

REQUIRED SUPPLEMENTARY INFORMATION



Schedule of Funding Progress Employee Retirement Systems and Plans

(amounts expressed in thousands)	Primary Government	-----Discretely Presented Component Units-----						TRF - Pre- 1996 Account
	SPRF	PERF - State	ECRF	JRS	PARF	LRS		
Valuation Date: July 1, 2011								
Actuarial value of assets	\$ 361,457	*	*	*	*	*	*	
Actuarial accrued liability (AAL)	470,852	*	*	*	*	*	*	
Excess of assets over (unfunded) AAL	(109,395)	*	*	*	*	*	*	
Funded ratio	77%	*	*	*	*	*	*	
Covered payroll	64,948	*	*	*	*	*	*	
Excess (unfunded) AAL as a percentage of covered payroll	-168%	*	*	*	*	*	*	
Valuation Date: July 1, 2010								
Actuarial value of assets	\$ 363,487	\$ 1,803,664	\$ 70,327	\$ 242,143	\$ 26,166	\$ 4,075	\$ 5,382,410	
Actuarial accrued liability (AAL)	447,064	2,678,031	97,862	364,123	49,174	4,909	16,282,066	
Excess of assets over (unfunded) AAL	(83,577)	(874,367)	(27,535)	(121,980)	(23,008)	(834)	(10,899,656)	
Funded ratio	81%	67%	72%	67%	53%	83%	33%	
Covered payroll	66,603	1,730,480	26,709	36,722	21,016	**	1,865,102	
Excess (unfunded) AAL as a percentage of covered payroll	-125%	-51%	-103%	-332%	-109%	**	-584%	
Valuation Date: July 1, 2009								
Actuarial value of assets	\$ 356,056	\$ 2,121,550	\$ 68,170	\$ 240,954	\$ 26,467	\$ 4,730	\$ 5,109,086	
Actuarial accrued liability (AAL)	453,688	2,443,039	89,296	330,551	44,632	5,087	16,027,093	
Excess of assets over (unfunded) AAL	(97,632)	(321,489)	(21,126)	(89,597)	(18,165)	(357)	(10,918,007)	
Funded ratio	78%	87%	76%	73%	59%	93%	32%	
Covered payroll	68,283	1,749,781	25,238	36,196	20,782	**	2,030,484	
Excess (unfunded) AAL as a percentage of covered payroll	-143%	-18%	-84%	-248%	-87%	**	-538%	
Valuation Date: July 1, 2008								
Actuarial value of assets	\$ 386,873	\$ 2,469,432	\$ 65,375	\$ 234,881	\$ 26,350	\$ 5,120	\$ 5,953,991	
Actuarial accrued liability (AAL)	438,460	2,513,791	77,177	338,749	38,069	5,039	15,792,305	
Excess of assets over (unfunded) AAL	(51,587)	(44,359)	(11,802)	(103,868)	(11,719)	81	(9,838,314)	
Funded ratio	88%	98%	85%	69%	69%	102%	38%	
Covered payroll	65,421	1,661,248	21,333	33,729	20,617	**	2,295,816	
Excess (unfunded) AAL as a percentage of covered payroll	-79%	-3%	-55%	-308%	-57%	**	-429%	
SPRF - State Police Retirement Fund PERF - Public Employees' Retirement Fund ECRF - Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Fund (Administered by the PERF board of trustees) JRS - Judges' Retirement System (Administered by the PERF board of trustees) PARF - Prosecuting Attorneys' Retirement Fund (Administered by the PERF board of trustees) LRS - Legislators' Retirement System (Administered by the PERF board of trustees) TRF - Teachers' Retirement Fund								
* Information not available								
** The benefit formula is determined based on service rather than compensation. July 1, 2010: The unfunded liability is expressed per active participant and there were 20 active participants. The unfunded liability per active participant was \$41,702; July 1, 2009: The unfunded liability is expressed per active participant and there were 33 active participants. The unfunded liability per active participant was \$10,817; July 1, 2008: The unfunded liability is expressed per active participant and there were 34 active participants. The funding excess per active participant was (\$2,378).								

Schedule of Funding Progress Other Postemployment Benefits

(dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b- a)/c)
State Personnel Healthcare Plan						
6/30/2010	\$ 14,007	\$ 37,733	\$ 23,726	37.1%	N/A	N/A
6/30/2009	\$ -	\$ 51,306	\$ 51,306	0.0%	N/A	N/A
6/30/2008	\$ -	\$ 67,405	\$ 67,405	0.0%	N/A	N/A
Legislature's Healthcare Plan						
6/30/2010	\$ -	\$ 9,092	\$ 9,092	0.0%	N/A	N/A
6/30/2009	\$ -	\$ 8,402	\$ 8,402	0.0%	N/A	N/A
6/30/2008	\$ -	\$ 8,009	\$ 8,009	0.0%	N/A	N/A
Indiana State Police Healthcare Plan						
6/30/2010	\$ 5,280	\$ 306,132	\$ 300,852	1.7%	N/A	N/A
6/30/2009	\$ -	\$ 407,846	\$ 407,846	0.0%	N/A	N/A
6/30/2008	\$ -	\$ 341,923	\$ 341,923	0.0%	N/A	N/A
Conservation and Excise Police Healthcare Plan						
6/30/2010	\$ -	\$ 49,510	\$ 49,510	0.0%	N/A	N/A
6/30/2009	\$ -	\$ 57,305	\$ 57,305	0.0%	N/A	N/A
6/30/2008	\$ -	\$ 45,308	\$ 45,308	0.0%	N/A	N/A

Schedule of Employer Contributions Other Postemployment Benefits

(dollar amounts in thousands)

Year Ended June 30	State Personnel Healthcare Plan		Legislature's Healthcare Plan		Indiana State Police Healthcare Plan		Conservation and Excise Police Healthcare Plan		Retiree Health Benefit Trust Fund	
	Annual Required Contribution	Annual Percentage Contributed	Annual Required Contribution	Annual Percentage Contributed	Annual Required Contribution	Annual Percentage Contributed	Annual Required Contribution	Annual Percentage Contributed	Annual Required Contribution	Annual Percentage Contributed
2011	\$ 4,664	362.8%	\$ 561	62.8%	\$ 30,155	45.7%	\$ 4,423	30.2%	\$ 52,075	100.0%
2010	6,292	30.4%	519	60.3%	42,106	21.4%	5,373	24.3%	55,502	100.0%
2009	7,716	23.3%	497	60.6%	35,271	22.4%	4,178	23.5%	67,213	100.0%

Budgetary Information

The Governor submits a budget biennially to be adopted by the General Assembly for the ensuing two-year period. The budget covers the general fund and most special revenue funds, but excludes the Armory Board and the Recreation funds at State institutions. The General Assembly enacts the budget through passage of specific appropriations. Appropriations for programs funded from special revenue funds may allow expenditures in excess of original appropriations to the extent that revenues collected exceed estimated revenues.

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

The final budget is composed of budgeted amounts as adopted and as amended by supplemental appropriations or appropriation transfers that were necessary during the current year. The State Board of Finance, which consists of the Governor, Auditor of State and Treasurer of State, is empowered to transfer appropriations from one 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 the uses and purposes of the funds concur. Excess general fund revenue is used to cover non-budgeted recurring expenditures and overdrafts of budgeted amounts at the end of the current year, or is carried forward to the next year in the State's reserve funds to provide a cushion against a potential downturn in general fund revenue. Capital appropriations are released by the State Budget Agency after approval by the State Budget Committee (if equal to or greater than \$100,000) or by the State Budget Agency via administrative action (if less than \$100,000). 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 (e.g., 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 non-budgeted, recurring expenditures or to increase the level of state reserves.

State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Budgetary Basis)
For the Year Ended June 30, 2011
(amounts expressed in thousands)

	General Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ 5,366,326	\$ 5,366,326	\$ 5,418,508	\$ 52,182
Sales	6,438,400	6,438,400	6,220,101	(218,299)
Fuels	-	-	-	-
Gaming	660,700	660,700	94,064	(566,636)
Inheritance	167,500	167,500	148,944	(18,556)
Alcohol and tobacco	295,904	295,904	283,622	(12,282)
Insurance	177,200	177,200	185,439	8,239
Other	267,255	267,255	234,468	(32,787)
Total taxes	13,373,285	13,373,285	12,585,146	(788,139)
Current service charges	164,488	164,488	216,759	52,271
Investment income	65,077	65,077	23,105	(41,972)
Sales/rents	994	994	1,094	100
Grants	-	-	58,808	58,808
Other	27,955	27,955	34,189	6,234
Total revenues	13,631,799	13,631,799	12,919,101	(712,698)
Expenditures:				
Current:				
General government	1,005,612	1,354,609	1,011,738	342,871
Public safety	812,542	838,473	682,828	155,645
Health	70,134	59,061	47,683	11,378
Welfare	3,147,446	3,457,128	625,003	2,832,125
Conservation, culture and development	128,385	187,507	67,646	119,861
Education	9,078,909	9,100,352	8,717,811	382,541
Transportation	1,650	4,236	1,762	2,474
Total expenditures	14,244,678	15,001,366	11,154,471	3,846,895
Excess of revenues over (under) expenditures	(612,879)	(1,369,567)	1,764,630	(3,134,197)
Other financing sources (uses):				
Total other financing sources (uses)	(1,347,407)	(1,347,407)	(1,347,407)	-
Net change in fund balances	\$ (1,960,286)	\$ (2,716,974)	417,223	\$ 3,134,197
Fund balances July 1, as restated			1,534,236	
Fund balances June 30			\$ 1,951,459	

Public Welfare-Medicaid Assistance				Major Moves Construction Fund			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
643	643	230,923	230,280	-	-	-	-
-	-	-	-	220,894	220,894	156,980	(63,914)
4,094,715	4,094,715	4,441,972	347,257	-	-	-	-
-	-	4	4	-	-	-	-
<u>4,095,358</u>	<u>4,095,358</u>	<u>4,672,899</u>	<u>577,541</u>	<u>220,894</u>	<u>220,894</u>	<u>156,980</u>	<u>(63,914)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	7,646,588	6,130,473	1,516,115	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	535,000	684,616	40,381	644,235
-	<u>7,646,588</u>	<u>6,130,473</u>	<u>1,516,115</u>	<u>535,000</u>	<u>684,616</u>	<u>40,381</u>	<u>644,235</u>
4,095,358	(3,551,230)	(1,457,574)	(2,093,656)	(314,106)	(463,722)	116,599	(580,321)
<u>1,479,523</u>	<u>1,479,523</u>	<u>1,479,523</u>	<u>-</u>	<u>(397,627)</u>	<u>(397,627)</u>	<u>(397,627)</u>	<u>-</u>
<u>\$ 5,574,881</u>	<u>\$ (2,071,707)</u>	21,949	<u>\$ 2,093,656</u>	<u>\$ (711,733)</u>	<u>\$ (861,349)</u>	(281,028)	<u>\$ 580,321</u>
		97,998				1,983,922	
		<u>\$ 119,947</u>				<u>\$ 1,702,894</u>	

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State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Budgetary Basis)
For the Year Ended June 30, 2011
(amounts expressed in thousands)

	ARRA of 2009 Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	-	-	-	-
Inheritance	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Other	-	-	-	-
Total taxes	-	-	1	1
Current service charges	-	-	252	252
Investment income	-	-	-	-
Sales/rents	-	-	-	-
Grants	1,547,508	1,547,508	1,180,443	(367,065)
Other	98	98	-	(98)
Total revenues	1,547,606	1,547,606	1,180,696	(366,910)
Expenditures:				
Current:				
General government	(517,438)	(371,071)	324,087	(695,158)
Public safety	7,518	20,583	15,335	5,248
Health	5,744	42,875	10,627	32,248
Welfare	2,119	1,177,007	335,319	841,688
Conservation, culture and development	13,771	67,163	47,158	20,005
Education	160	384,682	163,672	221,010
Transportation	620,737	873,434	280,403	593,031
Total expenditures	132,611	2,194,673	1,176,601	1,018,072
Excess of revenues over (under) expenditures	1,414,995	(647,067)	4,095	(651,162)
Other financing sources (uses):				
Total other financing sources (uses)	488	488	488	-
Net change in fund balances	<u>\$ 1,415,483</u>	<u>\$ (646,579)</u>	4,583	<u>\$ 651,162</u>
Fund balances July 1, as restated			(193)	
Fund balances June 30			<u>\$ 4,390</u>	

U.S. Department of Transportation Fund				U.S. Department of Health and Human Services Fund			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	44	44	-	(44)
-	-	-	-	44	44	-	(44)
3	3	183	180	589	589	744	155
-	-	-	-	11	11	-	(11)
-	-	-	-	-	-	7	7
801,468	801,468	883,530	82,062	1,083,762	1,083,762	1,067,950	(15,812)
36	36	11	(25)	8,352	8,352	4,067	(4,285)
<u>801,507</u>	<u>801,507</u>	<u>883,724</u>	<u>82,217</u>	<u>1,092,758</u>	<u>1,092,758</u>	<u>1,072,768</u>	<u>(19,990)</u>
2	1,360	527	833	258	21,802	11,999	9,803
5,237	63,475	20,743	42,732	1,691	11,430	4,895	6,535
-	-	-	-	22,207	337,390	142,750	194,640
-	-	-	-	234,343	1,991,495	1,240,498	750,997
3,018	4,609	1,351	3,258	-	-	-	-
-	-	-	-	864	3,130	1,444	1,686
1,308,360	3,506,035	984,985	2,521,050	-	-	-	-
<u>1,316,617</u>	<u>3,575,479</u>	<u>1,007,606</u>	<u>2,567,873</u>	<u>259,363</u>	<u>2,365,247</u>	<u>1,401,586</u>	<u>963,661</u>
(515,110)	(2,773,972)	(123,882)	(2,650,090)	833,395	(1,272,489)	(328,818)	(943,671)
386,817	386,817	386,817	-	313,418	313,418	313,418	-
<u>\$ (128,293)</u>	<u>\$ (2,387,155)</u>	262,935	<u>\$ 2,650,090</u>	<u>\$ 1,146,813</u>	<u>\$ (959,071)</u>	(15,400)	<u>\$ 943,671</u>
		(119,461)				(125,750)	
		<u>\$ 143,474</u>				<u>\$ (141,150)</u>	

**Budget/GAAP Reconciliation
Major Funds**

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

(amounts expressed in thousands)	GENERAL FUND	PUBLIC WELFARE- MEDICAID ASSIS	MAJOR MOVES CONSTRUCTION FUND	2009 ARRA FUND	U.S. DEPARTMENT OF TRANSPORTATION	U.S. DEPARTMENT OF HEALTH AND HUMAN	Total
Net change in fund balances (budgetary basis)	\$ 417,223	\$ 21,949	\$ (281,028)	\$ 4,583	\$ 262,935	\$ (15,400)	\$ 410,262
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)	80,928	34,920	(43,115)	(82,798)	(1,533)	164,720	153,122
Expenditures are recorded when the liability is incurred (GAAP) as opposed to when payment is made (budgetary)	50,741	57,485	(228)	38,304	(17,995)	(14,393)	113,914
Net change in fund balances (GAAP basis)	\$ 548,892	\$ 114,354	\$ (324,371)	\$ (39,911)	\$ 243,407	\$ 134,927	\$ 677,298



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

Roads	Average International Roughness Index (IRI)		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Interstate Roads (excluding Rest Areas and Weigh Stations)	82%	84%	78%
NHS Roads - Non-Interstate (excluding Rest Areas and Weigh Stations)	85%	88%	81%
Non-NHS Roads	95%	97%	77%

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), fair condition (115-149), marginal condition (150-169), and poor condition (above 170). It is the State's policy to maintain a network average of no more than 95 IRI. Condition assessments are determined on an annual basis for all roads maintained by INDOT. The ratings provided are based on data gathered during the summer (May to October) for each fiscal year. The data is evaluated and compared to standard criteria by the end of the fiscal year.

Bridges	Average Sufficiency Rating		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Interstate Bridges	88.9%	88.8%	90.6%
NHS Bridges - Non-Interstate	89.9%	90.0%	90.6%
Non-NHS Bridges	87.4%	87.4%	88.7%

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

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Roads					
Interstate Roads (including Rest Areas and Weigh Stations):					
Needed	\$ 222,707	\$ 241,935	\$ 263,764	\$ 120,147	\$ 212,485
Actual	194,727	226,401	246,089	256,482	248,803
NHS and Non-NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)					
Needed	314,282	381,433	391,641	419,001	145,720
Actual	364,173	423,949	571,000	374,770	297,223
Roads at State Institutions and Properties					
Needed	2,046	2,073	1,734	1,225	2,529
Actual	3,386	1,635	4,884	3,146	3,069
Total					
Needed	539,035	625,441	657,139	540,373	360,734
Actual	562,286	651,985	821,973	634,398	549,095
Bridges					
Interstate Bridges					
Needed	\$ 62,746	\$ 75,181	\$ 82,668	\$ 34,723	\$ 37,157
Actual	54,505	51,416	37,931	43,904	37,070
NHS Bridges - Non-Interstate					
Needed	27,240	25,706	24,438	4,695	10,220
Actual	27,085	24,299	7,794	13,568	14,154
Non-NHS Bridges					
Needed	84,736	79,055	48,214	26,694	31,549
Actual	73,713	60,861	39,707	34,138	35,118
Bridges at State Institutions and Properties					
Needed	-	5	-	-	-
Actual	-	354	253	3	-
Total					
Needed	174,722	179,947	155,320	66,112	78,926
Actual	155,303	136,930	85,685	91,613	86,342

Data provided by Comparative Report of Preservation Costs

