30 years, closed

Asset valuation method

4 year smoothing of gains and losses on the market value of assets subject to a 20% corridor.

Inflation

2.25%

Salary increases

4.0%

Investment rate of return

6.75%

Mortality

RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improment scale from 2016

Other information

The actuarially determined contribution amounts are based on the actuarially determined contribution rates developed in the actuarial valuation completed one year prior to the beginning of the fiscal year, multiplied by actual payroll during the fiscal year. Member census data as of June 30, 2014 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2014 and June 30, 2015. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2014 to June 30, 2015. Prior to the June 30, 2014 valuation, census data as of the valuation date was used.

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)

	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	$ 119	$ 138	$ 140
Contributions in relation to the actuarially determined contribution	131	138	150
Contribution deficiency (excess)	(12)	-	(10)
Covered-employee payroll	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A

Notes to Schedule:

Valuation date

June 30, 2015

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

30 years, closed

Asset valuation method

4 year smoothing of gains and losses on the market 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 Total Data Set Mortality Table, with Social Security Administration generational improment scale from 2016

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 June 30, 2014 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2014 and June 30, 2015. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2014 to June 30, 2015. Prior to the June 30, 2014 valuation, census data as of the valuation date was used. N/A is not applicable as this is a closed plan with no payroll.

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
Judges' Retirement System
(amounts expressed in thousands)

	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	$ 18,865	$ 27,648	$ 25,458
Contributions in relation to the actuarially determined contribution	21,020	20,895	111,419
Contribution deficiency (excess)	(2,155)	6,753	(85,961)
Covered-employee payroll	48,582	46,041	47,595
Contributions as a percentage of covered-employee payroll	43.3%	45.4%	234.1%

Notes to Schedule:
Valuation date
June 30, 2015
Actuarial cost method
Entry age normal (Level Percent of Payroll)
Amortization method
Level dollar
Remaining amortization period
30 years, closed
Asset valuation method
4 year smoothing of gains and losses on the market value of assets subject to a 20% corridor.
Inflation
2.25%
Salary increases
2.5%
Investment rate of return
6.75%
Mortality
2013 IRS Static Mortality projected 5 years with Scale AA
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 June 30, 2014 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2014 and June 30, 2015. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2014 to June 30, 2015. Prior to the June 30, 2014 valuation, census data as of the valuation date was used.

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)

	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	$ 133,755	$ 134,976	$ 114,353
Contributions in relation to the actuarially determined contribution	133,755	134,976	114,353
Contribution deficiency (excess)	-	-	-
State's covered-employee payroll	1,162,622	1,213,031	1,173,716
Contributions as a percentage of covered-employee payroll	11.5%	11.1%	9.7%

Notes to Schedule:

Valuation date

June 30, 2015

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

30 years, closed

Asset valuation method

4 year smoothing of gains and losses on the market 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 Mortality Table, with Social Security Administration generational improment scale from 2016

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 actual dollar amount of the State’s contributions depends on the actual payroll for the fiscal year.

Member census data as of June 30, 2014 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2014 and June 30, 2015. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2014 to June 30, 2015. Prior to the June 30, 2014 valuation, census data as of the valuation date was used.

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)

	6/30/2015	6/30/2014	6/30/2013
Statutorily determined contribution	$ 845,774	$ 825,617	$ 1,003,847
Contributions in relation to the statutorily required contribution	845,774	825,617	1,003,847
Contribution deficiency (excess)	-	-	-

Notes to Schedule:
Valuation date
June 30, 2015
Actuarial cost method
Entry age normal (Level Percent of Payroll)
Amortization method
Level dollar
Remaining amortization period
30 years, closed
Asset valuation method
4 year smoothing of gains and losses on the market 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 Mortality Table, with Social Security Administration generational improvement scale from 2016
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 actual dollar amount of the State’s contributions depends on the actual payroll for the fiscal year.

Member census data as of June 30, 2014 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2014 and June 30, 2015. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2014 to June 30, 2015. Prior to the June 30, 2014 valuation, census data as of the valuation date was used.

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)

	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	$ 772	$ 735	$ 761
Contributions in relation to the actuarially determined contribution	772	735	761
Contribution deficiency (excess)	-	-	-
State's covered-employee payroll	10,288	10,380	10,150
Contributions as a percentage of covered-employee payroll	7.5%	7.1%	7.5%

Notes to Schedule:

Valuation date
June 30, 2015
Actuarial cost method
Entry age normal (Level Percent of Payroll)
Amortization method
Level dollar
Remaining amortization period
30 years, closed
Asset valuation method
4 year smoothing of gains and losses on the market 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 Mortality Table, with Social Security Administration generational improvement scale from 2016
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 actual dollar amount of the State’s contributions depends on the actual payroll for the fiscal year.

Member census data as of June 30, 2014 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2014 and June 30, 2015. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2014 to June 30, 2015. Prior to the June 30, 2014 valuation, census data as of the valuation date was used.

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 Employer Contributions
Other Postemployment Benefits
(amounts expressed in thousands)

Year Ended June 30	State Personnel Healthcare Plan		Legislature's Healthcare Plan		Indiana State Police Healthcare Plan		Conservation and Excise Police Healthcare Plan		Retiree Health Benefit Trust Fund	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2015	$ 1,839	194.0%	$ 842	65.8%	$ 29,604	85.5%	$ 3,124	78.0%	$ 43,300	100.0%
2014	1,010	316.9%	810	62.8%	26,030	95.4%	2,822	88.0%	38,200	100.0%
2013	941	446.9%	827	64.5%	27,419	42.6%	3,053	94.8%	34,400	100.0%

Schedule of Changes in Net Pension Liability and Related Ratios
Employee Retirement Systems and Plans
State Police Retirement Fund
(amounts expressed in thousands)

	6/30/2015	6/30/2014	6/30/2013
Total pension liability			
Service cost	$ 14,356	$ 13,747	$ 13,576
Interest	35,912	34,935	33,758
Changes of benefit terms	275	269	147
Differences between expected and actual experience	4,765	778	1,112
Changes of assumptions	9,230	775	533
Benefit payments, including refunds of employee contributions	(34,955)	(32,923)	(30,724)
Net change in total pension liability	29,583	17,581	18,402
Total pension liability, beginning	540,797	523,216	504,814
Total pension liability, ending	$ 570,380	$ 540,797	$ 523,216
Plan fiduciary net position			
Contributions, employer	$ 13,451	$ 14,005	$ 47,588
Contributions, employee	3,967	3,763	3,786
Net investment income	(990)	44,883	29,787
Benefit payments, including refunds of employee contributions	(34,955)	(32,923)	(30,724)
Administrative expense	(300)	(307)	(261)
Other	-	(11)	2
Net change in plan fiduciary net position	(18,827)	29,410	50,178
Plan fiduciary net position, beginning	467,998	438,588	388,410
Plan fiduciary net position, ending	$ 449,171	$ 467,998	$ 438,588
Net pension liability	$ 121,209	$ 72,799	$ 84,628
Plan fiduciary net position as a percentage of the total pension liability	78.7%	86.5%	83.8%
Covered employee payroll	68,219	68,490	63,347
Net pension liability as a percentage of covered employee payroll	177.7%	106.3%	133.6%

Notes to Schedule:

Measurement date: Actuarial valuation reports of the current fiscal year end as presented above.

Changes of assumptions. 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 benefits.

Other. 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 Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan
(amounts expressed in thousands)

	6/30/2014	6/30/2013
Total pension liability		
Service cost	$ 3,841	$ 3,811
Interest	8,031	7,740
Differences between expected and actual experience	(430)	(1,845)
Changes of assumptions	-	(40)
Benefit payments, including refunds of employee contributions	(5,938)	(4,836)
Member reassignments	-	(15)
Net change in total pension liability	5,504	4,815
Total pension liability, beginning	118,097	113,282
Total pension liability, ending	$ 123,601	$ 118,097
Plan fiduciary net position		
Contributions, employer	$ 5,359	$ 19,740
Contributions, employee	1,019	1,006
Net investment income	13,339	4,702
Benefit payments, including refunds of employee contributions	(5,938)	(4,836)
Administrative expense	(141)	(121)
Member reassignments	-	(15)
Net change in plan fiduciary net position	13,638	20,476
Plan fiduciary net position, beginning	97,019	76,543
Plan fiduciary net position, ending	$ 110,657	$ 97,019
Net pension liability	$ 12,944	$ 21,078
Plan fiduciary net position as a percentage of the total pension liability	89.5%	82.2%
Covered employee payroll	25,825	24,675
Net pension liability as a percentage of covered employee payroll	50.1%	85.4%

Notes to Schedule:

Measurement date: Actuarial valuation reports from the prior fiscal year.
Changes of assumptions. In 2013, the interest crediting rate on member contributions was changed to 3.5% from 6.75%.
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)

	6/30/2014	6/30/2013
Total pension liability		
Service cost	$ 1,587	$ 1,568
Interest	4,207	3,816
Changes of benefit terms	-	1,346
Differences between expected and actual experience	-	1,474
Changes of assumptions	-	(109)
Benefit payments, including refunds of employee contributions	(2,398)	(2,235)
Net change in total pension liability	3,396	5,860
Total pension liability, beginning	61,940	56,080
Total pension liability, ending	$ 65,336	$ 61,940
Plan fiduciary net position		
Contributions, employer	$ 1,174	$ 19,443
Contributions, employee	1,334	1,271
Net investment income	6,581	1,897
Benefit payments, including refunds of employee contributions	(2,398)	(2,235)
Administrative expense	(108)	(145)
Other	4	-
Net change in plan fiduciary net position	6,587	20,231
Plan fiduciary net position, beginning	47,920	27,689
Plan fiduciary net position, ending	$ 54,507	$ 47,920
Net pension liability	$ 10,829	$ 14,020
Plan fiduciary net position as a percentage of the total pension liability	83.4%	77.4%
Covered employee payroll	20,608	18,805
Net pension liability as a percentage of covered employee payroll	52.5%	74.6%

Notes to Schedule:

Measurement date: Actuarial valuation reports from the prior fiscal year.
Benefit changes. In 2013, HB 1057 changed the benefits in the Prosecuting Attorneys' Reitirement 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%.
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)

	6/30/2014	6/30/2013
Total pension liability		
Service cost	$ 3	$ 2
Interest	277	291
Changes of benefit terms	-	-
Differences between expected and actual experience	(36)	(140)
Changes of assumptions	-	-
Benefit payments, including refunds of employee contributions	(363)	(365)
Member reassignments	-	-
Other	-	-
Net change in total pension liability	(119)	(212)
Total pension liability, beginning	4,285	4,497
Total pension liability, ending	$ 4,166	$ 4,285
Plan fiduciary net position		
Contributions, employer	$ 138	$ 150
Contributions, employee	-	-
Net investment income	439	201
Benefit payments, including refunds of employee contributions	(363)	(365)
Administrative expense	(62)	(34)
Member reassignments	-	-
Other	-	-
Net change in plan fiduciary net position	152	(48)
Plan fiduciary net position, beginning	3,337	3,385
Plan fiduciary net position, ending	$ 3,489	$ 3,337
Net pension liability	$ 677	$ 948
Plan fiduciary net position as a percentage of the total pension liability	83.7%	77.9%
Covered employee payroll	N/A	N/A
Net pension liability as a percentage of covered employee payroll	N/A	N/A

Notes to Schedule:

Measurement date: Actuarial valuation reports from the prior fiscal year.
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)

	6/30/2014	6/30/2013
Total pension liability		
Service cost	$ 15,302	$ 16,084
Interest	30,992	30,047
Changes of benefit terms	-	-
Differences between expected and actual experience	(16,026)	(13,603)
Changes of assumptions	-	186
Benefit payments, including refunds of employee contributions	(18,527)	(17,579)
Member reassignments	4	121
Other	-	-
Net change in total pension liability	11,745	15,256
Total pension liability, beginning	453,110	437,854
Total pension liability, ending	$ 464,855	$ 453,110
Plan fiduciary net position		
Contributions, employer	$ 20,895	$ 111,419
Contributions, employee	2,856	2,631
Net investment income	51,890	16,955
Benefit payments, including refunds of employee contributions	(18,527)	(17,579)
Administrative expense	(146)	(126)
Member reassignments	4	121
Other	6	5
Net change in plan fiduciary net position	56,978	113,426
Plan fiduciary net position, beginning	375,752	262,326
Plan fiduciary net position, ending	$ 432,730	$ 375,752
Net pension liability	$ 32,125	$ 77,358
Plan fiduciary net position as a percentage of the total pension liability	93.1%	82.9%
Covered employee payroll	46,041	47,595
Net pension liability as a percentage of covered employee payroll	69.8%	162.5%

Notes to Schedule:

Measurement date: Actuarial valuation reports from the prior fiscal year.
Changes of assumptions. In 2013, the interest crediting rate on member contributions was changed to 3.5% from 0.0%.
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)

	6/30/2014	6/30/2013
State's proportion of the net pension liability (asset)	24.85%	24.45%
State's proportionate share of the net pension liability (asset)	$ 652,920	$ 837,311
State's covered-employee payroll	1,213,031	1,173,716
State's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	53.8%	71.3%
Plan fiduciary net position as a percentage of the total pension liability	84.3%	78.8%

Notes to Schedule:

Measurement date: Actuarial valuation reports from the prior 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.

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)

	6/30/2014	6/30/2013
State's proportion of the net pension liability (asset)	100.00%	100.00%
State's proportionate share of the net pension liability (asset)	$ 10,853,349	$ 11,248,396
Plan fiduciary net position as a percentage of the total pension liability	33.6%	31.7%

Notes to Schedule:

Measurement date: Actuarial valuation reports from the prior fiscal year.

Changes of benefit terms. The 2014 House Enrolled Act No. 1075 added paragraphs 2.5 and 2.6 to IC 5-10.5-4, which prohibits INPRS from entering into an agreement with a third party provider to provide annuities for members who wish to annuitize their ASA balance prior to January 1, 2017, and defines the interest rate which must be used for converting ASA balances to annuities in the interim. It is anticipated that an agreement with a third party provider will be entered into effective January 1, 2017. This plan change resulted in a small decrease in Actuarial Accrued Liability and Normal Cost since the prescribed interest rates to be used for annuitization are lower than the rate previously in effect.

Changes of assumptions. There were no assumption changes applicable for the measurement of liabilities on June 30, 2014.

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. On January 1, 2017, the ASA annuities are allowed to be outsourced to a third party provider.

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)

	6/30/2014	6/30/2013
State's proportion of the net pension liability (asset)	0.40%	0.42%
State's proportionate share of the net pension liability (asset)	$ 191	$ 1,310
State's covered-employee payroll	10,380	10,150
State's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	1.8%	12.9%
Plan fiduciary net position as a percentage of the total pension liability	99.1%	93.4%

Notes to Schedule:

Measurement date: Actuarial valuation reports from the prior 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.

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 Investment Returns
Annual Money-Weighted Rate of Return, Net of Investment Expense
Employee Retirement Systems and Plans

	6/30/2015	6/30/2014	6/30/2013
Single-employer defined benefit pension plan:			
State Police Retirement Fund	-0.3%	10.4%	7.5%

Notes:
1. 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.
2. 6/30/14 and 6/30/13 annual money-weighted rate of returns are corrected from the prior year.

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 (medical service payments, tort claims) according to instructions from the State Budget Agency to the various agencies. The Budget Agency monitors all funds regularly in addition to monitoring excess general fund revenue that will be available at the end of the fiscal year to cover the non-budgeted, recurring expenditures.

State of Indiana
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015
(amounts expressed in thousands)

	General Fund			
	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues:				
Taxes:				
Income	$ 6,288,605	$ 6,288,605	$ 6,241,817	$ (46,788)
Sales	7,442,100	7,442,100	7,197,472	(244,628)
Gaming	506,100	506,100	57,301	(448,799)
Inheritance	115,000	115,000	-	(115,000)
Alcohol and tobacco	275,300	275,300	269,659	(5,641)
Insurance	192,200	192,200	216,272	24,072
Other	233,690	233,690	305,648	71,958
Total taxes	15,052,995	15,052,995	14,289,889	(763,106)
Current service charges	61,933	61,933	156,590	94,657
Investment income	20,000	20,000	18,027	(1,973)
Sales/rents	2,117	2,117	471	(1,646)
Grants	-	-	6,071	6,071
Other	57,640	57,640	51,623	(6,017)
Total revenues	15,194,685	15,194,685	14,522,671	(672,014)
Expenditures:				
Current:				
General government	1,140,186	2,358,885	1,163,108	1,195,777
Public safety	1,427,670	915,490	887,881	27,609
Health	53,067	47,409	44,734	2,675
Welfare	3,647,102	1,043,291	704,227	339,064
Conservation, culture and development	133,219	71,791	59,033	12,758
Education	9,607,434	9,525,323	9,352,458	172,865
Transportation	243,000	2,587	547	2,040
Debt service:				
Capital lease principal	-	-	6,096	(6,096)
Capital lease interest	-	-	5,029	(5,029)
Total expenditures	16,251,678	13,964,776	12,223,113	1,741,663
Excess of revenues over (under) expenditures	(1,056,993)	1,229,909	2,299,558	(1,069,649)
Other financing sources (uses):				
Total other financing sources (uses)	(2,093,410)	(2,093,410)	(2,093,410)	-
Net change in fund balances	$ (3,150,403)	$ (863,501)	206,148	$ 1,069,649
Fund balances July 1, as restated			2,543,350	
Fund balances June 30			**$ 2,749,498**	

Public Welfare-Medicaid Assistance				Major Moves Construction Fund			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
946,978	946,978	877,195	(69,783)	-	-	-	-
-	-	-	-	4,796	4,796	8,995	4,199
-	-	-	-	-	-	-	-
5,942,798	5,942,798	6,665,936	723,138	-	-	-	-
29	29	-	(29)	-	-	-	-
6,889,805	6,889,805	7,543,131	653,326	4,796	4,796	8,995	4,199
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	13,024,471	9,332,498	3,691,973	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,600	40,981	40,981	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	13,024,471	9,332,498	3,691,973	2,600	40,981	40,981	-
6,889,805	(6,134,666)	(1,789,367)	(4,345,299)	2,196	(36,185)	(31,986)	(4,199)
1,996,054	1,996,054	1,996,054	-	102,225	102,225	102,225	-
$ 8,885,859	$ (4,138,612)	206,687	$ 4,345,299	$ 104,421	$ 66,040	70,239	$ 4,199
		348,306				637,302	
		$ 554,993				**$ 707,541**	

Budget/GAAP Reconciliation
Major Funds

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

(amounts expressed in thousands)	**GENERAL FUND**	**PUBLIC WELFARE-MEDICAID ASSIS**	**MAJOR MOVES CONSTRUCTION FUND**	**Total**
Net change in fund balances (budgetary basis)	$ 206,148	$ 206,687	$ 70,239	**$ 483,074**
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)	8,082	(249,656)	(3,582)	**(245,155)**
Expenditures are recorded when the liability is incurred (GAAP) as opposed to when payment is made (budgetary)	50,236	110,573	(264)	**160,545**
Net change in fund balances (GAAP basis)	**$ 264,465**	**$ 67,605**	**$ 66,394**	**$ 398,464**

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

Roads	**Average International Roughness Index (IRI), Right Wheel Path (RWP)**		
	2015	**2014**	**2013**
Interstate Roads (excluding Rest Areas and Weigh Stations)	78.6	78.6	85.1
NHS Roads - Non-Interstate (excluding Rest Areas and Weigh Stations)	90.9	92.0	100.1
Non-NHS Roads	100.9	99.3	102.2

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 (above 170). 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.

The State changed its methodology for reporting IRI from all wheel paths collected to right wheel path in 2014. The 2013 averages are restated.

Bridges	**Average Sufficiency Rating**		
	2015	**2014**	**2013**
Interstate Bridges	90.1%	90.1%	90.1%
NHS Bridges - Non-Interstate	90.2%	90.0%	89.7%
Non-NHS Bridges	90.2%	89.3%	88.8%

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)

	2015	2014	2013	2012	2011
Roads					
Interstate Roads (including Rest Areas and Weigh Stations):					
Planned	$ 89,148	$ 161,222	$ 189,542	$ 205,878	$ 222,707
Actual	104,327	160,064	123,699	165,740	194,727
NHS and Non-NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)					
Planned	146,134	260,501	282,843	296,337	314,282
Actual	167,298	245,864	298,356	337,507	364,173
Roads at State Institutions and Properties					
Planned	-	868	1,030	1,699	2,046
Actual	-	322	3,132	5,183	3,386
Total					
Planned	235,282	422,591	473,415	503,914	539,035
Actual	271,625	406,250	425,187	508,430	562,286
Bridges					
Interstate Bridges					
Planned	$ 59,637	$ 40,755	$ 46,568	$ 55,371	$ 62,746
Actual	44,736	28,728	36,820	58,245	54,505
NHS Bridges - Non-Interstate					
Planned	46,121	37,982	51,418	41,395	27,240
Actual	38,240	32,121	28,553	26,733	27,085
Non-NHS Bridges					
Planned	79,775	63,939	76,918	106,891	84,736
Actual	67,345	49,030	80,470	102,491	73,713
Bridges at State Institutions and Properties					
Planned	-	-	-	1	-
Actual	-	-	752	108	-
Total					
Planned	185,533	142,676	174,904	203,658	174,722
Actual	150,321	109,879	146,595	187,577	155,303

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:

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
U.S. Department of Health and Human Services

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 Generation Trust Fund - This fund is used to hold title to proceeds transferred to the trust under IC 8-15.5-11. The interest is appropriated every five years beginning March 15, 2011 and is 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, 2015
(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	$ 2,487,962	$ 44,313	$ 611,521	**$ 3,143,796**
Receivables:				
Taxes (net of allowance for uncollectible accounts)	144,394	1,789	-	**146,183**
Accounts	53,783	91	-	**53,874**
Grants	277,314	-	-	**277,314**
Interest	45	-	2	**47**
Interfund loans	8,000	-	-	**8,000**
Due from component unit	13,143	-	-	**13,143**
Prepaid expenditures	453	43	-	**496**
Loans	399,633	-	-	**399,633**
Other	1	-	1	**2**
Total assets	3,384,728	46,236	611,524	**4,042,488**
Total assets and deferred outflow of resources	**$ 3,384,728**	**$ 46,236**	**$ 611,524**	**$ 4,042,488**
LIABILITIES				
Accounts payable	$ 559,581	$ 910	$ 1,000	**$ 561,491**
Salaries and benefits payable	51,951	-	-	**51,951**
Interfund loans	220,776	709	-	**221,485**
Interfunds services used	4,231	-	-	**4,231**
Intergovernmental payable	135,915	-	-	**135,915**
Tax refunds payable	6,305	-	-	**6,305**
Accrued liability for compensated absences-current	3,989	-	-	**3,989**
Other payables	49	-	1	**50**
Total liabilities	982,797	1,619	1,001	**985,417**
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	26,094	-	-	**26,094**
Total deferred inflow of resources	26,094	-	-	**26,094**
FUND BALANCE				
Nonspendable:	453	43	519,036	**519,532**
Restricted:	-	-	-	**-**
Committed:	994,145	-	91,487	**1,085,632**
Assigned:	1,708,485	45,283	-	**1,753,768**
Unassigned:	(327,246)	(709)	-	**(327,955)**
Total fund balance	2,375,837	44,617	610,523	**3,030,977**
Total liabilities, deferred inflow of resources, and fund balance	**$ 3,384,728**	**$ 46,236**	**$ 611,524**	**$ 4,042,488**

State of Indiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2015
(amounts expressed in thousands)

	Non-Major Special Revenue Funds	Non-Major Capital Projects Funds	Non-Major Permanent Funds	Total
Revenues:				
Taxes:				
Income	$ 216	$ -	$ -	**$ 216**
Sales	83,591	-	-	**83,591**
Fuels	793,312	-	-	**793,312**
Gaming	585,644	-	-	**585,644**
Alcohol and tobacco	151,716	19,235	-	**170,951**
Insurance	4,835	-	-	**4,835**
Financial Institutions	125,754	-	-	**125,754**
Other	17,168	-	-	**17,168**
Total taxes	1,762,236	19,235	-	**1,781,471**
Current service charges	1,275,312	2,637	-	**1,277,949**
Investment income	1,058	-	18,880	**19,938**
Sales/rents	21,710	-	-	**21,710**
Grants	5,331,683	733	-	**5,332,416**
Other	84,182	-	-	**84,182**
Total revenues	8,476,181	22,605	18,880	**8,517,666**
Expenditures:				
Current:				
General government	352,155	-	3	**352,158**
Public safety	499,866	-	-	**499,866**
Health	395,102	-	-	**395,102**
Welfare	3,058,587	-	-	**3,058,587**
Conservation, culture and development	458,618	-	1,000	**459,618**
Education	1,347,484	-	-	**1,347,484**
Transportation	2,583,912	-	100	**2,584,012**
Debt service:				
Capital lease principal	52,607	-	-	**52,607**
Capital lease interest	43,966	-	-	**43,966**
Capital outlay	-	26,252	-	**26,252**
Total expenditures	8,792,297	26,252	1,103	**8,819,652**
Excess (deficiency) of revenues over (under) expenditures	(316,116)	(3,647)	17,777	**(301,986)**
Other financing sources (uses):				
Transfers in	2,267,143	475	-	**2,267,618**
Transfers (out)	(2,265,952)	-	-	**(2,265,952)**
Proceeds from capital lease	3,852	-	-	**3,852**
Total other financing sources (uses)	5,043	475	-	**5,518**
Net change in fund balances	(311,073)	(3,172)	17,777	**(296,468)**
Fund Balance July 1, as restated	2,686,910	47,789	592,746	**3,327,445**
Fund Balance June 30	**$ 2,375,837**	**$ 44,617**	**$ 610,523**	**$ 3,030,977**

State of Indiana
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2015
(amounts expressed in thousands)

	STATE GAMING FUND	MOTOR VEHICLE HIGHWAY	MOTOR VEHICLE COMMISSION	BUILD INDIANA FUND
ASSETS				
Cash, cash equivalents and investments-unrestricted	$ 3,932	$ 66,267	$ 14,199	$ 6,864
Receivables:				
Taxes (net of allowance for uncollectible accounts)	10,395	16,000	-	-
Accounts	-	6,397	5,542	-
Grants	-	-	-	-
Interest	-	-	-	-
Interfund loans	-	8,000	-	-
Due from component unit	-	-	-	13,143
Prepaid expenditures	-	-	-	-
Loans	-	-	-	-
Other	-	-	-	-
Total assets	14,327	96,664	19,741	20,007
Total assets and deferred outflow of resources	**$ 14,327**	**$ 96,664**	**$ 19,741**	**$ 20,007**
LIABILITIES				
Accounts payable	$ 9	$ 79	$ 2,006	$ 278
Salaries and benefits payable	159	-	2,044	11
Interfund loans	-	-	-	-
Interfunds services used	33	82	91	-
Intergovernmental payable	29	33,289	-	-
Tax refunds payable	-	2,310	-	-
Accrued liability for compensated absences-current	10	-	156	2
Other payables	-	-	-	-
Total liabilities	240	35,760	4,297	291
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	-	6,387	-	-
Total deferred inflow of resources	-	6,387	-	-
FUND BALANCE				
Nonspendable:	-	-	-	-
Committed:	9,808	-	-	-
Assigned:	4,279	54,517	15,444	19,716
Unassigned:	-	-	-	-
Total fund balance	14,087	54,517	15,444	19,716
Total liabilities, deferred inflow of resources, and fund balance	**$ 14,327**	**$ 96,664**	**$ 19,741**	**$ 20,007**

STATE HIGHWAY FUND	INDIANA CHECK-UP PLAN	FUND 6000 PROGRAMS	PATIENTS COMPENSATION FUND	ROAD & STREET, PRIMARY HIGHWAY
$ 387,700	$ 275,810	$ 296,768	$ 106,466	$ 15,944
2,704	20,935	3,192	-	7,030
18,540	-	4,034	10,883	335
39	-	1,566	-	-
-	-	9	8	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
13,462	-	255	-	-
-	-	-	-	-
422,445	296,745	305,824	117,357	23,309
$ 422,445	**$ 296,745**	**$ 305,824**	**$ 117,357**	**$ 23,309**
$ 32,505	$ 1,798	$ 73,825	$ 20,261	$ -
13,295	-	1,304	45	-
8,000	-	-	-	-
643	-	94	10	-
-	-	-	-	7,004
-	-	447	-	4
1,014	-	82	3	-
19	-	4	-	-
55,476	1,798	75,756	20,319	7,008
361	10,117	3,091	-	2,508
361	10,117	3,091	-	2,508
-	-	-	-	-
-	284,504	10,546	-	-
366,608	326	216,431	97,038	13,793
-	-	-	-	-
366,608	284,830	226,977	97,038	13,793
$ 422,445	**$ 296,745**	**$ 305,824**	**$ 117,357**	**$ 23,309**

continued on next page

State of Indiana
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2015
(amounts expressed in thousands)

	TOBACCO SETTLEMENT FUND	COMMON SCHOOL FUND	US DEPARTMENT OF AGRICULTURE	US DEPARTMENT OF LABOR
ASSETS				
Cash, cash equivalents and investments-unrestricted	$ 69,037	$ 186,780	$ 23,238	$ -
Receivables:				
Taxes (net of allowance for uncollectible accounts)	-	-	-	-
Accounts	-	-	-	149
Grants	-	-	9,608	5,400
Interest	-	7	-	-
Interfund loans	-	-	-	-
Due from component unit	-	-	-	-
Prepaid expenditures	-	-	-	-
Loans	-	384,221	-	-
Other	-	1	-	-
Total assets	69,037	571,009	32,846	5,549
Total assets and deferred outflow of resources	**$ 69,037**	**$ 571,009**	**$ 32,846**	**$ 5,549**
LIABILITIES				
Accounts payable	$ 2,818	$ -	$ 6,484	$ 3,652
Salaries and benefits payable	30	-	394	3,706
Interfund loans	-	-	-	4,404
Interfunds services used	11	-	22	624
Intergovernmental payable	-	-	14,477	-
Tax refunds payable	-	-	-	-
Accrued liability for compensated absences-current	1	-	27	274
Other payables	-	1	-	-
Total liabilities	2,860	1	21,404	12,660
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	-	-	-	-
Total deferred inflow of resources	-	-	-	-
FUND BALANCE				
Nonspendable:	-	-	-	-
Committed:	-	571,008	-	-
Assigned:	66,177	-	11,442	-
Unassigned:	-	-	-	(7,111)
Total fund balance	66,177	571,008	11,442	(7,111)
Total liabilities, deferred inflow of resources, and fund balance	**$ 69,037**	**$ 571,009**	**$ 32,846**	**$ 5,549**

US DEPARTMENT OF TRANSPORTATION	US DEPARTMENT OF EDUCATION	US DEPARTMENT OF HEALTH & HUMAN SERVICES	OTHER NON-MAJOR SPECIAL REVENUE FUNDS	TOTAL
$ 124,266	$ 39,270	$ -	$ 871,421	**$ 2,487,962**
-	-	-	84,138	**144,394**
-	-	-	7,903	**53,783**
152,339	27,521	41,657	39,184	**277,314**
-	-	-	21	**45**
-	-	-	-	**8,000**
-	-	-	-	**13,143**
451	-	-	2	**453**
-	-	-	1,695	**399,633**
-	-	-	-	**1**
277,056	66,791	41,657	1,004,364	**3,384,728**
$ 277,056	**$ 66,791**	**$ 41,657**	**$ 1,004,364**	**$ 3,384,728**
$ 231,309	$ 17,718	$ 102,501	$ 64,338	**$ 559,581**
137	2,599	15,112	13,115	**51,951**
-	-	208,372	-	**220,776**
10	112	1,552	947	**4,231**
-	79,268	-	1,848	**135,915**
-	-	-	3,544	**6,305**
6	220	1,129	1,065	**3,989**
20	-	-	5	**49**
231,482	99,917	328,666	84,862	**982,797**
-	-	-	3,630	**26,094**
-	-	-	3,630	**26,094**
451	-	-	2	**453**
-	-	-	118,279	**994,145**
45,123	-	-	797,591	**1,708,485**
-	(33,126)	(287,009)	-	**(327,246)**
45,574	(33,126)	(287,009)	915,872	**2,375,837**
$ 277,056	**$ 66,791**	**$ 41,657**	**$ 1,004,364**	**$ 3,384,728**

State of Indiana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2015
(amounts expressed in thousands)

	STATE GAMING FUND	MOTOR VEHICLE HIGHWAY	MOTOR VEHICLE COMMISSION	BUILD INDIANA FUND
Revenues:				
Taxes:				
Income	$ -	$ -	$ -	$ -
Sales	-	72,553	-	-
Fuels	-	407,579	-	-
Gaming	562,473	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Financial Institutions	-	-	-	-
Other	-	-	-	-
Total taxes	562,473	480,132	-	-
Current service charges	1,420	270,920	96,526	166,870
Investment income	-	-	-	-
Sales/rents	-	150	-	-
Grants	-	-	-	-
Other	-	-	-	-
Total revenues	563,893	751,202	96,526	166,870
Expenditures:				
Current:				
General government	117,280	-	-	-
Public safety	-	50	79,039	-
Health	-	-	-	-
Welfare	-	-	-	-
Conservation, culture and development	-	-	-	605
Education	-	3	-	2,949
Transportation	-	385,490	-	1,293
Debt service:				
Capital lease principal	-	-	-	-
Capital lease interest	-	-	-	-
Total expenditures	117,280	385,543	79,039	4,847
Excess (deficiency) of revenues over (under) expenditures	446,613	365,659	17,487	162,023
Other financing sources (uses):				
Transfers in	601	33,874	-	67,541
Transfers (out)	(446,828)	(402,839)	(8,500)	(245,088)
Proceeds from capital lease	-	-	-	-
Total other financing sources (uses)	(446,227)	(368,965)	(8,500)	(177,547)
Net change in fund balances	386	(3,306)	8,987	(15,524)
Fund Balance July 1, as restated	13,701	57,823	6,457	35,240
Fund Balance June 30	**$ 14,087**	**$ 54,517**	**$ 15,444**	**$ 19,716**

STATE HIGHWAY FUND	INDIANA CHECK-UP PLAN	FUND 6000 PROGRAMS	PATIENTS COMPENSATION FUND	ROAD & STREET, PRIMARY HIGHWAY
$ -	$ -	$ -	$ -	$ -
-	-	2,105	-	-
30,259	-	39	-	196,710
-	-	287	-	-
-	116,238	-	-	-
-	-	-	-	-
-	-	125,754	-	-
-	-	13,436	-	-
30,259	116,238	141,621	-	196,710
23,328	-	121,835	124,871	17,710
175	-	138	107	-
2,273	-	6,753	-	-
1,248	-	14,055	-	-
70,408	-	4,582	-	-
127,691	116,238	288,984	124,978	214,420
-	-	91,755	-	-
-	-	32,256	123,569	-
-	84,202	1,511	-	-
-	-	2,593	-	-
-	-	16,770	-	-
-	-	8,365	-	-
448,837	-	2,674	-	76,055
52,567	-	26	-	-
43,964	-	1	-	-
545,368	84,202	155,951	123,569	76,055
(417,677)	32,036	133,033	1,409	138,365
716,639	-	32,354	-	-
(369,683)	(101,828)	(147,479)	(6)	(129,758)
3,800	-	-	-	-
350,756	(101,828)	(115,125)	(6)	(129,758)
(66,921)	(69,792)	17,908	1,403	8,607
433,529	354,622	209,069	95,635	5,186
$ 366,608	**$ 284,830**	**$ 226,977**	**$ 97,038**	**$ 13,793**

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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, 2015
(amounts expressed in thousands)

	TOBACCO SETTLEMENT FUND	COMMON SCHOOL FUND	US DEPARTMENT OF AGRICULTURE	US DEPARTMENT OF LABOR
Revenues:				
Taxes:				
Income	$ -	$ -	$ -	$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Financial Institutions	-	-	-	-
Other	-	-	-	-
Total taxes	-	-	-	-
Current service charges	127,340	3,149	-	5,563
Investment income	67	43	-	-
Sales/rents	-	-	-	-
Grants	-	-	1,863,241	139,084
Other	3	-	10	10
Total revenues	127,410	3,192	1,863,251	144,657
Expenditures:				
Current:				
General government	-	37	2,735	-
Public safety	-	-	3,844	5,054
Health	35,079	-	139,150	-
Welfare	-	-	1,373,467	2,111
Conservation, culture and development	-	-	2,376	138,973
Education	-	-	398,558	-
Transportation	-	-	-	-
Debt service:				
Capital lease principal	-	-	-	-
Capital lease interest	-	-	-	-
Total expenditures	35,079	37	1,920,130	146,138
Excess (deficiency) of revenues over expenditures	92,331	3,155	(56,879)	(1,481)
Other financing sources (uses):				
Transfers in	-	-	60,456	2,826
Transfers (out)	(92,403)	-	(807)	(1,271)
Proceeds from capital lease	-	-	-	-
Total other financing sources (uses)	(92,403)	-	59,649	1,555
Net change in fund balances	(72)	3,155	2,770	74
Fund Balance July 1, as restated	66,249	567,853	8,672	(7,185)
Fund Balance June 30	**$ 66,177**	**$ 571,008**	**$ 11,442**	**$ (7,111)**

US DEPARTMENT OF TRANSPORTATION	US DEPARTMENT OF EDUCATION	US DEPARTMENT OF HEALTH & HUMAN SERVICES	OTHER NON-MAJOR SPECIAL REVENUE FUNDS	Total
$ -	$ -	$ -	$ 216	**$ 216**
-	-	-	8,933	**83,591**
-	-	-	158,725	**793,312**
-	-	-	22,884	**585,644**
-	-	-	35,478	**151,716**
-	-	-	4,835	**4,835**
-	-	-	-	**125,754**
-	-	-	3,732	**17,168**
-	-	-	234,803	**1,762,236**
-	1	1,058	314,721	**1,275,312**
-	-	-	528	**1,058**
564	-	-	11,970	**21,710**
1,148,260	705,670	1,166,746	293,379	**5,331,683**
866	13	9	8,281	**84,182**
1,149,690	705,684	1,167,813	863,682	**8,476,181**
770	608	17,134	121,836	**352,155**
18,870	1,358	6,251	229,575	**499,866**
324	-	126,296	8,540	**395,102**
-	84,695	1,466,966	128,755	**3,058,587**
1,337	32,446	1,082	265,029	**458,618**
-	641,644	4,237	291,728	**1,347,484**
1,487,154	-	-	182,409	**2,583,912**
-	-	14	-	**52,607**
-	-	1	-	**43,966**
1,508,455	760,751	1,621,981	1,227,872	**8,792,297**
(358,765)	(55,067)	(454,168)	(364,190)	**(316,116)**
296,922	36,741	382,937	636,252	**2,267,143**
(17,008)	(1,394)	(60,003)	(241,057)	**(2,265,952)**
-	-	52	-	**3,852**
279,914	35,347	322,986	395,195	**5,043**
(78,851)	(19,720)	(131,182)	31,005	**(311,073)**
124,425	(13,406)	(155,827)	884,867	**2,686,910**
$ 45,574	**$ (33,126)**	**$ (287,009)**	**$ 915,872**	**$ 2,375,837**

State of Indiana
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2015
(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	$ 1,898	$ 31,945	$ 10,470	**$ 44,313**
Receivables:				
Taxes (net of allowance for uncollectible accounts)	-	1,789	-	**1,789**
Accounts	91	-	-	**91**
Prepaid expenditures	-	43	-	**43**
Total assets	1,989	33,777	10,470	**46,236**
Total assets and deferred outflow of resources	**$ 1,989**	**$ 33,777**	**$ 10,470**	**$ 46,236**
LIABILITIES				
Accounts payable	$ 97	$ 712	$ 101	**$ 910**
Interfund loans	-	-	709	**709**
Total liabilities	97	712	810	**1,619**
FUND BALANCE				
Nonspendable:	-	43	-	**43**
Assigned:	1,892	33,022	10,369	**45,283**
Unassigned:	-	-	(709)	**(709)**
Total fund balance	1,892	33,065	9,660	**44,617**
Total liabilities, deferred inflow of resources, and fund balance	**$ 1,989**	**$ 33,777**	**$ 10,470**	**$ 46,236**

State of Indiana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Capital Projects Funds
For the Year Ended June 30, 2015
(amounts expressed in thousands)

	State Police Building Commission	Post War Construction	Other Non-Major Capital Projects Funds	Total
Revenues:				
Taxes:				
Alcohol and tobacco	$ -	$ 19,235	$ -	**$ 19,235**
Total taxes	-	19,235	-	**19,235**
Current service charges	1,902	-	735	**2,637**
Grants	-	-	733	**733**
Total revenues	1,902	19,235	1,468	**22,605**
Expenditures:				
Capital outlay	4,345	20,210	1,697	**26,252**
Total expenditures	4,345	20,210	1,697	**26,252**
Excess (deficiency) of revenues over (under) expenditures	(2,443)	(975)	(229)	**(3,647)**
Other financing sources (uses):				
Transfers in	-	-	475	**475**
Total other financing sources (uses)	-	-	475	**475**
Net change in fund balances	(2,443)	(975)	246	**(3,172)**
Fund Balance July 1, as restated	4,335	34,040	9,414	**47,789**
Fund Balance June 30	**$ 1,892**	**$ 33,065**	**$ 9,660**	**$ 44,617**

State of Indiana
Combining Balance Sheet
Non-Major Permanent Funds
June 30, 2015
(amounts expressed in thousands)

	Next Generation Trust Fund	Other Non-Major Permanent Funds	Total
ASSETS			
Cash, cash equivalents and investments-unrestricted	$ 590,287	$ 21,234	**$ 611,521**
Receivables:			
Interest	1	1	**2**
Other	1	-	**1**
Total assets	590,289	21,235	**611,524**
Total assets and deferred outflow of resources	**$ 590,289**	**$ 21,235**	**$ 611,524**
LIABILITIES			
Accounts payable	$ -	$ 1,000	**$ 1,000**
Other payables	$ 1	$ -	**$ 1**
Total liabilities	1	1,000	**1,001**
FUND BALANCE			
Nonspendable:	500,000	19,036	**519,036**
Committed:	90,288	1,199	**91,487**
Total fund balance	590,288	20,235	**610,523**
Total liabilities, deferred inflow of resources, and fund balance	**$ 590,289**	**$ 21,235**	**$ 611,524**

State of Indiana
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Permanent Funds
For the Year Ended June 30, 2015
(amounts expressed in thousands)

	Next Generation Trust Fund	Other Non-Major Permanent Funds	Total
Revenues:			
Investment income	$ 18,817	$ 63	**$ 18,880**
Total revenues	18,817	63	**18,880**
Expenditures:			
Current:			
General government	-	3	**3**
Conservation, culture and development	-	1,000	**1,000**
Transportation	100	-	**100**
Total expenditures	100	1,003	**1,103**
Excess (deficiency) of revenues over (under) expenditures	18,717	(940)	**17,777**
Net change in fund balances	18,717	(940)	**17,777**
Fund Balance July 1, as restated	571,571	21,175	**592,746**
Fund Balance June 30	**$ 590,288**	**$ 20,235**	**$ 610,523**

State of Indiana
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015
(amounts expressed in thousands)

	State Gaming Fund			
	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues:				
Taxes:				
Income	$ -	$ -	$ -	$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	596,161	596,161	562,966	(33,195)
Unemployment	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Financial institutions	-	-	-	-
Other	-	-	-	-
Total taxes	596,161	596,161	562,966	(33,195)
Current service charges	1,446	1,446	1,420	(26)
Investment income	-	-	-	-
Sales/rents	-	-	-	-
Grants	4	4	-	(4)
Other	-	-	-	-
Total revenues	597,611	597,611	564,386	(33,225)
Expenditures:				
Current:				
General government	2,823	600,977	117,309	483,668
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Conservation, culture and development	-	-	-	-
Education	-	-	-	-
Transportation	-	-	-	-
Debt service:				
Capital lease principal	-	-	-	-
Capital lease interest	-	-	-	-
Total expenditures	2,823	600,977	117,309	483,668
Excess of revenues over (under) expenditure	594,788	(3,366)	447,077	(450,443)
Other financing sources (uses):				
Total other financing sources (uses)	(446,227)	(446,227)	(446,227)	-
Net change in fund balances	$ 148,561	$ (449,593)	850	$ 450,443
Fund balances July 1, as restated			3,077	
Fund balances June 30			**$ 3,927**	

Motor Vehicle Highway Fund				Motor Vehicle Commission			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
70,058	70,058	72,693	2,635	-	-	-	-
389,752	389,752	406,940	17,188	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
459,810	459,810	479,633	19,823	-	-	-	-
260,032	260,032	271,962	11,930	87,515	87,515	95,226	7,711
-	-	-	-	-	-	-	-
348	348	150	(198)	-	-	-	-
-	-	-	-	14	14	-	(14)
-	-	-	-	-	-	-	-
720,190	720,190	751,745	31,555	87,529	87,529	95,226	7,697
-	-	-	-	-	-	-	-
1	11	10	1	117,834	86,585	78,963	7,622
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	4	3	1	-	-	-	-
267,443	792,122	387,994	404,128	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
267,444	792,137	388,007	404,130	117,834	86,585	78,963	7,622
452,746	(71,947)	363,738	(435,685)	(30,305)	944	16,263	(15,319)
(368,965)	(368,965)	(368,965)	-	(8,500)	(8,500)	(8,500)	-
$ 83,781	$ (440,912)	(5,227)	$ 435,685	$ (38,805)	$ (7,556)	7,763	$ 15,319
		79,424				5,301	
		$ 74,197				**$ 13,064**	

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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, 2015
(amounts expressed in thousands)

	Build Indiana Fund			
	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	166,324	166,324	182,459	16,135
Investment income	-	-	-	-
Sales/rents	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
Total revenues	166,324	166,324	182,459	16,135
Expenditures:				
Current:				
General government	7,027	246,221	-	246,221
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Conservation, culture and development	-	605	605	-
Education	6,146	3,488	3,148	340
Transportation	2,054	2,719	1,291	1,428
Debt service:				
Principal	-	-	-	-
Interest, finance fees	-	-	-	-
Total expenditures	15,227	253,033	5,044	247,989
Excess of revenues over (under) expenditures	151,097	(86,709)	177,415	(264,124)
Other financing sources (uses):				
Total other financing sources (uses)	(177,547)	(177,547)	(177,547)	-
Net change in fund balances	$ (26,450)	$ (264,256)	(132)	$ 264,124
Fund balances July 1, as restated			6,946	
Fund balances June 30			**$ 6,814**	

State Highway Fund				Indiana Check-Up Plan			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
29,356	29,356	30,198	842	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	118,693	118,693	116,795	(1,898)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
29,356	29,356	30,198	842	118,693	118,693	116,795	(1,898)
26,400	26,400	23,144	(3,256)	-	-	-	-
311	311	175	(136)	-	-	-	-
1,720	1,720	2,273	553	-	-	-	-
634	634	1,282	648	-	-	-	-
63,636	63,636	70,293	6,657	-	-	-	-
122,057	122,057	127,365	5,308	118,693	118,693	116,795	(1,898)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	109	243,134	85,614	157,520
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
838,208	847,474	447,487	399,987	-	-	-	-
-	-	52,567	(52,567)	-	-	-	-
-	-	43,964	(43,964)	-	-	-	-
838,208	847,474	544,018	303,456	109	243,134	85,614	157,520
(716,151)	(725,417)	(416,653)	(308,764)	118,584	(124,441)	31,181	(155,622)
346,956	346,956	346,956	-	(101,828)	(101,828)	(101,828)	-
$ (369,195)	$ (378,461)	(69,697)	$ 308,764	$ 16,756	$ (226,269)	(70,647)	$ 155,622
		453,297				344,687	
		$ 383,600				**$ 274,040**	

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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, 2015
(amounts expressed in thousands)

	Fund 6000 Programs			
	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues:				
Taxes:				
Income	$ -	$ -	$ -	$ -
Sales	2,031	2,031	2,111	80
Fuels	57	57	-	(57)
Gaming	371	371	307	(64)
Unemployment	38	38	-	(38)
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Financial institutions	102,392	102,392	125,795	23,403
Other	13,288	13,288	13,795	507
Total taxes	118,177	118,177	142,008	23,831
Current service charges	93,349	93,349	122,230	28,881
Investment income	84	84	130	46
Sales/rents	7,197	7,197	7,133	(64)
Grants	13,110	13,110	14,725	1,615
Other	7,400	7,400	6,526	(874)
Total revenues	239,317	239,317	292,752	53,435
Expenditures:				
Current:				
General government	4,220	263,672	91,359	172,313
Public safety	8,327	79,705	32,544	47,161
Health	1,311	3,559	1,083	2,476
Welfare	283	15,948	2,548	13,400
Conservation, culture and development	6,580	38,374	16,399	21,975
Education	376	14,358	8,419	5,939
Transportation	1,942	5,763	2,674	3,089
Debt service:				
Principal	-	-	26	(26)
Interest, finance fees	-	-	1	(1)
Total expenditures	23,039	421,379	155,053	266,326
Excess of revenues over (under) expenditures	216,278	(182,062)	137,699	(319,761)
Other financing sources (uses):				
Total other financing sources (uses)	(115,125)	(115,125)	(115,125)	-
Net change in fund balances	$ 101,153	$ (297,187)	22,574	$ 319,761
Fund balances July 1, as restated			203,895	
Fund balances June 30			**$ 226,469**	

Patients Compensation Fund				Road and Street, Primary Highway			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
-	-	-	-	197,854	197,854	197,592	(262)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	197,854	197,854	197,592	(262)
128,591	128,591	115,462	(13,129)	17,645	17,645	17,729	84
133	133	110	(23)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
128,724	128,724	115,572	(13,152)	215,499	215,499	215,321	(178)
-	-	-	-	-	-	-	-
1,810	259,916	150,607	109,309	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	298,168	76,233	221,935
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,810	259,916	150,607	109,309	-	298,168	76,233	221,935
126,914	(131,192)	(35,035)	(96,157)	215,499	(82,669)	139,088	(221,757)
(6)	(6)	(6)	-	(129,758)	(129,758)	(129,758)	-
$ 126,908	$ (131,198)	(35,041)	$ 96,157	$ 85,741	$ (212,427)	9,330	$ 221,757
		141,505				6,615	
		$ 106,464				**$ 15,945**	

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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, 2015
(amounts expressed in thousands)

	Tobacco Settlement Fund			
	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	70,387	70,387	152,143	81,756
Investment income	16	16	67	51
Sales/rents	-	-	-	-
Grants	-	-	-	-
Other	-	-	3	3
Total revenues	70,403	70,403	152,213	81,810
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health	138,522	47,636	36,086	11,550
Welfare	-	-	-	-
Conservation, culture and development	-	-	-	-
Education	-	-	-	-
Transportation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest, finance fees	-	-	-	-
Total expenditures	138,522	47,636	36,086	11,550
Excess of revenues over (under) expenditures	(68,119)	22,767	116,127	(93,360)
Other financing sources (uses):				
Total other financing sources (uses)	(92,403)	(92,403)	(92,403)	-
Net change in fund balances	$ (160,522)	$ (69,636)	23,724	$ 93,360
Fund balances July 1, as restated			44,763	
Fund balances June 30			**$ 68,487**	

Common School Fund				U.S. Department of Agriculture			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,732	4,732	3,149	(1,583)	372	372	-	(372)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	524,958	524,958	1,859,824	1,334,866
148	148	-	(148)	-	-	10	10
4,880	4,880	3,149	(1,731)	525,330	525,330	1,859,834	1,334,504
-	3,661	-	3,661	575	10,208	2,748	7,460
-	-	-	-	1	7,408	3,822	3,586
-	-	-	-	21,716	205,652	139,360	66,292
-	-	-	-	3,582	1,919,862	1,372,750	547,112
-	-	-	-	2,546	9,698	2,373	7,325
-	-	-	-	3,181	472,479	401,196	71,283
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	3,661	-	3,661	31,601	2,625,307	1,922,249	703,058
4,880	1,219	3,149	(1,930)	493,729	(2,099,977)	(62,415)	(2,037,562)
-	-	-	-	59,649	59,649	59,649	-
$ 4,880	$ 1,219	3,149	$ 1,930	$ 553,378	$ (2,040,328)	(2,766)	$ 2,037,562
		567,853				22,924	
		$ 571,002				**$ 20,158**	

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, 2015
(amounts expressed in thousands)

	U.S. Department of Labor			
	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	690	690	5,563	4,873
Investment income	-	-	-	-
Sales/rents	-	-	-	-
Grants	134,842	134,842	139,797	4,955
Other	-	-	10	10
Total revenues	135,532	135,532	145,370	9,838
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	106	9,301	5,078	4,223
Health	-	-	-	-
Welfare	291	6,158	2,189	3,969
Conservation, culture and development	43,914	309,985	137,369	172,616
Education	-	525	-	525
Transportation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest, finance fees	-	-	-	-
Total expenditures	44,311	325,969	144,636	181,333
Excess of revenues over (under) expenditures	91,221	(190,437)	734	(191,171)
Other financing sources (uses):				
Total other financing sources (uses)	1,555	1,555	1,555	-
Net change in fund balances	$ 92,776	$ (188,882)	2,289	$ 191,171
Fund balances July 1, as restated			(7,554)	
Fund balances June 30			**$ (5,265)**	

U.S. Department of Transportation				U.S. Department of Education			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	3	3	1	(2)
-	-	-	-	-	-	-	-
-	-	564	564	-	-	-	-
1,010,992	1,010,992	1,216,084	205,092	744,625	744,625	707,199	(37,426)
1,093	1,093	866	(227)	-	-	13	13
1,012,085	1,012,085	1,217,514	205,429	744,628	744,628	707,213	(37,415)
1,018	4,521	760	3,761	-	920	607	313
4,879	43,213	18,333	24,880	427	2,901	1,628	1,273
174	710	282	428	-	-	-	-
-	13	-	13	5,296	245,367	83,653	161,714
2,853	4,264	1,915	2,349	8,210	58,200	30,573	27,627
-	-	-	-	27,628	845,479	639,403	206,076
1,138,721	3,474,305	1,426,042	2,048,263	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,147,645	3,527,026	1,447,332	2,079,694	41,561	1,152,867	755,864	397,003
(135,560)	(2,514,941)	(229,818)	(2,285,123)	703,067	(408,239)	(48,651)	(359,588)
279,914	279,914	279,914	-	35,347	35,347	35,347	-
$ 144,354	$ (2,235,027)	50,096	$ 2,285,123	$ 738,414	$ (372,892)	(13,304)	$ 359,588
		49,140				49,019	
		$ 99,236				**$ 35,715**	

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, 2015
(amounts expressed in thousands)

	U.S. Department of Health and Human Services			
	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	723	723	1,058	335
Investment income	-	-	-	-
Sales/rents	-	-	-	-
Grants	1,126,950	1,126,950	1,202,104	75,154
Other	-	-	9	9
Total revenues	1,127,673	1,127,673	1,203,171	75,498
Expenditures:				
Current:				
General government	1,683	29,840	17,070	12,770
Public safety	2,705	16,441	6,383	10,058
Health	46,044	263,330	128,437	134,893
Welfare	354,599	2,256,136	1,445,454	810,682
Conservation, culture and development	403	1,000	932	68
Education	-	4,671	4,236	435
Transportation	-	-	-	-
Debt service:				
Principal	-	-	14	(14)
Interest, finance fees	-	-	1	(1)
Total expenditures	405,434	2,571,418	1,602,527	968,891
Excess of revenues over (under) expenditures	722,239	(1,443,745)	(399,356)	(1,044,389)
Other financing sources (uses):				
Total other financing sources (uses)	322,934	322,934	322,934	-
Net change in fund balances	$ 1,045,173	$ (1,120,811)	(76,422)	$ 1,044,389
Fund balances July 1, as restated			(143,475)	
Fund balances June 30			**$ (219,897)**	

State of Indiana
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015
(amounts expressed in thousands)

	Other Non-Major Special Revenue Funds			
	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues:				
Taxes:				
Income	$ -	$ -	$ 216	$ 216
Sales	8,540	8,540	8,956	416
Fuels	156,003	156,003	158,330	2,327
Gaming	24,474	24,474	22,882	(1,592)
Unemployment	876	876	-	(876)
Alcohol and tobacco	36,145	36,145	35,533	(612)
Insurance	4,588	4,588	4,835	247
Financial institutions	-	-	-	-
Other	3,711	3,711	-	(3,711)
Total taxes	234,337	234,337	230,752	(3,585)
Current service charges	281,428	281,428	318,780	37,352
Investment income	395	395	489	94
Sales/rents	11,536	11,536	5,776	(5,760)
Grants	411,742	411,742	300,258	(111,484)
Other	826	826	8,107	7,281
Total revenues	940,264	940,264	864,162	(76,102)
Expenditures:				
Current:				
General government	92,020	575,863	126,881	448,982
Public safety	200,409	588,947	236,714	352,233
Health	11,764	13,294	8,311	4,983
Welfare	62,142	1,153,084	130,088	1,022,996
Conservation, culture and development	212,870	612,157	266,400	345,757
Education	4,588	358,444	286,070	72,374
Transportation	173,938	248,530	184,153	64,377
Debt service:				
Principal	-	-	-	-
Interest, finance fees	-	-	-	-
Total expenditures	757,731	3,550,319	1,238,617	2,311,702
Excess of revenues over (under) expenditui	182,533	(2,610,055)	(374,455)	(2,235,600)
Other financing sources (uses):				
Total other financing sources (uses)	395,195	395,195	395,195	-
Net change in fund balances	$ 577,728	$ (2,214,860)	20,740	$ 2,235,600
Fund balances July 1, as restated			821,267	
Fund balances June 30			**$ 842,007**	

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)	$ (134,057)
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)	(141,020)
Expenditures are recorded when the liability is incurred (GAAP) as opposed to when payment is made (budgetary)	(34,660)
Funds not subject to legally adopted budget	(1,336)
Net change in fund balances (GAAP basis)	**$ (311,073)**

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.

Wabash Memorial Bridge – This fund accounts for the operations of the Wabash River Toll Bridge. This bridge is a vital link for motorists traveling between White County, Illinois, and Posey County, Indiana.

State of Indiana
Combining Statement of Fund Net Position
Non-Major Enterprise Funds
June 30, 2015
(amounts expressed in thousands)

	Residual Malpractice Insurance Authority	Inns and Concessions	Wabash Memorial Bridge	Total
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	$ 66,080	$ 7,749	$ 392	**$ 74,221**
Receivables:				
Accounts	141	243	-	**384**
Interest	405	-	-	**405**
Inventory	-	628	-	**628**
Prepaid expenses	-	82	-	**82**
Other assets	151	-	-	**151**
Total current assets	66,777	8,702	392	**75,871**
Noncurrent assets:				
Capital assets:				
Capital assets being depreciated/amortized	-	575	-	**575**
less accumulated depreciation/amortization	-	(437)	-	**(437)**
Total capital assets, net of depreciation/amortization	-	138	-	**138**
Total noncurrent assets	-	138	-	**138**
Total assets	**66,777**	**8,840**	**392**	**76,009**
Liabilities				
Current liabilities:				
Accounts payable	-	661	-	**661**
Claims payable	3,199	-	-	**3,199**
Salaries and benefits payable	-	401	-	**401**
Accrued liability for compensated absences	-	193	-	**193**
Unearned revenue	661	3,531	-	**4,192**
Other liabilities	14	298	-	**312**
Total current liabilities	3,874	5,084	-	**8,958**
Noncurrent liabilities:				
Accrued liability for compensated absences	-	359	-	**359**
Claims payable	23,605	-	-	**23,605**
Total noncurrent liabilites	23,605	359	-	**23,964**
Total liabilities	**27,479**	**5,443**	**-**	**32,922**
Net position				
Net investment in capital assets	-	138	-	**138**
Unrestricted (deficit)	39,298	3,259	392	**42,949**
Total net position	**$ 39,298**	**$ 3,397**	**$ 392**	**$ 43,087**

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, 2015
(amounts expressed in thousands)

	Residual Malpractice Insurance Authority	Inns and Concessions	Wabash Memorial Bridge	Total
Operating revenues:				
Sales/rents/premiums	$ 1,512	$ 24,108	$ 40	**$ 25,660**
Other	-	341	-	**341**
Total operating revenues	1,512	24,449	40	**26,001**
Cost of sales	-	4,602	-	**4,602**
Gross margin	1,512	19,847	40	**21,399**
Operating expenses:				
General and administrative expense	564	15,887	157	**16,608**
Claims expense	1,096	-	-	**1,096**
Depreciation and amortization	-	30	-	**30**
Other	-	32	139	**171**
Total operating expenses	1,660	15,949	296	**17,905**
Operating income (loss)	(148)	3,898	(256)	**3,494**
Nonoperating revenues (expenses):				
Interest and other investment income	1,362	13	-	**1,375**
Gain (Loss) on disposition of assets	-	-	(417)	**(417)**
Total nonoperating revenues (expenses)	1,362	13	(417)	**958**
Income before contributions and transfers	1,214	3,911	(673)	**4,452**
Transfers in	-	-	3	**3**
Transfers (out)	-	(2,756)	-	**(2,756)**
Change in net position	1,214	1,155	(670)	**1,699**
Total net position, July 1, as restated	38,084	2,242	1,062	41,388
Total net position, June 30	**$ 39,298**	**$ 3,397**	**$ 392**	**$ 43,087**

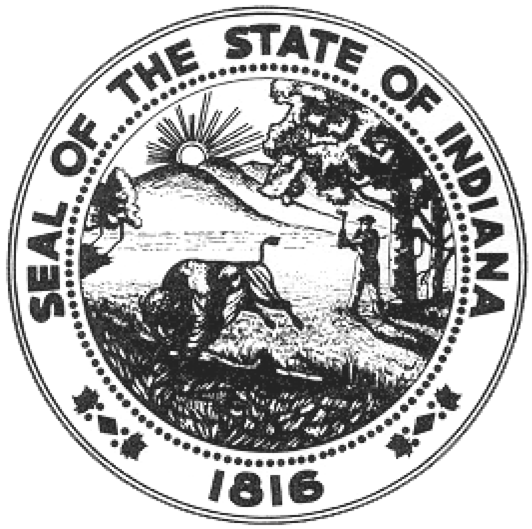
State of Indiana
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Fiscal Year Ended June 30, 2015

(amounts expressed in thousands)

	Residual Malpractice Insurance Authority	Inns and Concessions	Wabash Memorial Bridge	Total
Cash flows from operating activities:				
Cash received from customers	$ 1,288	$ 24,491	$ -	**$ 25,779**
Cash paid for general and administrative	(695)	(15,990)	(196)	**(16,881)**
Cash paid to suppliers	-	(4,654)	(247)	**(4,901)**
Cash paid for claims expense	(2,707)	-	-	**(2,707)**
Net cash provided (used) by operating activities	(2,114)	3,847	(443)	**1,290**
Cash flows from noncapital financing activities:				
Transfers in	-	-	3	**3**
Transfers out	-	(2,756)	-	**(2,756)**
Net cash provided (used) by noncapital financing activities	-	(2,756)	3	**(2,753)**
Cash flows from capital and related financing activities:				
Acquisition/construction of capital assets	-	(50)	-	**(50)**
Net cash provided (used) by capital and related financing activities	-	(50)	-	**(50)**
Cash flows from investing activities:				
Proceeds from sales of investments	7,000	-	-	**7,000**
Purchase of investments	(7,994)	-	-	**(7,994)**
Interest income (expense) on investments	1,850	13	-	**1,863**
Net cash provided (used) by investing activities	856	13	-	**869**
Net increase (decrease) in cash and cash equivalents	(1,258)	1,054	(440)	**(644)**
Cash and cash equivalents, July 1	4,847	6,360	832	**12,039**
Cash and cash equivalents, June 30	**$ 3,589**	**$ 7,414**	**$ 392**	**$ 11,395**
Reconciliation of cash , cash equivalents and investments:				
Cash and cash equivalents unrestricted at end of year	$ 3,589	$ 7,414	$ 392	**$ 11,395**
Investments unrestricted	62,491	335	-	**62,826**
Cash, cash equivalents and investments per balance sheet	**$ 66,080**	**$ 7,749**	**$ 392**	**$ 74,221**
Noncash investing, capital and financing activities:				
Increase (Decrease) in fair value of investments	$ (427)	$ -	$ -	**$ (427)**

State of Indiana
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Residual Malpractice Insurance Authority	Inns and Concessions	Wabash Memorial Bridge	Total
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	$ (148)	$ 3,898	$ (256)	**$ 3,494**
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	-	30	-	**30**
(Increase) decrease in receivables	(15)	65	139	**189**
(Increase) decrease in inventory	-	(52)	-	**(52)**
(Increase) decrease in prepaid expenses	-	(4)	-	**(4)**
Increase (decrease) in health and disability benefits payable	(1,611)	-	-	**(1,611)**
Increase (decrease) in unearned revenue	-	(31)	(39)	**(70)**
Increase (decrease) in salaries payable	(324)	(20)	-	**(344)**
Increase (decrease) in compensated absences	-	(32)	-	**(32)**
Increase (decrease) in interfund services used	-	(27)	-	**(27)**
Increase (decrease) in other payables	(16)	20	(287)	**(283)**
Net cash provided (used) by operating activities	**$ (2,114)**	**$ 3,847**	**$ (443)**	**$ 1,290**


SEAL OF THE STATE OF INDIANA
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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, 2015
(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	$ 1,594	$ 25,562	$ 19,993	$ 5,855	$ 53,207	$ 4,158	$ 995	$ 105	**$ 111,469**
Receivables:									
Accounts	4,051	929	2,029	1,602	21,126	322	-	-	**30,059**
Interfund services provided	931	8,977	-	-	-	-	-	-	**9,908**
Inventory	3,170	270	-	-	-	-	-	-	**3,440**
Total current assets	9,746	35,738	22,022	7,457	74,333	4,480	995	105	**154,876**
Noncurrent assets:									
Capital assets:	-	-	-	-	-	-	-	-	
Capital assets being depreciated/amortized	16,057	68,524	-	-	1,290	-	-	-	**85,871**
less accumulated depreciation/amortization	(11,837)	(51,750)	-	-	(49)	-	-	-	**(63,636)**
Total capital assets, net of depreciation/amortization	4,220	16,774	-	-	1,241	-	-	-	**22,235**
Total noncurrent assets	4,220	16,774	-	-	1,241	-	-	-	**22,235**
Total assets	**13,966**	**52,512**	**22,022**	**7,457**	**75,574**	**4,480**	**995**	**105**	**177,111**
Deferred Outflows of Resources									
Related to pensions	761	2,238	-	-	-	-	567	30	**3,596**
Total deferred outflows of resources	**761**	**2,238**	**-**	**-**	**-**	**-**	**567**	**30**	**3,596**
Liabilities									
Current liabilities:									
Accounts payable	2,847	3,957	2,442	4,805	36,601	374	49	-	**51,075**
Salaries and benefits payable	497	1,805	-	-	85	-	475	18	**2,880**
Accrued liability for compensated absences	439	1,919	-	-	31	-	291	13	**2,693**
Unearned revenue	2	-	-	-	-	-	-	-	**2**
Other liabilities	5	-	-	-	-	-	-	-	**5**
Total current liabilities	3,790	7,681	2,442	4,805	36,717	374	815	31	**56,655**
Noncurrent liabilities:									
Accrued liability for compensated absences	357	1,532	-	-	21	-	252	11	**2,173**
Net pension liability	3,330	9,793	-	-	-	-	2,481	131	**15,735**
Total noncurrent liabilities	3,687	11,325	-	-	21	-	2,733	142	**17,908**
Total liabilities	**7,477**	**19,006**	**2,442**	**4,805**	**36,738**	**374**	**3,548**	**173**	**74,563**
Deferred Inflows of Resources									
Related to pensions	662	1,948	-	-	-	-	493	26	**3,129**
Total deferred inflows of resources	**662**	**1,948**	**-**	**-**	**-**	**-**	**493**	**26**	**3,129**
Net position									
Net investment in capital assets	4,220	16,774	-	-	1,241	-	-	-	**22,235**
Unrestricted (deficit)	2,368	17,022	19,580	2,652	37,595	4,106	(2,479)	(64)	**80,780**
Total net position	**$ 6,588**	**$ 33,796**	**$ 19,580**	**$ 2,652**	**$ 38,836**	**$ 4,106**	**$ (2,479)**	**$ (64)**	**$ 103,015**

State of Indiana
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2015
(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	$ 36,466	$ 127,521	$ 32,828	$ 21,691	$ 336,681	$ 4,850	$ -	$ -	**$ 560,037**
Charges for services	-	37	-	-	-	-	8,955	411	**9,403**
Other	3	-	-	696	-	-	-	-	**699**
Total operating revenues	36,469	127,558	32,828	22,387	336,681	4,850	8,955	411	**570,139**
Cost of sales	20,278	1,765	-	-	-	-	-	-	**22,043**
Gross margin	16,191	125,793	32,828	22,387	336,681	4,850	8,955	411	**548,096**
Operating expenses:									
General and administrative expense	14,917	118,647	1,545	600	17,190	289	8,609	368	**162,165**
Health / disability benefit payments	-	-	19,383	19,470	307,384	3,237	-	-	**349,474**
Depreciation and amortization	387	7,634	-	-	45	-	-	-	**8,066**
Total operating expenses	15,304	126,281	20,928	20,070	324,619	3,526	8,609	368	**519,705**
Operating income (loss)	887	(488)	11,900	2,317	12,062	1,324	346	43	**28,391**
Nonoperating revenues (expenses):									
Gain (Loss) on disposition of assets	1	215	-	-	-	-	-	-	**216**
Contributions to other postemployment benefits	-	-	(7,463)	-	(5,047)	(778)	-	-	**(13,288)**
Total nonoperating revenues (expenses)	1	215	(7,463)	-	(5,047)	(778)	-	-	**(13,072)**
Income before contributions and transfers	888	(273)	4,437	2,317	7,015	546	346	43	**15,319**
Capital contributions	-	365	-	-	-	-	-	-	**365**
Transfers (out)	(3,781)	-	-	-	-	-	-	-	**(3,781)**
Change in net position	(2,893)	92	4,437	2,317	7,015	546	346	43	**11,903**
Total net position, July 1, as restated	9,481	33,704	15,143	335	31,821	3,560	(2,825)	(107)	**91,112**
Total net position, June 30	**$ 6,588**	**$ 33,796**	**$ 19,580**	**$ 2,652**	**$ 38,836**	**$ 4,106**	**$ (2,479)**	**$ (64)**	**$ 103,015**

State of Indiana
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2015
(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	$ 35,692	$ 126,617	$ 32,724	$ 22,276	$ 333,114	$ 4,831	$ 8,955	$ 411	**$ 564,620**
Cash paid for general and administrative	(14,997)	(118,743)	(1,545)	(600)	(17,373)	(300)	(8,673)	(375)	**(162,606)**
Cash paid for salary/health/disability benefit payments	-	-	(19,702)	(19,895)	(307,952)	(3,400)	-	-	**(350,949)**
Cash paid to suppliers	(18,279)	(1,805)	-	-	-	-	-	-	**(20,084)**
Net cash provided (used) by operating activities	2,416	6,069	11,477	1,781	7,789	1,131	282	36	**30,981**
Cash flows from noncapital financing activities:									
Transfers out	(3,781)	-	(850)	-	-	-	-	-	**(4,631)**
Contributions to other postemployment benefits	-	-	(6,613)	-	(5,047)	(778)	-	-	**(12,438)**
Net cash provided (used) by noncapital financing activities	(3,781)	-	(7,463)	-	(5,047)	(778)	-	-	**(17,069)**
Cash flows from capital and related financing activities:									
Acquisition/construction of capital assets	(174)	(11,364)	-	-	(10)	-	-	-	**(11,548)**
Proceeds from sale of assets	1	706	-	-	-	-	-	-	**707**
Net cash provided (used) by capital and related financing activities	(173)	(10,658)	-	-	(10)	-	-	-	**(10,841)**
Net increase (decrease) in cash and cash equivalents	(1,538)	(4,589)	4,014	1,781	2,732	353	282	36	**3,071**
Cash and cash equivalents, July 1	3,132	30,151	15,979	4,074	50,475	3,805	713	69	**108,398**
Cash and cash equivalents, June 30	**$ 1,594**	**$ 25,562**	**$ 19,993**	**$ 5,855**	**$ 53,207**	**$ 4,158**	**$ 995**	**$ 105**	**$ 111,469**
Reconciliation of cash , cash equivalents and investments:									
Cash and cash equivalents unrestricted at end of year	$ 1,594	$ 25,562	$ 19,993	$ 5,855	$ 53,207	$ 4,158	$ 995	$ 105	**$ 111,469**
Cash, cash equivalents and investments per balance sheet	**$ 1,594**	**$ 25,562**	**$ 19,993**	**$ 5,855**	**$ 53,207**	**$ 4,158**	**$ 995**	**$ 105**	**$ 111,469**

State of Indiana
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2015
(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
Reconciliation of operating income to net cash provided (used) by operating activities:									
Operating income (loss)	$ 887	$ (488)	$ 11,900	$ 2,317	$ 12,062	$ 1,324	$ 346	$ 43	**$ 28,391**
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:									
Depreciation/amortization expense	387	7,634	-	-	45	-	-	-	**8,066**
(Increase) decrease in receivables	(252)	188	(104)	(111)	(3,567)	(18)	-	-	**(3,864)**
(Increase) decrease in interfund services provided	(527)	(1,128)	-	-	-	-	-	-	**(1,655)**
(Increase) decrease in inventory	1,431	-	-	-	-	-	-	-	**1,431**
(Increase) decrease in deferred outflows	(761)	(2,238)	-	-	-	-	(567)	(30)	**(3,596)**
Increase (decrease) in health and disability benefits payable	-	-	(319)	(425)	(567)	(163)	-	-	**(1,474)**
Increase (decrease) in accounts payable	569	(34)	-	-	(208)	(12)	18	-	**333**
Increase (decrease) in unearned revenue	1	-	-	-	-	-	-	-	**1**
Increase (decrease) in salaries payable	44	184	-	-	16	-	30	(2)	**272**
Increase (decrease) in compensated absences	(42)	(42)	-	-	8	-	(49)	(2)	**(127)**
Increase (decrease) in net pension liabilties	16	45	-	-	-	-	11	1	**73**
Increase (decrease) in deferred inflows	662	1,948	-	-	-	-	493	26	**3,129**
Increase (decrease) in other payables	1	-	-	-	-	-	-	-	**1**
Net cash provided (used) by operating activities	**$ 2,416**	**$ 6,069**	**$ 11,477**	**$ 1,781**	**$ 7,789**	**$ 1,131**	**$ 282**	**$ 36**	**$ 30,981**

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 Employee Retiree Health Benefit Trust Fund-DB - This fund is used to account for assets held for the State's four defined benefit, single-employer OPEB plans: the State Personnel Plan (SPP) and Legislature Plan (LP) 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.

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.

FIDUCIARY FUNDS

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, 2015
(amounts expressed in thousands)

	Primary Government			Fiduciary in Nature Component Unit	
	State Police Pension Fund	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	$ 7,806	$ 27,399	$ 57,036	$ 7,276	**$ 99,517**
Securities lending collateral	-	-	-	1,234,987	**1,234,987**
Receivables:					
Contributions	257	793	3,096	13,832	**17,978**
Interest	442	27	27	83,602	**84,098**
Member loans	112	-	-	-	**112**
From investment sales	5,020	-	-	6,246,855	**6,251,875**
Other	-	-	-	3,805	**3,805**
Total receivables	5,831	820	3,123	6,348,094	**6,357,868**
Pension and other employee benefit investments at fair value:					
Short term investments	-	-	-	1,338,155	**1,338,155**
Equity Securities	205,971	-	-	7,295,458	**7,501,429**
Debt Securities	118,509	81,024	213,594	11,795,888	**12,209,015**
Other	111,615	-	-	9,627,125	**9,738,740**
Total investments at fair value	436,095	81,024	213,594	30,056,626	**30,787,339**
Other assets	-	-	-	503	**503**
Property, plant and equipment net of accumulated depreciation	-	-	-	7,026	**7,026**
Total assets	**449,732**	**109,243**	**273,753**	**37,654,512**	**38,487,240**
Liabilities					
Accounts/escrows payable	96	14	23	4,306	**4,439**
Salaries and benefits payable	-	-	-	2,680	**2,680**
Benefits payable	-	2,086	258	140,131	**142,475**
Investment purchases payable	-	-	-	6,190,745	**6,190,745**
Securities purchased payable	457	-	-	187,635	**188,092**
Securities lending collateral	-	-	-	1,234,987	**1,234,987**
Other	7	-	-	33,039	**33,046**
Total liabilities	**560**	**2,100**	**281**	**7,793,523**	**7,796,464**
Net Position					
Restricted for:					
Employees' pension benefits	449,172	-	-	29,847,380	**30,296,552**
OPEB benefits	-	107,143	273,472	-	**380,615**
Future death benefits	-	-	-	13,609	**13,609**
Total net position	**$ 449,172**	**$ 107,143**	**$ 273,472**	**$ 29,860,989**	**$ 30,690,776**

State of Indiana
Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Year Ended June 30, 2015

(amounts expressed in thousands)

	Primary Government			Fiduciary in Nature Component Unit	
	State Police Pension Fund	**State Employee Retiree Health Benefit Trust Fund - DB**	**State Employee Retiree Health Benefit Trust Fund - DC**	**Indiana Public Retirement System**	**Total**
Additions:					
Member contributions	$ 3,967	$ 10,592	$ -	$ 348,789	**$ 363,348**
Employer contributions	13,451	34,938	43,466	923,759	**1,015,614**
Contributions from the State of Indiana	-	-	-	846,122	**846,122**
Net investment income (loss)	386	158	588	299,198	**300,330**
Less investment expense	(1,381)	(1)	-	(194,198)	**(195,580)**
Federal reimbursements	-	533	-	-	**533**
Transfers from other retirement funds	-	-	-	17,591	**17,591**
Other	6	200	-	188	**394**
Total additions	16,429	46,420	44,054	2,241,449	**2,348,352**
Deductions:					
Pension and disability benefits	34,955	-	-	2,429,896	**2,464,851**
Retiree health benefits	-	27,847	18,325	-	**46,172**
Death benefits	-	-	-	1,010	**1,010**
Refunds of contributions and interest	-	-	-	88,659	**88,659**
Administrative	298	1,141	309	36,450	**38,198**
Capital projects	-	-	-	4,006	**4,006**
Transfers to other retirement funds	-	-	-	17,591	**17,591**
Other	2	-	-	-	**2**
Total deductions	35,255	28,988	18,634	2,577,612	**2,660,489**
Net increase (decrease) in net position	(18,826)	17,432	25,420	(336,163)	**(312,137)**
Net position restricted for pension and other employee benefits, July 1, as restated:					
Pension benefits	467,998	-	-	30,184,061	**30,652,059**
OPEB benefits	-	89,711	248,052	-	**337,763**
Future death benefits	-	-	-	13,091	**13,091**
Net position restricted for pension and other employee benefits, June 30, as restated	**$ 449,172**	**$ 107,143**	**$ 273,472**	**$ 29,860,989**	**$ 30,690,776**

State of Indiana
Combining Statement of Net Position
Private-Purpose Trust Funds
June 30, 2015
(amounts expressed in thousands)

	Abandoned Property Fund	Private Purpose Trust Fund	Total
ASSETS			
Cash, cash equivalents and non-pension investments	$ 18,226	$ 18,340	**$ 36,566**
Receivables:			
Interest	-	5	**5**
Total receivables	-	5	**5**
Total assets	**18,226**	**18,345**	**36,571**
LIABILITIES			
Accounts/escrows payable	188	972	**1,160**
Salaries and benefits payable	104	-	**104**
Total liabilities	**292**	**972**	**1,264**
NET POSITION			
Restricted for:			
Trust beneficiaries	17,934	17,373	**35,307**
Total net position	**$ 17,934**	**$ 17,373**	**$ 35,307**

State of Indiana
Combining Statement of Changes in Net Position
Private-Purpose Trust Funds
For the Year Ended June 30, 2015
(amounts expressed in thousands)

	Abandoned Property Fund	Private-Purpose Trust Fund	Total
Additions:			
Investment Income	5	52	**57**
Member Contributions	-	9,012	**9,012**
Donations/escheats	140,760	-	**140,760**
Total additions	140,765	9,064	**149,829**
Deductions:			
Payments to participants/beneficiaries	138,651	9,581	**148,232**
Total deductions	138,651	9,581	**148,232**
Net increase (decrease) in net position	2,114	(517)	**1,597**
Net position, July 1, as restated	15,820	17,890	33,710
Net position, June 30	**$ 17,934**	**$ 17,373**	**$ 35,307**

State of Indiana
Combining Statement of Net Position
Agency Funds
June 30, 2015
(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	$ 624	$ 384,749	$ 20,387	$ 239,688	$ 65,820	**$ 711,268**
Receivables:						
Taxes	-	177,304	-	-	9,882	**187,186**
Other	-	-	-	-	61	**61**
Total assets	**$ 624**	**$ 562,053**	**$ 20,387**	**$ 239,688**	**$ 75,763**	**$ 898,515**
Liabilities:						
Accounts/escrows payable	$ 624	$ 562,053	$ 20,387	$ 239,688	$ 75,763	**$ 898,515**
Total liabilities	**$ 624**	**$ 562,053**	**$ 20,387**	**$ 239,688**	**$ 75,763**	**$ 898,515**

State of Indiana
Combining Statement of Changes In Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2015

(amounts expressed in thousands)

	Balance, July 1	Additions	Deductions	Balance, June 30
Employee Payroll, Withholding and Benefits				
Assets:				
Cash, cash equivalents, and investments	$ 211	$ 2,238,794	$ 2,238,381	**$ 624**
Total assets	$ 211	$ 2,238,794	$ 2,238,381	**$ 624**
Liabilities:				
Accounts / escrows payable	$ 211	$ 2,238,794	$ 2,238,381	**$ 624**
Total liabilities	$ 211	$ 2,238,794	$ 2,238,381	**$ 624**
Local Distributions				
Assets:				
Cash, cash equivalents, and investments	$ 253,077	$ 2,074,688	$ 1,943,016	**$ 384,749**
Receivables	166,297	177,304	166,297	**177,304**
Total assets	$ 419,374	$ 2,251,992	$ 2,109,313	**$ 562,053**
Liabilities:				
Accounts / escrows payable	$ 419,374	$ 2,251,992	$ 2,109,313	**$ 562,053**
Total liabilities	$ 419,374	$ 2,251,992	$ 2,109,313	**$ 562,053**
Child Support				
Assets:				
Cash, cash equivalents, and investments	$ 19,687	$ 858,063	$ 857,363	**$ 20,387**
Total assets	$ 19,687	$ 858,063	$ 857,363	**$ 20,387**
Liabilities:				
Accounts / escrows payable	$ 19,687	$ 858,063	$ 857,363	**$ 20,387**
Total liabilities	$ 19,687	$ 858,063	$ 857,363	**$ 20,387**

continued on next page

State of Indiana
Combining Statement of Changes In Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2015

(amounts expressed in thousands)

	Balance, July 1	Additions	Deductions	Balance, June 30
Department of Insurance				
Assets:				
Cash, cash equivalents, and investments	$ 250,081	$ 7,802	$ 18,195	**$ 239,688**
Total assets	$ 250,081	$ 7,802	$ 18,195	**$ 239,688**
Liabilities:				
Accounts / escrows payable	$ 250,081	$ 7,802	$ 18,195	**$ 239,688**
Total liabilities	$ 250,081	$ 7,802	$ 18,195	**$ 239,688**
Other Agency Funds				
Assets:				
Cash, cash equivalents, and investments	$ 68,177	$ 929,647	$ 932,004	**$ 65,820**
Receivables	17,384	9,943	17,384	**9,943**
Total assets	$ 85,561	$ 939,590	$ 949,388	**$ 75,763**
Liabilities:				
Accounts / escrows payable	$ 85,561	$ 939,589	$ 949,387	**$ 75,763**
Total liabilities	$ 85,561	$ 939,589	$ 949,387	**$ 75,763**
Total Agency Funds				
Assets:				
Cash, cash equivalents, and investments	**$ 591,233**	**$ 6,108,994**	**$ 5,988,959**	**$ 711,268**
Receivables	**183,681**	**187,247**	**183,681**	**187,247**
Total assets	**$ 774,914**	**$ 6,296,241**	**$ 6,172,640**	**$ 898,515**
Liabilities:				
Accounts / escrows payable	**$ 774,914**	**$ 6,296,241**	**$ 6,172,640**	**$ 898,515**
Total liabilities	**$ 774,914**	**$ 6,296,241**	**$ 6,172,640**	**$ 898,515**

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.

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, 2015
(amounts expressed in thousands)

	Indiana Economic Development Corporation	Totals
Assets		
Current assets:		
Cash, cash equivalents and investments - unrestricted	$ 158,184	**$ 158,184**
Receivables (net)	1,046	**1,046**
Total current assets	159,230	**159,230**
Noncurrent assets:		
Loans	47,951	**47,951**
Capital assets:		
Capital assets being depreciated/amortized	465	**465**
less accumulated depreciation/amortization	(348)	**(348)**
Total capital assets, net of depreciation/amortization	117	**117**
Total noncurrent assets	48,068	**48,068**
Total assets	**207,298**	**207,298**
Deferred Outflows of Resources		
Related to pensions	973	**973**
Total deferred outflows of resources	**973**	**973**
Liabilities		
Current liabilities:		
Accounts payable	16,143	**16,143**
Unearned revenue	6,665	**6,665**
Other liabilities	375	**375**
Current portion of long-term liabilities	265	**265**
Total current liabilities	23,448	**23,448**
Noncurrent liabilities:		
Net pension and OPEB liabilities	2,422	**2,422**
Total noncurrent liabilities	2,422	**2,422**
Total liabilities	**25,870**	**25,870**
Deferred inflows of resources		
Related to pensions	482	**482**
Total deferred inflows of resources	**482**	**482**
NET POSITION		
Net investment in capital assets	117	**117**
Restricted - expendable:		
Other purposes	583	**583**
Unrestricted	181,219	**181,219**
Total net position	**$ 181,919**	**$ 181,919**

State of Indiana
Combining Statement of Activities
Non-Major Discretely Presented Component Units - Governmental Funds
For the Fiscal Year Ended June 30, 2015
(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	$ 54,925	$ 332	$ 21,289	$ -	$ (33,304)	**$ (33,304)**
Total component units	$ 54,925	$ 332	$ 21,289	$ -	(33,304)	**(33,304)**
General Revenues:						
Gaming tax					918	**918**
Investment earnings					504	**504**
Payments from State of Indiana					46,354	**46,354**
Total general revenues					47,776	**47,776**
Changes in net position					14,472	**14,472**
Net position - beginning					167,447	**167,447**
Net position - ending					**$ 181,919**	**$ 181,919**

State of Indiana
Combining Statement of Net Position
Non-Major Discretely Presented Component Units - Proprietary Funds
June 30, 2015
(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	$ -	$ -	$ 56,369	$ 260,770	$ 99,525
Cash, cash equivalents and investments - restricted	42,079	108,831	169,647	-	3,031
Receivables (net)	1,709	229,856	11,256	237	3,978
Due from primary government	-	-	-	5,000	-
Inventory	-	-	-	-	-
Prepaid expenses	-	-	-	2	234
Loans	-	-	7,763	-	10,793
Investment in direct financing lease	6,650	-	-	-	-
Other assets	-	-	1,947	-	-
Total current assets	50,438	338,687	246,982	266,009	117,561
Noncurrent assets:					
Cash, cash equivalents and investments - unrestricted	-	-	142,194	-	29,005
Cash, cash equivalents and investments - restricted	-	27,501	602,424	-	-
Receivables (net)	-	1,063,141	-	-	-
Due from primary government	-	-	-	35,000	-
Loans	-	-	48,418	-	130,688
Investment in direct financing lease	948,300	-	-	-	-
Other assets	-	-	-	-	-
Capital assets:					
Capital assets not being depreciated/amortized	-	-	-	-	-
Capital assets being depreciated/amortized	-	-	8,115	231	704
less accumulated depreciation/amortization	-	-	(5,234)	(212)	(460)
Total capital assets, net of depreciation/amortization	-	-	2,881	19	244
Total noncurrent assets	948,300	1,090,642	795,917	35,019	159,937
Total assets	**998,738**	**1,429,329**	**1,042,899**	**301,028**	**277,498**
Deferred Outflows of Resources					
Accumulated decrease in fair value of hedging derivatives	99,545	10,835	4,388	-	-
Debt refunding loss	-	12,959	4,709	-	-
Related to pensions	-	25	-	12	-
Total deferred outflows of resources	**99,545**	**23,819**	**9,097**	**12**	**-**
Liabilities					
Current liabilities:					
Accounts payable	12	1,394	5,164	13	1,207
Interest payable	10,114	17,808	5,672	-	19
Unearned revenue	-	-	60,094	-	-
Accrued liability for compensated absences	-	-	-	-	-
Other liabilities	-	33,582	-	-	-
Current portion of long-term liabilities	6,650	258,415	9,585	-	20,216
Total current liabilities	16,776	311,199	80,515	13	21,442
Noncurrent liabilities:					
Accrued liability for compensated absences	-	-	-	-	-
Net pension and OPEB liabilities	-	114	-	57	-
Unearned revenue	-	4	-	-	-
Revenue bonds/notes payable	975,300	1,118,285	548,430	-	118,298
Derivative instrument liability	99,545	10,835	4,388	-	-
Other noncurrent liabilities	835	-	486	-	-
Total noncurrent liabilities	1,075,680	1,129,238	553,304	57	118,298
Total liabilities	**1,092,456**	**1,440,437**	**633,819**	**70**	**139,740**
Deferred Inflows of Resources					
Related to pensions	-	37	-	14	-
Total deferred inflows of resources	**-**	**37**	**-**	**14**	**-**
Net Position					
Net investment in capital assets	-	-	2,881	19	244
Restricted - nonexpendable:					
Grants/constitutional restrictions	5,827	-	-	-	-
Permanent funds	-	-	-	-	-
Restricted - expendable:					
Grants/constitutional restrictions	-	-	120,791	-	-
Future debt service	-	-	91,458	-	3,031
Student aid	-	-	-	-	-
Endowments	-	-	-	-	-
Capital projects	-	-	-	-	-
Other purposes	-	-	-	-	-
Unrestricted	-	12,674	203,047	300,937	134,483
Total net position	**$ 5,827**	**$ 12,674**	**$ 418,177**	**$ 300,956**	**$ 137,758**

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	Totals
$ 3,494	$ 11,605	$ 5,656	$ 12,921	$ 9,548	$ 1,761	$ 461,649
787	-	4,039	-	-	7,355	335,769
105	427	917	1,470	8	1,563	251,526
-	-	-	-	-	-	5,000
11	-	-	-	-	169	180
100	266	75	-	-	399	1,076
-	-	-	-	-	-	18,556
-	-	-	-	-	-	6,650
-	-	-	-	-	-	1,947
4,497	12,298	10,687	14,391	9,556	11,247	1,082,353
125	14,000	1,035	-	-	-	186,359
-	-	-	-	-	1,285	631,210
-	-	-	-	-	519	1,063,660
-	-	-	-	-	-	35,000
-	-	-	-	-	-	179,106
-	-	-	-	-	-	948,300
-	-	-	-	-	141	141
79,824	28,796	2,699	-	-	-	111,319
40,598	135,790	156,603	-	-	1,123	343,164
(17,592)	(66,256)	(67,359)	-	-	(700)	(157,813)
102,830	98,330	91,943	-	-	423	296,670
102,955	112,330	92,978	-	-	2,368	3,340,446
107,452	**124,628**	**103,665**	**14,391**	**9,556**	**13,615**	**4,422,799**
-	-	-	-	-	-	114,768
-	-	160	-	-	-	17,828
43	-	-	-	-	918	998
43	**-**	**160**	**-**	**-**	**918**	**133,594**
247	1,241	1,268	103	15	1,688	12,352
-	-	-	-	-	-	33,613
-	-	152	-	-	195	60,441
-	-	114	-	-	-	114
-	443	7	119	-	102	34,253
14	-	1,213	-	-	-	296,093
261	1,684	2,754	222	15	1,985	436,866
-	-	103	-	-	-	103
165	-	-	-	-	3,005	3,341
-	-	-	-	-	-	4
-	-	-	-	-	-	2,760,313
-	-	-	-	-	-	114,768
21	-	58,482	-	-	15	59,839
186	-	58,585	-	-	3,020	2,938,368
447	**1,684**	**61,339**	**222**	**15**	**5,005**	**3,375,234**
33	-	-	-	-	597	681
33	**-**	**-**	**-**	**-**	**597**	**681**
102,830	98,002	32,408	-	-	423	236,807
-	-	-	-	-	-	5,827
-	-	-	-	-	782	782
57	-	434	-	-	1,553	122,835
-	-	3,593	-	-	-	98,082
19	-	-	-	-	-	19
-	-	-	-	-	472	472
711	-	-	-	-	5,474	6,185
-	-	12	-	-	598	610
3,398	24,942	6,039	14,169	9,541	(371)	708,859
$ 107,015	**$ 122,944**	**$ 42,486**	**$ 14,169**	**$ 9,541**	**$ 8,931**	**$ 1,180,478**

State of Indiana
Combining Statement of Activities
Non-Major Discretely Presented Component Units - Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(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	$ 74,909	$ 53,636	$ 4,100	$ -	$ (17,173)	$ -	$ -	$ -
Indiana Bond Bank	59,238	711	59,111	-	-	584	-	-
Indiana Housing and Community Development Authority	403,432	30,828	372,211	-	-	-	(393)	-
Indiana Board for Depositories	319	-	806	-	-	-	-	487
Indiana Secondary Market for Education Loans Inc.	5,678	-	2,218	-	-	-	-	-
White River State Park Development Commission	4,199	2,548	2	-	-	-	-	-
Ports of Indiana	8,660	13,583	-	99	-	-	-	-
Indiana State Fair Commission	32,852	17,691	622	231	-	-	-	-
Indiana Comprehensive Health Insurance Association	7,917	15,494	556	-	-	-	-	-
Indiana Political Subdivision Risk Management Commission	113	136	-	-	-	-	-	-
Indiana State Museum and Historic Sites Corporation	15,825	2,294	8,005	-	-	-	-	-
Total component units	$ 613,142	$ 136,921	$ 447,631	$ 330	(17,173)	584	(393)	487
General revenues:								
Investment earnings					29	198	34,000	-
Payments from State of Indiana					-	-	-	-
Other					-	-	65	-
Total general revenues					29	198	34,065	-
Change in net position					(17,144)	782	33,672	487
Net position - beginning					22,971	11,892	384,505	300,469
Net position - ending					**$ 5,827**	**$ 12,674**	**$ 418,177**	**$ 300,956**

State of Indiana
Combining Statement of Activities
Non-Major Discretely Presented Component Units - Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(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	Total
Indiana Stadium and Convention Building Authority	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ (17,173)**
Indiana Bond Bank	-	-	-	-	-	-	-	**584**
Indiana Housing and Community Development Authority	-	-	-	-	-	-	-	**(393)**
Indiana Board for Depositories	-	-	-	-	-	-	-	**487**
Indiana Secondary Market for Education Loans Inc.	(3,460)	-	-	-	-	-	-	**(3,460)**
White River State Park Development Commission	-	(1,649)	-	-	-	-	-	**(1,649)**
Ports of Indiana	-	-	5,022	-	-	-	-	**5,022**
Indiana State Fair Commission	-	-	-	(14,308)	-	-	-	**(14,308)**
Indiana Comprehensive Health Insurance Association	-	-	-	-	8,133	-	-	**8,133**
Indiana Political Subdivision Risk Management Commission	-	-	-	-	-	23	-	**23**
Indiana State Museum and Historic Sites Corporation	-	-	-	-	-	-	(5,526)	**(5,526)**
Total component units	(3,460)	(1,649)	5,022	(14,308)	8,133	23	(5,526)	**(28,260)**
General revenues:								
Investment earnings	2,392	4	105	11	-	28	33	**36,800**
Payments from State of Indiana	-	754	-	7,649	-	-	9,772	**18,175**
Other	484	-	323	-	-	-	-	**872**
Total general revenues	2,876	758	428	7,660	-	28	9,805	**55,847**
Change in net position	(584)	(891)	5,450	(6,648)	8,133	51	4,279	**27,587**
Net position - beginning	138,342	107,906	117,494	49,134	6,036	9,490	4,652	**1,152,891**
Net position - ending	**$ 137,758**	**$ 107,015**	**$ 122,944**	**$ 42,486**	**$ 14,169**	**$ 9,541**	**$ 8,931**	**$ 1,180,478**

State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units - Colleges and Universities
June 30, 2015
(amounts expressed in thousands)

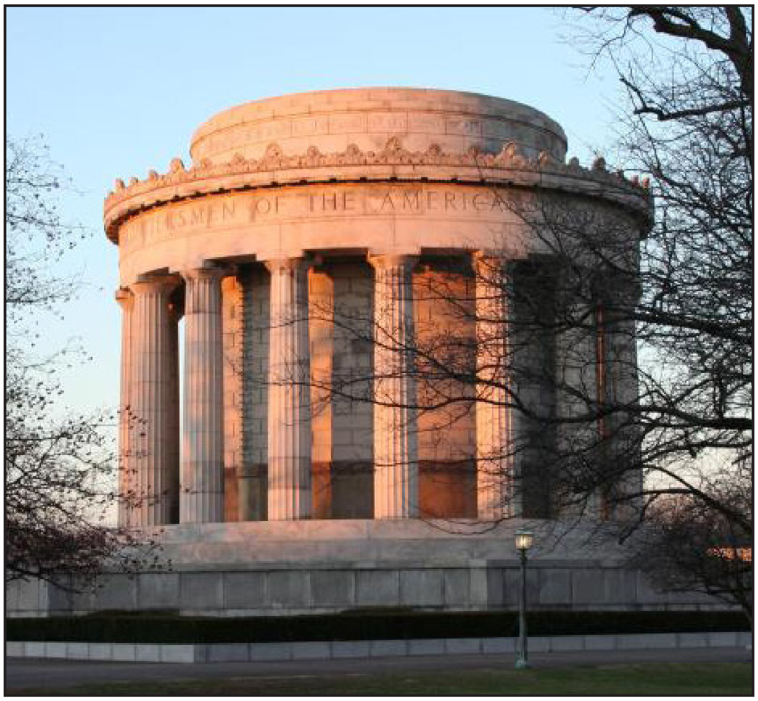
	Ball State University	Indiana State University	Ivy Tech Community College	University of Southern Indiana	Vincennes University	Totals
Assets						
Current assets:						
Cash, cash equivalents and investments - unrestricted	$ 113,218	$ 36,261	$ 161,155	$ 37,354	$ 39,363	**$ 387,351**
Cash, cash equivalents and investments - restricted	11,950	5,532	16,495	2,920	8,510	**45,407**
Receivables (net)	36,237	20,220	75,811	12,072	9,389	**153,729**
Due from primary government	2,493	1,364	4,091	3,476	1,005	**12,429**
Inventory	1,254	19	15	1,773	2,151	**5,212**
Prepaid expenses	2,055	1,910	179	18	364	**4,526**
Investment in direct financing lease	-	-	701	-	-	**701**
Other assets	16,162	-	10,552	709	313	**27,736**
Total current assets	183,369	65,306	268,999	58,322	61,095	**637,091**
Noncurrent assets:						
Cash, cash equivalents and investments - unrestricted	143,445	112,140	211,664	63,040	97,365	**627,654**
Cash, cash equivalents and investments - restricted	216,328	62,525	27,397	101,326	83,041	**490,617**
Receivables (net)	8,126	8,114	10,169	6,783	598	**33,790**
Investment in direct financing lease	-	-	5,589	-	-	**5,589**
Net pension and OPEB assets	9,799	18,065	-	-	15,081	**42,945**
Other assets	4,508	3,415	2,116	5,213	222	**15,474**
Capital assets:						
Capital assets not being depreciated/amortized	27,897	73,854	116,477	9,678	28,473	**256,379**
Capital assets being depreciated/amortized	997,323	648,546	872,668	339,250	312,816	**3,170,603**
less accumulated depreciation/amortization	(372,030)	(276,846)	(306,477)	(167,692)	(128,065)	**(1,251,110)**
Total capital assets, net of depreciation/amortization	653,190	445,554	682,668	181,236	213,224	**2,175,872**
Total noncurrent assets	1,035,396	649,813	939,603	357,598	409,531	**3,391,941**
Total assets	**1,218,765**	**715,119**	**1,208,602**	**415,920**	**470,626**	**4,029,032**
Deferred Outflows of Resources						
Accumulated decrease in fair value of hedging derivatives	-	-	-	1,736	215	**1,951**
Debt refunding loss	-	512	434	-	-	**946**
Related to pensions	7,590	2,135	2,857	1,326	84	**13,992**
Total deferred outflows of resources	**7,590**	**2,647**	**3,291**	**3,062**	**299**	**16,889**
Liabilities						
Current liabilities:						
Accounts payable	26,006	11,721	31,098	8,199	11,561	**88,585**
Interest payable	-	1,200	-	1,467	341	**3,008**
Unearned revenue	506	5,425	16,495	1,482	3,243	**27,151**
Accrued liability for compensated absences	-	3,565	9,294	466	1,137	**14,462**
Other liabilities	7,356	6,303	6,135	3,171	5,706	**28,671**
Current portion of long-term liabilities	11,605	10,839	24,359	11,691	4,859	**63,353**
Total current liabilities	45,473	39,053	87,381	26,476	26,847	**225,230**
Noncurrent liabilities:						
Accrued liability for compensated absences	7,210	533	5,770	2,483	-	**15,996**
Net pension and OPEB liabilities	26,419	9,494	38,256	18,948	25	**93,142**
Funds held in trust for others	-	-	-	-	46,108	**46,108**
Advances from federal government	-	7,513	-	-	1,116	**8,629**
Revenue bonds/notes payable	204,260	137,894	371,625	100,606	55,992	**870,377**
Derivative instrument liability	-	-	-	1,736	215	**1,951**
Other noncurrent liabilities	11,062	31,704	656	19	-	**43,441**
Total noncurrent liabilities	248,951	187,138	416,307	123,792	103,456	**1,079,644**
Total liabilities	**294,424**	**226,191**	**503,688**	**150,268**	**130,303**	**1,304,874**
Deferred Inflows of Resources						
Service concession arrangement receipts	-	1,456	-	-	-	**1,456**
Related to pensions	6,759	1,898	3,899	1,150	127	**13,833**
Total deferred inflows of resources	**6,759**	**3,354**	**3,899**	**1,150**	**127**	**15,289**
Net Position						
Net investment in capital assets	452,275	278,169	261,339	65,511	152,099	**1,209,393**
Restricted - nonexpendable:						
Permanent funds	-	39,350	-	-	-	**39,350**
Instruction and research	24,101	-	1,300	7,689	-	**33,090**
Student aid	40,367	689	26,315	27,250	18,530	**113,151**
Other purposes	8,526	2,724	3,344	7,315	5,080	**26,989**
Restricted - expendable:						
Grants/constitutional restrictions	3,776	5,240	12,605	-	2,605	**24,226**
Future debt service	2,362	-	-	119	-	**2,481**
Instruction and research	63,549	3,840	102	14,202	-	**81,693**
Student aid	50,341	2,164	4,425	29,805	8,327	**95,062**
Endowments	-	10,254	2,822	-	-	**13,076**
Capital projects	10,707	5,417	72,920	7,181	3,565	**99,790**
Other purposes	26,813	1,436	2,350	10,238	3,317	**44,154**
Unrestricted	242,355	138,938	316,784	98,254	146,972	**943,303**
Total net position	**$ 925,172**	**$ 488,221**	**$ 704,306**	**$ 267,564**	**$ 340,495**	**$ 2,725,758**

State of Indiana
Combining Statement of Activities
Non-Major Discretely Presented Component Units - Colleges and Universities
For the Year Ended June 30, 2015
(amounts expressed in thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets					
	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**	**Total**
Ball State University	$ 481,141	$ 251,485	$ 13,933	$ 14,791	$ (200,932)	$ -	$ -	$ -	$ -	**$ (200,932)**
Indiana State University	243,086	120,840	14,906	12,012	-	(95,328)	-	-	-	**(95,328)**
Ivy Tech Community College	581,356	148,574	32,873	18,892	-	-	(381,017)	-	-	**(381,017)**
University of Southern Indiana	149,043	74,110	29,907	698	-	-	-	(44,328)	-	**(44,328)**
Vincennes University	131,361	48,174	18,427	5,705	-	-	-	-	(59,055)	**(59,055)**
Total component units	$ 1,585,987	$ 643,183	$ 110,046	$ 52,098	(200,932)	(95,328)	(381,017)	(44,328)	(59,055)	**(780,660)**
General revenues:										
Investment earnings					9,501	1,013	4,079	4,779	3,224	**22,596**
Payments from State of Indiana					143,352	77,157	237,788	54,948	46,395	**559,640**
Other					67,030	43,064	207,995	2,904	30,308	**351,301**
Total general revenues					219,883	121,234	449,862	62,631	79,927	**933,537**
Change in net position					18,951	25,906	68,845	18,303	20,872	**152,877**
Net position - beginning					906,221	462,315	635,461	249,261	319,623	**2,572,881**
Net position - ending					**$ 925,172**	**$ 488,221**	**$ 704,306**	**$ 267,564**	**$ 340,495**	**$ 2,725,758**

Statistical Section

Comprehensive Annual Financial Report



Photos courtesy of the National Park Service.

The George Rogers Clark Memorial in Vincennes, Ind. honors the victory achieved at Fort Sackville on Feb. 25, 1779. On that day at 10 a.m., the British surrendered to American Colonel George Rogers Clark. The fort's capture assured United States claims to the frontier, an area nearly as large as the original 13 states.

Upon entering the memorial rotunda, one sees the Hermon MacNeil statue of the soldier and patriot, standing in military uniform. The bronze statue of a youthful Clark stands seven and a half feet tall. Clark was only 25 years old when he led his frontiersmen into the Illinois Country. The inscription at the base of the Clark statue reads, "If a country is not worth protecting it is not worth claiming."

On the walls of the memorial rotunda, seven murals depict the Clark expedition story. The murals, which are oil on canvas, stand 28 feet tall and 16 feet long and took artist Ezra Winter and six assistants two years to complete them.

Kentucky:
Entering the Great Valley

Cahokia:
Peace or War with Indians

The Wabash:
Through Wilderness & Flood

Vincennes:
The British Barrier to the West

Fort Sackville:
Britain Yields Possession

Marietta:
The Northwest, a New Territory

St. Louis:
The Way Opened to the Pacific

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.

REVENUE CAPACITY

These schedules contain information to assist users in understanding and assessing the factors affecting the State's ability to generate its own-source revenues.

DEBT CAPACITY

This schedule is to assist users in understanding and assessing the State's debt burden and its ability to issue debt.

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules are intended to assist users in understanding the socioeconomic environment within with the State operates and to provide information that facilitates comparisons of financial statement information.

OPERATING INFORMATION

These schedules provide contextual information about the State's operations and resources to assist readers in using financial statement information to understand and assess the State's economic condition.

State of Indiana
Net Position by Component
(accrual basis of accounting, dollars in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	$ 8,764,090	$ 8,693,300	$ 9,381,292	$ 10,315,310	$ 10,722,683	$ 11,344,650	$ 12,175,413	$ 13,303,374	$ 13,501,419	$ 14,315,933
Restricted	1,040,953	1,077,585	719,791	1,323,587	1,461,966	573,115	883,877	961,101	1,000,298	998,591
Unrestricted	6,534,414	7,101,915	7,513,441	6,534,641	5,728,165	6,979,715	6,158,902	5,475,103	(4,327,353)	(4,030,216)
Total governmental activities net position	$ 16,339,457	$ 16,872,800	$ 17,614,524	$ 18,173,538	$ 17,912,814	$ 18,897,480	$ 19,218,192	$ 19,739,578	$ 10,174,364	$ 11,284,308
Business-type activities										
Net investment in capital assets	$ 11,164	$ 11,106	$ 13,673	$ 122	$ 88	$ 84	$ 685	$ 664	$ 535	$ 138
Restricted	448,929	342,192	301,054	-	-	-	-	-	-	-
Unrestricted	(1,336)	183	10,569	(785,205)	(1,610,178)	(1,690,540)	(1,551,507)	(1,213,658)	(801,568)	(23,485)
Total business-type activities net position	$ 458,757	$ 353,481	$ 325,296	$ (785,083)	$ (1,610,090)	$ (1,690,456)	$ (1,550,822)	$ (1,212,994)	$ (801,033)	$ (23,347)
Primary government										
Net investment in capital assets	$ 8,775,254	$ 8,704,406	$ 9,394,965	$ 10,315,432	$ 10,722,771	$ 11,344,734	$ 12,176,098	$ 13,304,038	$ 13,501,954	$ 14,316,071
Restricted	1,489,882	1,419,777	1,020,845	1,323,587	1,461,966	573,115	883,877	961,101	1,000,298	998,591
Unrestricted	6,533,078	7,102,098	7,524,010	5,749,436	4,117,987	5,289,175	4,607,395	4,261,445	(5,128,921)	(4,053,701)
Total primary government net position	$ 16,798,214	$ 17,226,281	$ 17,939,820	$ 17,388,455	$ 16,302,724	$ 17,207,024	$ 17,667,370	$ 18,526,584	$ 9,373,331	$ 11,260,961

State of Indiana
Changes in Net Position
(accrual basis of accounting, dollars in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	$ 2,969,671	$ 4,764,681	$ 5,163,869	$ 4,166,273	$ 1,659,190	$ 2,261,226	$ 2,642,907	$ 1,473,954	$ 1,585,751	$ 1,446,056
Public safety	1,181,061	1,250,115	1,381,648	1,467,650	1,496,660	1,357,672	1,330,270	1,525,459	1,393,036	1,389,886
Health	333,740	343,586	387,354	369,434	394,570	344,115	305,202	409,096	347,353	440,874
Welfare	7,261,688	7,974,068	9,201,141	8,939,383	9,785,881	9,805,753	11,157,839	12,557,829	11,755,713	13,161,648
Conservation, culture, and development	546,489	534,993	581,548	673,972	590,275	529,963	589,351	536,561	515,844	526,119
Education	6,971,170	7,012,838	7,367,214	8,926,507	10,308,922	10,367,047	10,277,460	10,136,572	9,379,911	10,534,648
Transportation	1,726,735	1,770,703	1,297,521	1,267,572	1,907,655	1,748,590	1,533,603	1,809,690	2,158,639	1,852,587
Unallocated interest expense	787	758	724	732	592	796	662	216	-	48,995
Total governmental activities expenses	20,991,341	23,651,742	25,381,019	25,811,523	26,143,745	26,415,162	27,837,294	28,449,377	27,136,247	29,400,813
Business-type activities:										
Unemployment compensation fund	692,907	758,673	845,956	2,341,269	3,223,194	3,217,559	1,893,947	1,160,585	674,844	403,533
Other	31,981	32,945	24,480	39,922	24,044	23,167	22,604	24,694	23,351	22,924
Total business-type activities expenses	724,888	791,618	870,436	2,381,191	3,247,238	3,240,726	1,916,551	1,185,279	698,195	426,457
Total primary government expenses	$ 21,716,229	$ 24,443,360	$ 26,251,455	$ 28,192,714	$ 29,390,983	$ 29,655,888	$ 29,753,845	$ 29,634,656	$ 27,834,442	$ 29,827,270
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 464,728	$ 490,980	$ 837,677	$ 684,486	$ 586,805	$ 636,558	$ 700,218	$ 376,407	$ 528,424	$ 529,676
Public safety	516,316	484,667	461,330	413,815	483,421	446,055	467,599	473,665	480,497	490,255
Health	12,702	11,155	15,030	7,362	8,076	8,129	8,407	204,529	101,354	139,909
Welfare	157,221	100,540	180,314	45,226	23,344	179,991	861,089	919,557	1,080,291	818,330
Conservation, culture, and development	114,004	123,264	145,246	162,403	159,542	149,781	155,953	153,828	148,077	161,771
Education	3,045	3,724	3,987	4,518	8,489	4,202	4,381	7,950	3,383	2,851
Transportation	18,542	39,174	38,142	36,088	46,231	46,900	54,977	91,990	77,861	77,558
Operating grants and contributions	7,653,298	8,572,608	9,372,760	10,494,940	11,223,452	10,939,012	11,065,618	10,335,986	9,908,931	10,870,044
Capital grants and contributions	11,754	11,260	26,882	21,397	9	-	-	1,270,834	1,180,142	1,261,230
Total governmental activities program revenues	8,951,610	9,837,372	11,081,368	11,870,235	12,539,369	12,410,628	13,318,242	13,834,746	13,508,960	14,351,624
Business-type activities:										
Charges for services:										
Unemployment compensation fund	663,084	629,716	653,778	1,223,731	2,393,810	1,628,446	983,708	830,527	950,328	1,175,303
Other	32,846	30,628	28,590	28,185	27,280	26,103	26,961	26,463	26,338	26,001
Operating grants and contributions	-	-	134,559	10,523	-	1,496,679	1,043,864	668,790	134,998	4,217
Capital grants and contributions	-	-	-	-	-	-	-	87	165	-
Total business-type activities program revenues	695,930	660,344	816,927	1,262,439	2,421,090	3,151,228	2,054,533	1,525,867	1,111,829	1,205,521
Total primary government program revenues	$ 9,647,540	$ 10,497,716	$ 11,898,295	$ 13,132,674	$ 14,960,459	$ 15,561,856	$ 15,372,775	$ 15,360,613	$ 14,620,789	$ 15,557,145
Net (Expense)/Revenue										
Governmental activities	$ (12,039,731)	$ (13,814,370)	$ (14,299,651)	$ (13,941,288)	$ (13,604,376)	$ (14,004,534)	$ (14,519,052)	$ (14,614,631)	$ (13,627,287)	$ (15,049,189)
Business-type activities	(28,958)	(131,274)	(53,509)	(1,118,752)	(826,148)	(89,498)	137,982	340,588	413,634	779,064
Total primary government net expenses	$ (12,068,689)	$ (13,945,644)	$ (14,353,160)	$ (15,060,040)	$ (14,430,524)	$ (14,094,032)	$ (14,381,070)	$ (14,274,043)	$ (13,213,653)	$ (14,270,125)

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	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Income taxes	$ 5,396,926	$ 5,638,203	$ 5,833,169	$ 5,135,398	$ 4,495,576	$ 5,781,340	$ 5,424,347	$ 5,371,040	$ 5,811,823	$ 6,259,262
Sales taxes	5,352,132	5,491,750	5,869,177	6,146,378	5,937,225	6,365,077	6,520,664	6,845,294	6,995,678	7,266,581
Fuel taxes	879,313	707,354	677,084	763,994	799,356	754,839	762,563	791,659	763,833	793,966
Gaming taxes	806,271	851,853	826,358	880,491	911,633	904,353	867,055	788,636	681,383	642,910
Unemployment taxes	-	-	-	-	807	320	102	80	914	-
Inheritance taxes	139,365	154,817	166,094	183,214	127,673	160,917	169,769	160,820	53,701	-
Alcohol & Tobacco taxes	373,921	398,601	536,948	540,201	458,420	464,699	479,621	503,879	445,381	445,765
Insurance taxes	181,501	197,064	203,110	187,329	179,024	189,948	206,733	211,987	224,711	223,039
Financial institution taxes	79,018	59,003	37,419	26,264	55,611	84,743	71,467	121,369	72,976	120,900
Other taxes	346,816	519,747	580,144	506,699	265,900	222,603	228,919	251,579	325,265	329,780
Investment earnings	153,834	260,805	239,372	91,331	33,566	22,460	16,345	27,990	19,769	22,084
Other	55,848	69,522	76,199	41,116	76,289	35,283	90,078	58,915	58,912	52,093
Special item: Proceeds from lease of Toll Road	3,618,528	-	-	-	-	-	-	-	-	-
Transfers within primary government	(818)	(1,006)	(3,699)	(2,113)	2,572	2,618	2,101	2,769	2,724	2,753
Total governmental activities	17,382,655	14,347,713	15,041,375	14,500,302	13,343,652	14,989,200	14,839,764	15,136,017	15,457,070	16,159,133
Business-type activities:										
Investment earnings	26,617	24,992	21,625	6,260	3,713	1,750	3,753	9	1,051	1,375
Other	-	-	-	-	-	10,000	-	-	-	-
Transfers within primary government	818	1,006	3,699	2,113	(2,572)	(2,618)	(2,101)	(2,769)	(2,724)	(2,753)
Total business-type activities	27,435	25,998	25,324	8,373	1,141	9,132	1,652	(2,760)	(1,673)	(1,378)
Total primary government	17,410,090	14,373,711	15,066,699	14,508,675	13,344,793	14,998,332	14,841,416	15,133,257	15,455,397	16,157,755
Changes in Net Position										
Governmental activities	5,342,924	533,343	741,724	559,014	(260,724)	984,666	320,712	521,386	1,829,783	1,109,944
Business-type activities	(1,523)	(105,276)	(28,185)	(1,110,379)	(825,007)	(80,366)	139,634	337,828	411,961	777,686
Total primary government	$ 5,341,401	$ 428,067	$ 713,539	$ (551,365)	$ (1,085,731)	$ 904,300	$ 460,346	$ 859,214	$ 2,241,744	$ 1,887,630

State of Indiana
Fund Balances, Governmental Funds,
(modified accrual basis of accounting, dollars in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund (Pre-GASB 54)										
Reserved	$ 396,736	$ 409,227	$ 616,861	$ 73,682	$ 304,233	$ -	$ -	$ -	$ -	$ -
Unreserved	1,436,814	1,937,955	2,183,461	1,488,457	2,213,432	-	-	-	-	-
Total general fund	$ 1,833,550	$ 2,347,182	$ 2,800,322	$ 1,562,139	$ 2,517,665	$ -	$ -	$ -	$ -	$ -
General Fund (Per GASB 54)										
Prepaid expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 60,955	$ 99,022	$ 98,712
Total Nonspendable	-	-	-	-	-	-	-	60,955	99,022	98,712
Restricted										
Administration	-	-	-	-	-	71,990	363,212	378,559	379,568	380,348
Total Restricted	-	-	-	-	-	71,990	363,212	378,559	379,568	380,348
Committed										
Administration	-	-	-	-	-	-	20,859	-	-	-
Economic development	-	-	-	-	-	-	-	6,030	5,628	5,339
Roads & bridges	-	-	-	-	-	-	-	-	20	-
Total Committed	-	-	-	-	-	-	20,859	6,030	5,648	5,339
Assigned										
Administration	-	-	-	-	-	65,156	41,550	72,575	65,421	102,189
Corrections	-	-	-	-	-	6,717	11,680	46,195	12,724	9,150
Police & protection	-	-	-	-	-	1,679	2,920	11,277	11,891	14,622
Public health	-	-	-	-	-	-	-	22	22	22
Child services	-	-	-	-	-	77,285	73,302	205,713	522,388	638,815
Disability & aging	-	-	-	-	-	-	-	3	4	4
Economic development	-	-	-	-	-	26,044	9,733	862	1,073	623
Environmental	-	-	-	-	-	16,528	6,177	552	427	364
Natural resources	-	-	-	-	-	7,513	2,808	249	147	149
Secondary education	-	-	-	-	-	9,572	6,346	5,311	158,564	304,236
Roads & bridges	-	-	-	-	-	2,925	1,068	81	63	33
Capital outlay	-	-	-	-	-	84,855	54,112	31,929	143,235	175,810
Other purposes	-	-	-	-	-	1,515	966	44,705	158,060	207,258
Encumbrances	-	-	-	-	-	303,018	441,412	759,540	737,249	931,194
Total Assigned	-	-	-	-	-	602,807	652,074	1,179,014	1,811,268	2,384,469
Unassigned	-	-	-	-	-	2,358,283	2,354,999	1,712,795	1,325,910	1,017,013
Total general fund	$ -	$ -	$ -	$ -	$ -	$ 3,033,080	$ 3,391,144	$ 3,337,353	$ 3,621,416	$ 3,885,881

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State of Indiana
Fund Balances, Governmental Funds,
(modified accrual basis of accounting, dollars in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
All other Governmental Funds (Pre-GASB 54)										
Reserved	$ 2,019,809	$ 2,286,840	$ 2,283,874	$ 3,584,616	$ 2,269,450	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	3,473,447	3,160,707	2,807,884	2,514,631	2,184,021	-	-	-	-	-
Capital project funds	91,149	90,207	78,953	83,961	89,829	-	-	-	-	-
Permanent funds	590,233	607,815	628,534	661,509	740,778	-	-	-	-	-
Total all other governmental funds	$ 6,174,638	$ 6,145,569	$ 5,799,245	$ 6,844,717	$ 5,284,078	$ -	$ -	$ -	$ -	$ -
All other Governmental Funds (Per GASB 54)										
Nonspendable										
Permanent fund principal	$ -	$ -	$ -	$ -	$ -	$ 501,125	$ 520,665	$ 520,665	$ 521,028	$ 519,036
Prepaid expense	-	-	-	-	-	-	-	922	680	496
Total Nonspendable	-	-	-	-	-	501,125	520,665	521,587	521,708	519,532
Committed										
Administration	-	-	-	-	-	-	580,245	6,734	8,581	7,682
Public health	-	-	-	-	-	3	306,793	316,290	353,881	284,504
Economic development	-	-	-	-	-	-	103	11,270	10,313	9,911
Environmental	-	-	-	-	-	-		561	646	537
Natural resources	-	-	-	-	-	-		468	144	1,195
Higher education	-	-	-	-	-	4		4	3	4
Secondary education	-	-	-	-	-	553,686	72	564,681	569,555	572,710
Roads & bridges	-	-	-	-	-	16,180	171,733	166,166	175,343	194,812
Other purposes	-	-	-	-	-	-		14,818	14,972	14,277
Total Committed	-	-	-	-	-	569,873	1,058,946	1,080,992	1,133,438	1,085,632
Assigned										
Administration	-	-	-	-	-	423,553	263,210	155,532	136,070	131,920
Corrections	-	-	-	-	-	14,976	26,945	10,676	11,872	13,430
Police & protection	-	-	-	-	-	284,551	511,947	190,802	256,484	229,991
Mental health	-	-	-	-	-	62,709	52,335	62,061	68,576	51,328
Public health	-	-	-	-	-	689,801	575,680	692,340	669,393	734,040
Child services	-	-	-	-	-	134,377	112,146	133,753	160,895	183,925
Disability & aging	-	-	-	-	-	8,958	7,476	9,445	9,223	8,455
Economic development	-	-	-	-	-	43,734	53,942	43,135	47,554	51,685
Environmental	-	-	-	-	-	94,757	116,874	88,426	113,320	113,272
Natural resources	-	-	-	-	-	104,476	128,861	105,746	127,959	137,390
Higher education	-	-	-	-	-	27,812	19,745	23,582	42,080	35,764
Secondary education	-	-	-	-	-	35,396	25,129	29,698	9,626	20,612
Roads & bridges	-	-	-	-	-	2,071,404	1,490,793	1,141,414	1,118,884	1,094,302
Capital outlay	-	-	-	-	-	138,978	86,366	66,192	76,883	63,059
Other purposes	-	-	-	-	-	99,270	61,690	52,351	57,454	72,366
Total Assigned	-	-	-	-	-	4,234,753	3,533,138	2,805,153	2,906,273	2,941,539
Unassigned	-	-	-	-	-	(248,233)	(258,550)	(176,649)	(180,202)	(327,955)
Total all other governmental funds	$ -	$ -	$ -	$ -	$ -	$ 5,057,518	$ 4,854,199	$ 4,231,083	$ 4,381,217	$ 4,218,748

State of Indiana
Changes in Fund Balances, Governmental Funds,
(modified accrual basis of accounting, dollars in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Income taxes	$ 5,509,068	$ 5,597,801	$ 5,841,470	$ 5,174,275	$ 4,434,924	$ 5,501,154	$ 5,773,137	$ 5,441,631	$ 5,891,093	$ 6,246,897
Sales taxes	5,320,398	5,466,299	5,853,582	6,155,721	5,978,919	6,308,356	6,654,008	6,822,875	7,046,734	7,269,291
Fuels taxes	872,144	707,576	671,164	772,613	796,624	747,545	780,653	785,744	777,448	795,023
Gaming taxes	806,235	851,886	826,340	880,504	911,548	904,354	867,073	788,545	681,501	642,902
Unemployment taxes	-	-	-	-	807	320	102	80	914	-
Inheritance taxes	139,341	154,820	166,095	183,216	127,674	160,912	169,792	160,820	53,701	-
Alcohol and tobacco taxes	373,934	398,031	537,433	540,100	458,109	463,608	477,507	477,448	447,795	439,451
Insurance taxes	181,502	197,063	203,110	187,329	179,024	189,948	206,734	211,987	224,712	223,040
Financial institutions taxes	88,803	60,465	38,777	16,025	56,726	56,726	92,763	120,571	92,862	125,754
Other taxes	342,615	519,126	579,987	515,711	272,861	221,264	238,459	251,551	325,299	329,380
Current service charges	1,330,427	1,248,641	1,714,922	1,501,504	1,325,594	1,472,570	2,212,027	2,268,429	2,424,542	2,219,401
Investment income	186,496	535,109	442,567	197,569	449,357	170,768	86,750	56,005	44,743	47,436
Sales/rent	25,358	26,190	23,194	20,369	18,123	19,264	28,523	21,412	21,771	22,181
Grants	7,222,934	7,793,657	8,087,169	9,459,340	10,469,843	10,783,807	10,827,180	11,260,430	11,342,554	11,850,748
Other	430,745	557,551	1,165,009	748,771	359,975	95,156	160,771	147,936	136,346	135,805
Total revenues	22,830,000	24,114,215	26,150,819	26,353,047	25,840,108	27,095,752	28,575,479	28,815,464	29,512,015	30,347,309
Expenditures										
General government	2,850,872	4,788,813	5,117,722	4,188,547	1,685,082	2,206,773	2,597,513	1,884,770	1,505,475	1,488,382
Public safety	1,191,219	1,225,740	1,387,396	1,499,499	1,398,199	1,348,998	1,343,299	1,615,975	1,410,723	1,383,479
Health	333,530	338,558	389,299	372,181	384,249	345,552	308,994	407,354	352,624	439,529
Welfare	7,262,231	7,948,305	9,159,386	8,777,637	9,708,584	9,911,129	11,072,382	12,187,764	12,332,600	12,978,655
Conservation, culture and development	540,955	529,097	591,696	661,585	615,349	587,669	538,297	556,795	514,655	518,478
Education	6,951,080	7,073,057	7,400,925	8,957,503	10,311,411	10,115,073	10,189,027	10,276,564	10,542,087	10,688,255
Transportation	1,738,414	1,790,017	2,031,850	2,100,952	2,363,333	2,297,316	2,444,590	2,564,367	2,436,606	2,625,744
Capital outlay	-	-	-	-	-	-	-	14,006	16,999	26,252
Debt service										
Capital lease principal	-	-	-	-	-	-	-	-	-	58,703
Capital lease interest	-	-	-	-	-	-	-	-	-	48,995
Total expenditures	20,868,301	23,693,587	26,078,274	26,557,904	26,466,207	26,812,510	28,494,102	29,507,595	29,111,769	30,256,472
Revenues over (under) expenditures	1,961,699	420,628	72,545	(204,857)	(626,099)	283,242	81,377	(692,131)	400,246	90,837
Other Financing Sources (Uses)										
Transfers in	8,536,557	9,185,086	9,446,639	10,576,393	10,025,593	6,597,579	7,280,645	6,326,178	6,066,309	6,251,444
Transfers (out)	(8,532,044)	(9,184,865)	(9,439,088)	(10,569,905)	(10,019,079)	(6,594,961)	(7,239,094)	(6,329,465)	(6,061,530)	(6,244,910)
Proceeds from capital leases	66,481	63,714	26,720	5,658	14,472	2,995	31,817	18,511	10,645	4,625
Total other financing sources (uses)	70,994	63,935	34,271	12,146	20,986	5,613	73,368	15,224	15,424	11,159
Net Change in Fund Balances	$ 5,651,220	$ 484,563	$ 106,816	$ (192,711)	$ (605,113)	$ 288,855	$ 154,745	$ (676,907)	$ 415,670	$ 101,996
Debt Service as a Percentage of Noncapital Expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.36%

State of Indiana
Taxable Sales by Industry*
Last Ten Fiscal Years
(in thousands of dollars)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Agricultural/forestry, fishing, and other	$ 291,694	$ 324,245	$ 235,055	$ 225,839	$ 205,990	$ 206,345	$ 209,155	$ 210,898	$ 223,833	$ 207,399
Construction	1,076,577	1,131,015	1,168,399	960,574	762,534	807,325	909,468	931,710	1,073,227	1,026,761
Finance, insurance, and real estate	2,043,626	2,175,208	2,311,690	2,294,446	2,048,946	2,008,745	2,063,760	2,097,173	2,201,102	2,227,178
Government	1,426,432	1,351,351	1,110,363	1,315,814	1,190,203	1,316,765	1,348,213	1,350,057	1,501,099	1,413,645
Manufacturing	4,441,291	4,590,416	4,814,699	4,295,553	3,527,001	4,161,846	4,424,704	4,630,837	4,704,613	4,570,078
Mining	142,348	151,651	145,277	142,418	129,428	161,388	174,821	141,842	144,251	151,406
Retail trade	45,258,095	46,903,594	48,916,874	46,997,792	47,506,825	49,581,813	51,177,195	51,687,501	52,630,202	49,063,747
Services	18,012,288	19,752,300	20,635,076	21,001,171	20,505,201	21,300,173	22,369,250	22,754,918	23,309,240	22,483,428
Transportation and public utilities	7,660,193	7,695,466	8,360,833	9,745,040	8,676,411	9,520,439	9,173,951	9,718,705	10,580,070	9,870,563
Wholesale trade	2,889,742	3,041,607	3,306,162	3,085,464	2,811,552	3,057,703	3,343,976	3,387,230	3,530,392	3,368,471
Unknown**	6,669,433	6,459,350	6,427,711	6,191,727	5,581,131	5,962,386	6,336,782	6,633,044	7,099,239	6,986,547
Total	$ 89,911,719	$ 93,576,203	$ 97,432,139	$ 96,255,838	$ 92,945,222	$ 98,084,928	$ 101,531,275	$ 103,543,915	$ 106,997,268	$ 101,369,223
Direct sales tax rate	6%	6%	6 - 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.

State of Indiana
Sales Tax Revenue Payers by Industry*
Fiscal Years 2009 and 2015
(in thousands of dollars)

	Fiscal Year Ended June 30, 2009				Fiscal Year Ended June 30, 2015			
	Number of Filers	% of Total	Tax Liability	% of Total	Number of Filers	% of Total	Tax Liability	% of Total
Agricultural/forestry, fishing, and other	3,764	2.06%	$ 13,550.35	0.23%	3,761	2.21%	$ 12,443.91	0.20%
Construction	5,082	2.78%	57,634.46	1.00%	4,327	2.54%	61,605.65	1.01%
Finance, insurance, and real estate	4,793	2.62%	137,666.73	2.38%	4,124	2.42%	133,630.68	2.20%
Government	505	0.28%	78,948.85	1.37%	472	0.28%	84,818.73	1.39%
Manufacturing	17,337	9.47%	257,733.19	4.46%	16,525	9.69%	274,204.67	4.51%
Mining	388	0.21%	8,545.10	0.15%	362	0.21%	9,084.37	0.15%
Retail trade	59,202	32.33%	2,819,867.52	48.83%	54,989	32.24%	2,943,824.81	48.40%
Services	59,245	32.35%	1,260,070.24	21.82%	56,474	33.11%	1,349,005.65	22.18%
Transportation and public utilities	4,802	2.62%	584,702.37	10.12%	4,253	2.49%	592,233.75	9.74%
Wholesale trade	5,121	2.80%	185,127.83	3.21%	5,023	2.95%	202,108.27	3.32%
Unknown**	22,895	12.50%	371,503.61	6.43%	20,246	11.87%	419,192.81	6.89%
Total	183,134	100.00%	$ 5,775,350.25	100.00%	170,556	100.00%	$ 6,082,153.30	100.00%

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 2008 and 2014
(in millions of dollars)

	Fiscal YE 2008				Fiscal YE 2014			
Income Level	Number of Filers	% of Total	Tax Liability	% of Total	Number of Filers	Percentage of Total	Tax Liability	% of Total
$50,000 and under	2,161,462	67.92%	$ 1,521.19	24.98%	2,177,483	67.88%	$ 1,749.07	25.86%
$50,001 - $100,000	698,705	21.95%	1,902.34	31.24%	675,591	21.06%	1,983.70	29.33%
$100,001 - $250,000	268,249	8.43%	1,432.23	23.52%	310,802	9.69%	1,847.39	27.31%
$250,001 - $1,000,000	43,469	1.37%	631.25	10.37%	40,478	1.26%	753.28	11.14%
$1,000,001 and over	10,653	0.33%	602.74	9.90%	3,711	0.12%	430.73	6.37%
Total	3,182,538	100.00%	$ 6,089.76	100.00%	3,208,065	100.00%	$ 6,764.17	100.00%

Source: Indiana Department of Revenue

State of Indiana
Personal Income by Industry
Last Ten Fiscal Years
(in millions of dollars)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Farm earnings	$ 1,332	$ 1,136	$ 1,507	$ 2,259	$ 1,494	$ 1,581	$ 2,698	$ 2,320	$ 5,258	$ 3,689
Agriculture, forestry, fishing, and hunting	413	505	511	492	430	506	372	428	439	513
Mining	626	662	597	716	567	688	975	1,097	973	1,041
Construction and utilities	11,547	12,152	12,247	12,092	10,670	10,976	11,735	12,803	12,625	12,851
Manufacturing	36,397	37,580	37,538	36,628	31,006	32,537	34,920	37,074	37,548	39,896
Wholesale trade	7,485	7,920	8,326	8,458	7,674	7,831	8,219	8,632	8,861	9,367
Retail trade	10,345	10,740	10,674	10,259	9,905	10,111	10,409	10,789	11,051	11,498
Transportation and warehousing	6,438	6,863	7,005	6,861	6,434	6,585	7,023	7,432	7,577	7,916
Information	2,385	2,411	2,546	2,559	2,511	2,379	2,362	2,580	2,616	2,736
Finance and insurance	6,892	7,217	7,301	7,312	6,932	7,129	7,360	7,759	7,835	8,350
Real estate and rental and leasing	2,211	2,131	1,843	1,944	1,847	1,913	2,113	2,406	2,920	3,075
Services	23,883	25,615	26,589	27,610	26,495	27,338	29,063	30,749	31,459	33,166
Management of companies and enterprises	2,315	2,518	2,656	2,657	2,542	2,519	2,807	2,959	3,257	3,437
Health care and social assistance	15,900	16,993	17,759	19,023	19,534	20,368	20,826	21,808	22,375	23,030
Arts, entertainment, and recreation	1,728	1,781	1,786	1,792	1,689	1,741	1,728	1,819	1,918	1,945
Government and government enterprises	20,858	21,207	22,060	23,068	23,629	23,883	24,161	24,018	23,647	23,988
Total personal income	$ 150,755	$ 157,431	$ 160,945	$ 163,730	$ 153,359	$ 158,085	$ 166,771	$ 174,673	$ 180,359	$ 186,498

Note: The Services industry includes professional, scientific, and technical services, administrative and waste management services, educational services, accommodation and food services, and other services, except public administration.

Source: U.S. Department of Commerce - Bureau of Economic Analysis, SA5N - Personal income by major component and earnings by NAICS industry

State of Indiana
Personal Income Tax Rates
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Personal Income Tax Revenues (in millions)	$ 4,213	$ 4,382	$ 4,580	$ 4,826	$ 4,305	$ 3,864	$ 4,584	$ 4,765	$ 4,889	$ 5,233
Personal Income (in millions)	196,346	208,245	216,066	225,168	216,953	223,204	236,923	248,346	251,599	261,092
Average Effective Rate[1]	2.1%	2.1%	2.1%	2.1%	2.0%	1.7%	1.9%	1.9%	1.9%	2.0%

	Tax Rates on the Portion of Taxable Income in Ranges[2]						
Tax Years 2005-06							
Tax Rate	1.2%	2.7%	3.0%	3.1%	3.2%	3.2%	3.2%
Income Bracket (in thousands)	$0-20	$21-40	$41-60	$61-80	$81-100	$101-120	$121+
Tax Years 2007-10							
Tax Rate	1.2%	2.7%	3.0%	3.1%	3.2%	3.2%	3.2%
Income Bracket (in thousands)	$0-20	$21-40	$41-60	$61-80	$81-100	$101-120	$121+
Tax Years 2011-14							
Tax Rate	1.1%	2.6%	2.9%	3.1%	3.1%	3.2%	3.2%
Income Bracket (in thousands)	$0-20	$21-40	$41-60	$61-80	$81-100	$101-120	$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

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Capital leases	$ 1,307,072	$ 1,333,099	$ 1,321,593	$ 1,286,107	$ 1,269,809	$ 1,225,312	$ 1,209,977	$ 1,156,910	$ 1,112,599	$ 1,057,910
Total Governmental Activities	1,307,072	1,333,099	1,321,593	1,286,107	1,269,809	1,225,312	1,209,977	1,156,910	1,112,599	1,057,910
Total Primary Government	$ 1,307,072	$ 1,333,099	$ 1,321,593	$ 1,286,107	$ 1,269,809	$ 1,225,312	$ 1,209,977	$ 1,156,910	$ 1,112,599	$ 1,057,910
Debt as a Percentage of Personal Income	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.4%	0.4%
Amount of Debt per Capita (in whole dollars)	$ 206	$ 209	$ 206	$ 199	$ 196	$ 188	$ 185	$ 176	$ 169	$ 159

Note:
(a) Starting In 2005, business-type activities had no revenue bonds/notes payable because of the reclassification of some funds from blended component units tc discretely presented component units. Also starting in 2005, governmental activities had no revenue bonds/notes payable because of the reclassification of some funds from internal service funds to discretely presented component units.

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.

Source: Here Is Your Indiana Government, 2015-2016, Indiana Chamber of Commerce.

State of Indiana
County Facts

County Name	2014 Total Population	Area Sq. Miles	2014 County Road Miles	2014 Municipal Street Miles	2014 County Bridges
ADAMS	34,387	345	680.77	95.33	160
ALLEN	355,200	671	1,298.58	1,248.31	387
BARTHOLOMEW	76,418	402	682.29	279.63	204
BENTON	9,221	409	661.77	56.29	118
BLACKFORD	12,621	167	322.02	60.18	59
BOONE	56,665	427	725.65	248.22	189
BROWN	15,242	319	383.16	10.80	84
CARROLL	20,155	347	756.91	42.66	114
CASS	38,836	415	867.33	121.42	124
CLARK	110,232	384	471.80	371.41	139
CLAY	26,890	364	663.64	81.91	157
CLINTON	33,224	407	776.44	86.07	160
CRAWFORD	11,086	312	442.35	34.97	79
DAVIESS	31,648	430	793.52	105.79	126
DEARBORN	50,047	306	499.40	81.73	102
DECATUR	26,156	370	636.35	93.51	187
DEKALB	42,318	366	712.33	144.42	102
DELAWARE	117,874	396	793.02	451.16	193
DUBOIS	41,889	433	649.67	184.69	164
ELKHART	198,045	468	1,140.07	454.36	170
FAYETTE	24,201	215	377.07	64.76	86
FLOYD	74,578	149	348.75	180.75	92
FOUNTAIN	17,240	397	653.74	74.50	143
FRANKLIN	21,448	394	622.83	25.66	118
FULTON	20,836	368	778.11	54.50	57
GIBSON	33,522	498	950.70	136.61	252
GRANT	69,791	421	798.85	280.63	190
GREENE	33,165	549	871.52	103.90	159
HAMILTON	274,569	401	580.26	1,311.55	301
HANCOCK	67,627	305	658.25	180.44	157
HARRISON	38,991	479	825.67	35.91	77
HENDRICKS	145,423	417	752.41	442.46	237
HENRY	49,265	400	779.26	146.98	141
HOWARD	82,752	293	585.06	333.21	133
HUNTINGTON	37,572	369	673.31	124.12	114
JACKSON	42,376	520	733.21	130.19	186
JASPER	33,478	562	927.13	84.03	126
JAY	21,398	386	734.08	82.20	163
JEFFERSON	32,428	366	529.79	80.27	101
JENNINGS	28,525	377	663.71	41.34	128
JOHNSON	140,126	315	601.87	409.53	158
KNOX	38,440	516	870.30	173.88	211
KOSCIUSKO	76,872	540	1,171.71	200.51	108
LAGRANGE	37,657	381	776.90	36.27	57
LAKE	496,005	513	529.24	1,957.46	179
LAPORTE	111,467	607	1,029.09	355.71	119
LAWRENCE	46,134	459	658.47	132.10	128
MADISON	131,643	453	894.02	511.96	212
MARION	905,965	392	1,932.11	1,614.42	527
MARSHALL	47,051	443	911.90	123.53	114
MARTIN	10,334	345	370.70	31.29	44
MIAMI	37,175	377	785.20	87.29	127
MONROE	137,974	386	706.74	265.39	149
MONTGOMERY	38,124	507	829.33	94.90	172
MORGAN	68,894	406	686.12	124.24	143
NEWTON	14,244	413	659.62	41.54	123
NOBLE	47,007	412	809.64	110.62	64
OHIO	6,128	87	136.06	10.60	31
ORANGE	19,840	405	597.05	64.92	106
OWEN	21,575	390	623.84	24.05	111
PARKE	17,339	445	732.91	45.36	176
PERRY	19,338	384	485.77	62.59	99
PIKE	12,845	335	544.01	30.24	110
PORTER	164,343	425	789.32	512.32	126
POSEY	25,910	412	708.17	66.04	149
PULASKI	13,402	433	876.73	32.24	74
PUTNAM	37,963	490	751.19	89.02	222
RANDOLPH	25,967	457	856.64	83.35	219
RIPLEY	30,457	442	711.63	74.85	135
RUSH	17,468	409	748.21	38.65	194
SAINT JOSEPH	266,931	396	1,142.45	707.98	103
SCOTT	24,181	466	308.91	54.67	73
SHELBY	43,924	193	831.74	100.03	189
SPENCER	20,952	409	738.72	66.76	164
STARKE	23,363	310	672.61	56.90	59
STEUBEN	34,090	309	612.37	96.60	49
SULLIVAN	21,475	457	857.02	88.64	179
SWITZERLAND	10,613	221	354.77	11.18	37
TIPPECANOE	172,413	500	853.26	418.34	203
TIPTON	15,930	261	556.18	45.45	81
UNION	7,516	168	264.55	14.69	42
VANDERBURGH	179,703	241	579.30	532.90	156
VERMILLION	16,212	263	395.02	81.26	77
VIGO	107,848	415	836.08	366.50	187
WABASH	32,888	398	731.15	114.93	154
WARREN	8,508	368	546.76	23.92	95
WARRICK	59,689	391	751.50	91.92	114
WASHINGTON	28,262	561	764.36	65.13	134
WAYNE	68,917	405	687.18	255.39	234
WELLS	27,315	368	711.14	80.80	131
WHITE	24,643	497	906.52	77.86	166
WHITLEY	33,292	337	623.70	63.46	89
Total	6,483,691	36,117	65,310.56	18,987.04	13,082

Source: Association of Indiana Counties 2014 County Fact Book, Indiana Department of Transportation, United States Department of Commerce - Bureau of Census

State of Indiana
Demographic and Economic Statistics
Last Ten Calendar Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Population										
State (in thousands)	6,279	6,333	6,380	6,425	6,459	6,490	6,517	6,538	6,571	6,597
Percentage change	0.7%	0.9%	0.7%	0.7%	0.5%	0.5%	0.4%	0.3%	0.5%	0.4%
National (in thousands)	295,517	298,380	301,231	304,094	306,772	309,347	311,722	314,112	316,498	318,857
Percentage change	0.9%	1.0%	1.0%	1.0%	0.9%	0.8%	0.8%	0.8%	0.8%	0.7%
Total Personal Income										
State (in millions)	$ 196,346	$ 208,245	$ 216,066	$ 225,168	$ 216,953	$ 223,204	$ 236,923	$ 248,346	$ 251,599	$ 261,092
Percentage change	2.6%	6.1%	3.8%	4.2%	-3.6%	2.9%	6.1%	4.8%	1.3%	3.8%
National (in millions)	$ 10,610,320	$ 11,381,350	$ 11,995,419	$ 12,492,705	$ 12,079,444	$ 12,459,613	$ 13,233,436	$ 13,904,485	$ 14,064,468	$ 14,683,147
Percentage change	5.6%	7.3%	5.4%	4.1%	-3.3%	3.1%	6.2%	5.1%	1.2%	4.4%
Per Capita Personal Income										
State	$ 31,272	$ 32,884	$ 33,868	$ 35,047	$ 33,588	$ 34,390	$ 36,357	$ 37,987	$ 38,291	$ 39,578
Percentage change	1.9%	5.2%	3.0%	3.5%	-4.2%	2.4%	5.7%	4.5%	0.8%	3.4%
National	$ 35,904	$ 38,144	$ 39,821	$ 41,082	$ 39,376	$ 40,277	$ 42,453	$ 44,266	$ 44,438	$ 46,049
Percentage change	4.6%	6.2%	4.4%	3.2%	-4.2%	2.3%	5.4%	4.3%	0.4%	3.6%
Resident Civilian Labor Force and Employment										
Civilian labor force (in thousands)	3,205	3,235	3,208	3,232	3,194	3,175	3,182	3,170	3,192	3,231
Employed (in thousands)	3,030	3,072	3,061	3,042	2,865	2,845	2,892	2,906	2,947	3,036
Unemployed (in thousands)	175	163	147	190	329	330	290	264	245	195
Unemployment rate	5.5%	5.0%	4.6%	5.9%	10.3%	10.4%	9.1%	8.3%	7.7%	6.0%
State and Area Employment										
Goods-producing industries										
Mining and logging	6,900	7,000	6,800	6,700	6,500	6,600	6,900	6,800	7,200	7,200
Construction	149,700	153,100	149,800	134,700	114,700	116,900	125,000	124,700	121,900	122,900
Manufacturing	571,100	556,700	544,800	488,300	439,400	453,900	470,400	486,600	498,300	514,600
Subtotal goods-producing industries	727,700	716,800	701,400	629,700	560,600	577,400	602,300	618,100	627,400	644,700
Service-producing industries										
Transportation and utilities	131,300	133,100	133,900	130,200	123,500	127,200	130,600	134,100	136,700	141,400
Information	40,400	39,700	39,900	39,200	36,600	34,900	35,400	35,700	35,700	35,300
Financial activities	139,200	138,900	137,700	133,800	129,600	131,700	130,400	128,800	128,200	130,900
Wholesale trade	122,500	123,900	125,900	121,700	112,900	112,700	115,600	116,100	117,100	118,100
Retail trade	331,300	329,600	327,100	314,800	303,600	305,900	310,300	313,300	319,200	322,000
Professional and business services	277,800	284,000	291,000	275,000	266,500	282,500	291,800	300,600	319,900	328,200
Education and health services	382,500	390,100	402,000	414,500	417,600	420,400	426,700	436,500	437,400	441,500
Leisure and hospitality	278,600	284,700	283,300	283,000	272,500	275,200	280,300	288,000	292,300	295,000
Other services	116,400	116,900	117,700	117,500	114,100	115,500	116,700	119,800	124,600	125,800
State government	112,500	113,600	113,200	114,000	114,700	112,700	115,800	113,700	119,900	119,000
Federal government	36,500	36,800	37,300	37,800	39,200	38,800	37,900	37,600	36,300	36,700
Local government	276,200	280,200	282,700	285,000	283,400	275,100	278,300	273,000	272,400	273,500
Subtotal service-producing industries	2,245,200	2,271,500	2,291,700	2,266,500	2,214,200	2,232,600	2,269,800	2,297,200	2,339,700	2,367,400
Total Nonfarm Wage and Salary Employment	2,972,900	2,988,300	2,993,100	2,896,200	2,774,800	2,810,000	2,872,100	2,915,300	2,967,100	3,012,100

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 2013 revenue)

Ranking	Company	2013 Revenue in Millions	City
1	WellPoint Inc.	$ 71,000	Indianapolis
2	Eli Lilly and Co.	23,100	Indianapolis
3	Cummins Inc.	17,300	Columbus
4	Steel Dynamics Inc.	7,400	Fort Wayne
5	NiSource Inc.	5,700	Merrillville
6	Calumet Specialty Products Partners LP	5,400	Indianapolis
7	Simon Property Group Inc.	5,200	Indianapolis
8	Berry Plastics Corp.	4,600	Evansville
8	Zimmer Holdings Inc.	4,600	Warsaw
10	CNO Financial Group Inc.	4,500	Carmel
11	Thor Industries	3,200	Elkhart
12	Vectren Corp.	2,500	Evansville
13	HHGregg Inc.	2,300	Indianapolis
13	Springleaf Holdings Inc.	2,300	Evansville
15	Kar Auction Services Inc.	2,200	Carmel
16	Allison Transmission Inc.	1,900	Indianapolis
17	Hill-Rom Holdings Inc.	1,700	Batesville
17	The Finish Line Inc.	1,700	Indianapolis
19	Wabash National Corp.	1,600	Lafayette
19	Hillenbrand Inc.	1,600	Batesville
21	Republic Airways Holdings Inc.	1,300	Indianapolis

SOURCE: Indianapolis Business Journal, 2015 Book of Lists.

State of Indiana
Twenty Largest Indiana Private Companies
(Ranked by 2013 Revenue)

Ranking	Company	2013 Revenue (in millions)	City
1	Biomet Inc.	$ 3,100	Warsaw
2	Petroleum Traders Corp.	2,800	Fort Wayne
2	Do It Best Corp.	2,800	Fort Wayne
4	CountryMark	1,700	Indianapolis
5	OneAmerica Financial Partners, Inc.	1,400	Indianapolis
6	Hunt Construction Group Inc.	1,200	Indianapolis
7	Co-Alliance LLP	1,100	Avon
7	Steel Warehouse Co. LLC	1,100	South Bend
7	LDI Ltd. LLC	1,100	Indianapolis
10	The Bob Rohrman Auto Group	958	Lafayette
11	Koch Enterprises Inc.	924	Evansville
12	Atlas World Group Inc.	845	Evansville
13	Jayco Corp.	800	Middlebury
14	Telamon Corp.	782	Carmel
15	Indiana Farm Bureau Insurance--Property/Casualty & Life	778	Indianapolis
16	Rea Magnet Wire Co. Inc.	769	Fort Wayne
17	American Commercial Lines, Inc.	750	Jeffersonville
18	Herff Jones Inc.	737	Indianapolis
19	Hoosier Energy Rural Electric Cooperative Inc.	668	Bloomington
20	Ray Skillman Auto Centers	642	Indianapolis

SOURCE: Indianapolis Business Journal, 2015 Book of Lists.

State of Indiana
Principal Employers
Current Year and Nine Years Ago

	2014			2005		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
Wal-Mart Stores, Inc.	36,923	1	1.24%	N/A		N/A
U.S. Government	36,200	2	1.21%	33,511	2	1.13%
State of Indiana (1)	30,972	3	1.04%	37,820	1	1.28%
Indiana University Health	29,468	4	0.99%	N/A		N/A
Indiana University	17,518	5	0.59%	16,615	4	0.56%
St. Vincent Health	16,274	6	0.55%	11,498	7	0.39%
The Kroger Company	16,045	7	0.54%	N/A		N/A
Purdue University	14,727	8	0.49%	13,868	5	0.47%
Franciscan Alliance Inc.	12,010	9	0.40%	N/A		N/A
Eli Lilly and Co.	11,415	10	0.38%	16,977	3	0.57%
Community Health Network	10,449	11	0.35%	5,466	15	0.18%
ArcelorMittal	10,751	12	0.36%	10,000	9	0.34%
Cummins Inc.	8,500	13	0.28%	5,000	17	0.17%
Thor Industries	8,200	14	0.27%	N/A		N/A
FedEx Corp	8,000	15	0.27%	5,000	17	0.17%
City of Indianapolis/Marion County	6,795	16	0.23%	6,881	11	0.23%
Ivy Tech Community College	5,815	17	0.19%	N/A		N/A
University of Notre Dame	5,274	18	0.18%	N/A		N/A
Amazon.com	5,000	19	0.17%	N/A		N/A
Toyota Motor Manufacturing Indiana	4,700	20	0.16%	4,700	19	0.16%
Total	295,036		9.89%	167,336		5.66%

(1) Full time State employees paid through the Auditor of State's Office as of June 2014 and June 2005.
N/A = Not available

Sources: Indianapolis Business Journal, 2015 and 2006 Book of Lists; and Auditor of State payroll records.

State of Indiana
School Enrollment
Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public School Enrollment, Grades K-12										
Elementary (KG through Grade 6)	550,468	551,803	554,421	555,344	557,983	557,257	556,228	556,622	556,677	559,384
Secondary (Grades 7 through 12)	478,186	479,581	476,685	475,457	477,455	476,516	477,879	478,820	478,520	487,741
Total, all grades	1,028,654	1,031,384	1,031,106	1,030,801	1,035,438	1,033,773	1,034,107	1,035,442	1,035,197	1,047,125
Public Higher Education Enrollment[1]										
Indiana University	85,540	85,373	84,786	82,671	83,228	82,830	81,261	77,178	74,717	73,494
Purdue University	56,645	56,701	57,284	58,704	59,186	59,526	60,241	57,891	57,010	56,194
Ball State University	18,231	18,255	18,340	18,831	19,526	19,965	19,202	18,247	17,919	18,167
Indiana State University	11,574	11,273	10,772	10,282	9,738	9,685	8,839	8,718	8,823	8,832
Ivy Tech Community College	45,065	49,727	56,024	58,719	65,957	67,588	63,351	50,104	42,193	38,072
University of Southern Indiana	7,668	7,822	8,215	8,740	9,031	8,971	8,789	8,438	8,230	8,284
Vincennes University	10,032	10,162	9,825	9,393	10,077	9,410	7,704	7,348	6,457	6,245
Total, public colleges and universities	234,755	239,313	245,246	247,340	256,743	257,975	249,387	227,924	215,349	209,288

[1] based on Fall full-time equivalent enrollment.

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 2014 Full-Time Equivalent Enrollment)

Ranking	Institution	Fall 2014 FTE Enrollment	Location
1	Indiana Wesleyan University	13,984	Marion
2	University of Notre Dame	12,054	Notre Dame
3	Indiana Tech	6,860	Fort Wayne
4	University of Indianapolis	5,954	Indianapolis
5	Butler University	4,763	Indianapolis
6	Valparaiso University	4,301	Valparaiso
7	Harrison College	4,017	Indianapolis
8	WGU Indiana	3,749	Indianapolis
9	University of Evansville	3,158	Evansville
10	Marian University	2,748	Indianapolis
11	Rose-Hulman Institute of Technology	2,355	Terre Haute
12	Grace College	2,243	Winona
13	DePauw University	2,182	Greencastle
14	Anderson University	2,109	Anderson
15	Trine University	2,079	Angola
16	Taylor University	1,992	Upland
17	Bethel College	1,533	Mishawaka
18	Manchester University	1,447	North Manchester

SOURCE: Indianapolis Business Journal, 2015 Book of Lists

State of Indiana
Operating Indicators by Function of Government
Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Department of Revenue										
Number of Tax Returns Filed Electronically [1]	N/A	2,721,693	2,565,620	2,328,203	2,268,856	2,179,678	2,046,564	1,981,644	1,879,652	1,455,888
Number of Tax Returns Processed [1]	N/A	3,353,918	3,254,314	3,140,076	3,094,479	2,966,371	2,946,873	3,061,394	3,102,053	3,031,011
Percent of Tax Returns Filed Electronically [1]	N/A	81.1%	78.8%	74.1%	73.3%	73.5%	69.4%	64.7%	60.6%	48.0%
Number of Taxpayers Assisted - Walk-in [2, 3]	65,414	102,120	12,969	18,748	21,784	23,752	24,853	13,787	14,792	14,528
Number of Taxpayers Assisted - Telephone [2]	823,387	753,939	630,352	534,680	416,231	367,217	358,750	364,230	361,910	316,115
Number of Taxpayers Assisted - Total [2]	888,801	856,059	643,321	553,428	438,015	390,969	383,603	378,017	376,702	330,643
Department of Administration										
Construction projects administered	53	43	33	67	38	72	79	105	61	69
Construction value excluding design fee (thousands)	$36,352	$27,613	$27,448	$31,161	$22,265	$25,585	$31,817	$53,977	$63,191	$36,491
Public Safety										
Department of Correction										
Department Active Personnel	6,074	6,094	6,256	6,198	6,064	6,768	7,071	7,417	7,423	7,051
Number of Adult Institutions	20	20	20	20	21	21	21	21	22	22
Incarcerated Offenders [4]	27,693	29,329	29,156	28,378	28,307	29,278	29,314	27,412	25,849	24,431
Average Cost Per Diem [5]	$54.43	$55.42	$55.19	$54.85	$54.53	$53.69	$54.28	$52.61	$52.25	$57.69
Contract Beds	301	341	333	399	294	167	317	225	156	293
Average Offender Age at Intake	32.9	33.6	32.7	32.7	32.6	32.5	32.4	32.4	32.3	32.1
Average Offender Age - Current	37.9	36.5	36.9	36.6	36.6	36.3	36.4	36.1	40.0	35.8
Supervised Offenders [6]	9,596	9,689	10,385	9,581	10,606	9,037	8,383	11,138	8,108	7,248
State Police										
Active State Troopers	1,242	1,241	1,243	1,245	1,244	1,255	1,311	1,293	1,298	1,129
Number of Traffic Citations Issued	207,919	231,683	323,604	364,070	431,173	513,496	521,758	385,002	415,519	342,863
Number of Firearm Permits Issued	83,603	103,062	84,831	69,525	76,844	81,868	102,568	73,874	67,501	78,921
Number of Limited Criminal History Searches (fee)	324,612	294,152	247,458	270,547	255,845	243,130	254,309	271,922	260,164	245,479
Number of Limited Criminal History Searches (no fee)	442,088	424,537	396,197	390,912	370,857	371,964	407,318	362,069	306,615	246,604
Health										
Department of Health										
Number of Birth and Death Certificates Issued	41,454	34,012	42,076	49,208	61,884	46,236	49,420	52,300	51,428	57,467
Number of Adoption Records Received	3,936	3,904	1,831	3,402	2,186	N/A	N/A	N/A	N/A	N/A
Number of Marriage Records Received	44,143	44,841	41,301	48,756	39,586	32,000	18,270	35,770	42,570	N/A
Welfare										
FSSA										
Medicaid and Children's Health Insurance Program (CHIP) recipients	1,500,587	1,365,748	1,303,958	1,279,288	1,274,341	1,232,456	965,852	884,879	894,378	885,587
Temporary Assistant for Needy Families (TANF) recipients	19,290	22,396	28,285	37,591	63,278	119,957	124,765	127,267	130,285	140,673
Food Stamp recipients	814,959	879,342	924,180	908,511	882,716	823,818	684,280	607,989	582,972	570,627
Conservation, Culture, and Developmen										
Department of Natural Resources										
Hunting licenses sold	375,061	395,258	400,575	458,156	447,003	454,264	434,508	360,684	366,572	336,254
Fishing licenses sold	459,630	474,361	418,535	496,423	429,373	472,174	511,345	417,952	441,414	430,780
Trapping licenses sold	5,556	5,670	4,609	3,714	3,326	3,043	4,045	3,806	4,117	3,107
Transportation										
Department of Transportation										
Construction projects administered	528	487	379	425	443	819	467	480	368	496
Construction value excluding design fee (thousands)	$ 307,686	$ 262,629	$ 248,003	$ 282,352	$ 253,751	$ 479,562	$ 233,888	$ 195,062	$ 181,390	$ 177,961
Construction awarded amount (thousands)	$ 935,990	$ 954,516	$ 1,018,335	$ 996,806	$ 1,443,156	$ 1,410,254	$ 1,280,037	$ 1,067,548	$ 992,722	$ 973,954
Business-type activities										
Unemployment Insurance										
Number of payments made to claimants (thousands)	1,469	2,032	2,324	2,588	3,144	4,525	5,416	2,762	2,124	2,257
Percentage of unemployment	4.9%	5.9%	8.4%	8.7%	9.0%	10.0%	8.3%	5.9%	4.7%	5.1%

Notes:
1 Tax Year (January 1 - December 30)
2 Fiscal Year (July 1-June 30)
3 2014 and 2015 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 Corrected average cost per diem for 2014
6 Excludes Indiana parolees on parole in other states; includes other states parolees supervised by Indiana

Sources: Various state agencies.

State of Indiana
Capital Assets Statistics by Function of Government
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Function										
Conservation, Culture and Development										
Department of Natural Resources										
Acres of land (parks, lakes, etc.) owned	411,686	414,212	410,817	406,243	385,950	381,267	378,411	383,755	379,408	376,385
Number of state parks	24	24	24	24	24	24	24	24	24	24
Number of reservoirs	8	8	8	8	8	9	9	9	9	9
Number of state forests	15	16	16	15	16	15	16	16	16	16
Number of historic sites	0	0	0	0	13	14	14	14	15	16
Number of fish & wildlife areas	26	26	26	25	22	21	21	21	21	21
Number of dams	132	133	133	134	134	129	129	129	129	129
Number of vehicles	1,996	2,041	2,071	2,073	2,049	2,067	2,278	2,534	2,833	2,911
Number of watercraft, registered	799	822	901	899	899	879	928	1,435	1,667	1,872
Number of watercraft, non-registered	324	306	210	212	212	201	196	Unavailable	Unavailable	Unavailable
Education										
Department of Education										
Number of public schools, K-12	1,938	1,923	1,928	1,931	1,936	1,941	1,971	1,969	1,967	1,977
Number of non-public schools, K-12 *	301	301	304	294	293	304	309	298	302	281
Commission for Higher Education										
Number of public postsecondary institutions										
number of institutions	7	7	7	7	7	7	7	7	7	7
number of campuses	41	43	43	47	47	39	39	39	39	39
Number of private not-for-profit postsecondary institutions										
number of institutions	31	29	31	32	32	32	31	31	31	31
number of campuses	31	29	31	32	32	32	31	31	31	31
Number of private for profit postsecondary institutions **										
number of institutions	29	29	32	36	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
number of campuses	59	59	61	65	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
General Government										
Department of Administration										
Number of buildings	10	10	10	7	7	7	7	7	7	7
Number of fleet service vehicles	235	239	285	257	259	270	332	28	32	32
Number of aircraft	0	0	0	0	0	7	10	12	13	0
Public Safety										
Department of Correction										
Number of adult facilities	20	20	20	20	21	21	21	21	22	22
Number of juvenile facilities	4	4	4	5	6	6	7	7	7	7
Number of parole facilities	10	10	10	9	9	9	9	10	10	10
Number of vans	284	289	299	291	294	310	313	318	332	338
State Police										
Number of state police posts	14	14	14	14	14	17	18	18	18	18
Number of state police cars	1,728	1,937	2,080	1,931	1,847	1,807	1,792	1,844	1,844	1,644
Number of aircraft	3	5	6	6	6	0	0	0	0	6
Number of trailers	117	121	120	116	108	108	98	94	82	Unavailable
Transportation										
Department of Transportation										
Number of interstate miles	1,238	1,236	1,238	1,014	1,014	1,014	1,185	1,013	Unavailable	Unavailable
Number of non-interstate miles	9,947	9,933	9,930	10,127	10,095	9,942	10,014	10,170	Unavailable	Unavailable
Number of interstate and non-interstate total miles	11,185	11,169	11,168	11,141	11,109	10,956	11,199	11,183	11,197	11,184
Number of interstate bridges	1,381	1,392	1,377	1,264	1,263	1,256	1,260	1,267	1,247	1,247
Number of non-interstate bridges	4,308	4,233	4,081	4,056	4,049	3,977	3,954	3,965	3,896	3,896
Number of interstate and non-interstate total bridges	5,689	5,625	5,458	5,320	5,312	5,233	5,214	5,232	5,143	5,143
Acreage from excess land	7,165	5,974	6,022	5,879	5,216	4,810	3,270	1,922	1,952	1,901
Acreage from fixed assets	2,262	2,243	2,262	2,298	2,286	2,289	2,343	2,232	2,232	2,232
Total acres of land owned	9,427	8,217	8,284	8,177	7,502	7,099	5,613	4,154	4,184	4,133
Number of heavy equipment owned	3,186	3,101	2,827	2,902	2,864	2,777	2,749	2,675	2,520	2,391
Welfare										
Family and Social Services Administration										
Number of hospitals owned	6	6	6	6	6	6	6	6	7	7
Health										
Indiana State Department of Health										
Number of pieces of laboratory equipment	751	749	757	742	777	751	631	535	505	351

Note: * Includes only the accredited and freeway schools.

** Institutions authorized through the Board for Proprietary Education, which is administered through ICHE; the list includes six not-for-profit institutions

Sources: Various state agencies.

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

Function of Government	June 2015	June 2014	June 2013	June 2012	June 2011	June 2010	June 2009	June 2008	June 2007	June 2006
General Government	4,854	4,872	4,937	4,901	5,152	5,323	5,551	5,317	5,261	5,326
Public Safety	10,478	10,666	10,936	11,162	10,893	11,376	11,975	12,484	12,388	12,089
Health	773	783	794	783	802	835	932	1,495	1,479	1,457
Welfare	7,608	7,392	7,037	6,907	6,858	7,302	7,508	7,551	6,857	8,091
Conservation, Culture and Development	3,192	3,272	3,366	3,275	3,251	3,290	3,481	3,507	3,427	3,406
Education	619	641	532	550	706	766	671	760	755	684
Transportation	3,325	3,346	3,532	3,685	3,668	3,909	4,046	4,508	4,354	3,844
Totals	**30,849**	**30,972**	**31,134**	**31,263**	**31,330**	**32,801**	**34,164**	**35,622**	**34,521**	**34,897**
G - Governor's Authority	**28,157**	**28,279**	**28,398**	**28,485**	**28,472**	**29,911**	**31,254**	**32,606**	**31,524**	**31,822**
J - Judiciary	**865**	**845**	**831**	**835**	**830**	**846**	**835**	**811**	**772**	**753**
O - Other Elected Officials	**1,083**	**1,065**	**1,049**	**1,049**	**1,067**	**1,056**	**1,093**	**1,139**	**1,123**	**1,102**
D - Disability Leave - in pay status	**455**	**471**	**511**	**545**	**610**	**647**	**624**	**727**	**789**	**941**
D2 - Disability Leave - in non-pay status	**289**	**312**	**345**	**349**	**351**	**341**	**358**	**339**	**313**	**279**
Total	**30,849**	**30,972**	**31,134**	**31,263**	**31,330**	**32,801**	**34,164**	**35,622**	**34,521**	**34,897**

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

Function of Government	June 2015	June 2014	June 2013	June 2012	June 2011	June 2010	June 2009	June 2008	June 2007	June 2006
General Government	185	182	173	150	138	152	196	340	329	328
Public Safety	141	410	260	296	1,168	292	365	1,993	918	1,716
Health	1	1	3	-	-	-	6	107	114	145
Welfare	295	319	35	349	313	351	384	401	393	510
Conservation, Culture and Development	1,433	1,511	1,480	1,492	1,557	1,142	2,942	1,756	2,030	2,196
Education	133	127	105	109	112	110	160	183	167	173
Transportation	66	64	154	170	102	86	105	224	206	121
Totals	**2,254**	**2,614**	**2,210**	**2,566**	**3,390**	**2,133**	**4,158**	**5,004**	**4,157**	**5,189**
G - Governor's Authority	2,135	2,502	2,103	2,476	3,292	2,036	4,015	4,731	3,880	4,896
J - Judiciary	25	25	17	18	15	12	11	158	155	163
O - Other Elected Officials	94	87	90	72	83	85	131	110	117	125
D - Disability Leave - in pay status	-	-	-	-	-	-	-	4	4	4
D2 - Disability Leave - in non-pay status	-	-	-	-	-	-	1	1	1	1
Total	**2,254**	**2,614**	**2,210**	**2,566**	**3,390**	**2,133**	**4,158**	**5,004**	**4,157**	**5,189**

Pension, Death Benefits, and Former Governors
Number of People Paid Through The Auditor of State's Office

Category	June 2015	June 2014	June 2013	June 2012	June 2011	June 2010	June 2009	June 2008	June 2007	June 2006
Governor's Widows	2	2	2	1	1	1	2	2	2	2
Death Benefits (Police)	26	28	30	30	31	33	31	31	28	27
Former Governors	3	3	2	3	3	2	2	2	2	2
Police Pension	1,617	1,584	1,622	1,550	1,536	1,531	1,499	1,490	1,482	1,460
Total	**1,648**	**1,617**	**1,656**	**1,584**	**1,571**	**1,567**	**1,534**	**1,525**	**1,514**	**1,491**