

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

24 - State of Indiana - Comprehensive Annual Financial Report

State of Indiana
Statement of Net Position
June 30, 2013
(amounts expressed in thousands)

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
ASSETS				
Cash, cash equivalents and investments - unrestricted	\$ 6,423,621	\$ 129,393	\$ 6,553,014	\$ 4,270,700
Cash, cash equivalents and investments - restricted	370,077	-	370,077	8,287,397
Securities lending collateral	446,414	-	446,414	66,935
Receivables (net)	2,980,628	108,781	3,089,409	2,823,925
Due from primary government	-	-	-	50,000
Due from component unit	3,389	-	3,389	-
Inventory	5,584	605	6,189	16,272
Prepaid expenses	61,877	98	61,975	6,318
Loans	384,684	-	384,684	2,359,592
Investment in direct financing lease	-	-	-	2,246,158
Net pension and OPEB assets	180,302	-	180,302	33,492
Other assets	82	-	82	177,889
Capital assets:				
Capital assets not being depreciated/amortized	13,299,293	-	13,299,293	1,435,782
Capital assets being depreciated/amortized	2,753,446	1,109	2,754,555	11,727,983
less accumulated depreciation/amortization	(1,526,574)	(445)	(1,527,019)	(5,078,977)
Total capital assets, net of depreciation/amortization	14,526,165	664	14,526,829	8,084,788
Total assets	25,382,823	239,541	25,622,364	28,423,466
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of hedging derivatives	-	-	-	179,944
Deferred refunding costs	-	-	-	7,898
Total deferred outflows of resources	-	-	-	187,842
LIABILITIES				
Accounts payable	2,141,719	5,605	2,147,324	448,736
Interest payable	-	34,107	34,107	126,550
Tax refunds payable	43,588	-	43,588	-
Payables to other governments	160,450	-	160,450	-
Due to component unit	50,000	-	50,000	-
Due to primary government	-	-	-	3,389
Unearned revenue	2	4,093	4,095	451,125
Advances from federal government	-	1,377,295	1,377,295	31,593
Securities lending collateral	446,414	-	446,414	66,935
Derivative instrument liability	-	-	-	179,944
Other liabilities	83	564	647	209,036
Long-term liabilities:				
Due within 1 year	149,080	4,096	153,176	1,005,844
Due in more than 1 year	2,521,984	25,033	2,547,017	10,033,383
Total liabilities	5,513,320	1,450,793	6,964,113	12,556,535
DEFERRED INFLOWS OF RESOURCES				
Advanced payment for service concession agreement	-	-	-	3,358,897
Deferred service concession arrangement receipts	-	-	-	301,647
Total deferred inflows of resources	-	-	-	3,660,544
NET POSITION				
Net investment in capital assets	13,373,198	664	13,373,862	4,294,616
Restricted - nonexpendable:				
Grants/constitutional restrictions	-	-	-	834
Permanent funds	520,665	-	520,665	64,955
Instruction and research	-	-	-	767,864
Student aid	-	-	-	796,954
Other purposes	-	-	-	341,107
Restricted - expendable:				
Grants/constitutional restrictions	378,559	-	378,559	122,883
Future debt service	-	-	-	402,703
Instruction and research	-	-	-	627,071
Student aid	-	-	-	754,784
Endowments	-	-	-	726,639
Capital projects	-	-	-	1,450,512
Other purposes	-	-	-	289,605
Unrestricted	5,597,081	(1,211,916)	4,385,165	1,753,702
Total net position	\$ 19,869,503	\$ (1,211,252)	\$ 18,658,251	\$ 12,394,229

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, 2013
 (amounts expressed in thousands)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					
	Expenses	Program Revenues		Primary Government		Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Primary government:						
Governmental activities:						
General government	\$ 1,476,098	\$ 511,917	\$ 118,007	\$ -	\$ (846,174)	\$ -
Public safety	1,526,556	473,665	200,986	-	(851,905)	(851,905)
Health	409,262	140,498	180,883	-	(87,881)	(87,881)
Welfare	12,546,861	919,557	8,531,477	-	(3,095,827)	(3,095,827)
Conservation, culture and development	555,650	153,828	265,713	-	(136,109)	(136,109)
Education	10,136,785	7,950	1,034,695	-	(9,094,140)	(9,094,140)
Transportation	1,729,731	91,990	1,275,894	-	(361,847)	(361,847)
Unallocated interest expense	216	-	-	-	(216)	-
Total governmental activities	<u>28,381,159</u>	<u>2,299,405</u>	<u>11,607,655</u>	-	<u>(14,474,099)</u>	-
Business-type activities:						
Unemployment Compensation Fund	1,160,585	830,527	670,532	-	340,474	340,474
Malpractice Insurance Authority	2,785	2,112	-	-	(673)	(673)
Inns and Concessions	20,755	23,733	-	-	2,978	2,978
Wabash Memorial Bridge	1,154	618	87	87	(449)	(449)
Total business-type activities	<u>1,185,279</u>	<u>856,990</u>	<u>670,532</u>	<u>87</u>	<u>342,330</u>	<u>342,330</u>
Total primary government	<u>\$ 29,566,438</u>	<u>\$ 3,156,395</u>	<u>\$ 12,278,187</u>	<u>\$ 87</u>	<u>(14,131,769)</u>	-
Component units:						
Governmental	31,365	161	1,501	-	-	(29,703)
Proprietary	2,398,258	1,738,521	595,372	7,578	-	(56,787)
Colleges and universities	6,336,061	3,393,068	1,137,912	63,562	-	(1,741,519)
Total component units	<u>\$ 8,765,684</u>	<u>\$ 5,131,750</u>	<u>\$ 1,734,785</u>	<u>\$ 71,140</u>	-	<u>(1,828,009)</u>
General Revenues:						
Income tax		\$ 5,371,040			\$ 5,371,040	\$ -
Sales tax		6,845,294			6,845,294	-
Fuels tax		771,434			771,434	-
Gaming tax		788,636			788,636	1,203
Unemployment tax		80			80	-
Inheritance tax		160,820			160,820	-
Alcohol & Tobacco tax		503,879			503,879	-
Insurance tax		211,987			211,987	-
Financial Institutions tax		121,369			121,369	-
Other tax		261,197			261,197	-
Total taxes		15,035,736			15,035,736	1,203
Revenue not restricted to specific programs:						
Investment earnings		27,990	9	9	27,999	522,739
Payments from State of Indiana		-	-	-	-	1,474,773
Other		58,915	-	-	58,915	582,215
Transfers within primary government		2,769	(2,769)	(2,769)	-	-
Total general revenues and transfers		15,125,410	(2,760)	(2,760)	15,122,650	2,580,930
Changes in net position		651,311	339,570		990,881	752,921
Net position - beginning, as restated		19,218,192	(1,550,822)		17,667,370	11,641,308
Net position - ending		\$ 19,869,503	\$ (1,211,252)		\$ 18,658,251	\$ 12,394,229

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, 2013
(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	\$ 2,031,653	\$ 420,630	\$ 774,515	\$ 3,113,052	\$ 6,339,850
Cash, cash equivalents and investments-restricted	370,077	-	-	-	370,077
Securities lending collateral	446,414	-	-	-	446,414
Receivables:					
Taxes (net of allowance for uncollectible Accounts)	1,535,164	-	-	167,820	1,702,984
Grants	8,806	105,530	-	54,288	168,624
Interest	-	259,621	-	284,852	544,473
Interfund loans	5,707	-	4	169	5,880
Due from component unit	81,329	-	-	8,000	89,329
Prepaid expenditures	-	-	-	3,389	3,389
Loans	60,955	-	-	922	61,877
Other	16,092	-	-	368,591	384,683
Total assets	50	-	21	11	82
	<u>4,556,247</u>	<u>785,781</u>	<u>774,540</u>	<u>4,001,094</u>	<u>10,117,662</u>
Total assets and deferred outflow of resources	<u>\$ 4,556,247</u>	<u>\$ 785,781</u>	<u>\$ 774,540</u>	<u>\$ 4,001,094</u>	<u>\$ 10,117,662</u>
LIABILITIES					
Accounts payable	\$ 161,530	\$ 369,019	\$ 38	\$ 551,818	\$ 1,082,405
Salaries and benefits payable	49,445	-	-	45,988	95,433
Interfund loans	-	-	-	89,329	89,329
Interfunds services used	3,480	-	-	4,844	8,324
Intergovernmental payable	38,706	-	-	121,744	160,450
Tax refunds payable	38,072	-	-	5,516	43,588
Unearned revenue	477,402	-	-	67,764	545,166
Accrued liability for compensated absences	2,898	-	-	3,756	6,654
Other payables	50	-	21	12	83
Securities lending collateral	446,414	-	-	-	446,414
Total liabilities	<u>1,217,997</u>	<u>369,019</u>	<u>59</u>	<u>890,771</u>	<u>2,477,846</u>
FUND BALANCE					
Nonspendable:	-	-	-	520,665	520,665
Restricted:	378,559	-	-	-	378,559
Committed:	6,030	-	-	1,081,684	1,087,714
Assigned:	1,197,026	416,762	774,481	1,684,623	4,072,892
Unassigned:	1,756,635	-	-	(176,649)	1,579,986
Total fund balance	<u>3,338,250</u>	<u>416,762</u>	<u>774,481</u>	<u>3,110,323</u>	<u>7,639,816</u>
Total liabilities, deferred inflow of resources, and fund balance	<u>\$ 4,556,247</u>	<u>\$ 785,781</u>	<u>\$ 774,540</u>	<u>\$ 4,001,094</u>	<u>\$ 10,117,662</u>

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, 2013
(amounts expressed in thousands)

Total fund balances-governmental funds \$ 7,639,816

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	\$ 1,854,891	
Antiques, artwork, other inexhaustible collections	20	
Infrastructure assets	9,290,039	
Construction in progress	2,192,995	
Property, plant, and equipment	2,596,621	
Computer software	45,754	
Accumulated depreciation	<u>(1,471,017)</u>	
Total capital assets, net of depreciation		14,509,303

The State's pension funds have net pension assets not reported as assets in the funds. 149,605

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	545,167	
Accounts receivable	<u>66,941</u>	
		612,108

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	(426,688)	
Litigation liabilities	(55,553)	
Pollution remediation	<u>(26,595)</u>	
		(508,836)

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. 81,386

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	(136,817)	
Other postemployment benefits	(103,377)	
Loan from the Indiana Board for Depositories	(50,000)	
Capital lease payable	(1,156,910)	
Net pension obligations	<u>(1,166,775)</u>	
Total long-term liabilities		<u>(2,613,879)</u>

Net position of governmental activities \$ 19,869,503

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, 2013
(amounts expressed in thousands)

	General Fund	Public Welfare- Medicaid Assistance Fund	Major Moves Construction Fund	Non-Major Governmental Funds	Total
Revenues:					
Taxes:					
Income	\$ 5,441,430	\$ -	\$ -	\$ 201	\$ 5,441,631
Sales	6,812,520	-	-	10,355	6,822,875
Fuels	-	-	-	765,519	765,519
Gaming	77,624	-	-	710,921	788,545
Unemployment	-	-	-	80	80
Inheritance	160,820	-	-	-	160,820
Alcohol and tobacco	299,149	-	-	178,299	477,448
Insurance	207,490	-	-	4,497	211,987
Financial Institutions	-	-	-	120,571	120,571
Other	236,192	-	-	24,977	261,169
Total taxes	13,235,225	-	-	1,815,420	15,050,645
Current service charges	193,257	924,703	-	1,221,948	2,339,908
Investment income	27,990	-	15,807	12,208	56,005
Sales/rents	1,391	-	-	20,043	21,434
Grants	11,731	5,666,286	-	5,582,391	11,260,408
Other	57,524	33,630	-	57,616	148,770
Total revenues	13,527,118	6,624,619	15,807	8,709,626	28,877,170
Expenditures:					
Current:					
General government	1,479,884	-	-	403,989	1,883,873
Public safety	774,855	-	-	841,120	1,615,975
Health	38,690	-	-	368,664	407,354
Welfare	822,390	8,262,032	-	3,094,565	12,178,987
Conservation, culture and development	54,360	-	-	502,435	556,795
Education	8,907,518	-	-	1,369,046	10,276,564
Transportation	1,040	-	10,457	2,552,870	2,564,367
Capital outlay	-	-	-	14,006	14,006
Total expenditures	12,078,737	8,262,032	10,457	9,146,695	29,497,921
Excess (deficiency) of revenues over (under) expenditures	1,448,381	(1,637,413)	5,350	(437,069)	(620,751)
Other financing sources (uses):					
Transfers in	1,682,779	2,163,546	-	2,479,143	6,325,468
Transfers (out)	(3,199,135)	(565,303)	(412,706)	(2,151,611)	(6,328,755)
Proceeds from capital lease	15,081	-	-	3,430	18,511
Total other financing sources (uses)	(1,501,275)	1,598,243	(412,706)	330,962	15,224
Net change in fund balances	(52,894)	(39,170)	(407,356)	(106,107)	(605,527)
Fund Balance July 1, as restated	3,391,144	455,932	1,181,837	3,216,430	8,245,343
Fund Balance June 30	\$ 3,338,250	\$ 416,762	\$ 774,481	\$ 3,110,323	\$ 7,639,816

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, 2013
(amounts expressed in thousands)

Net change in fund balances-total governmental funds	\$ (605,527)
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.	816,242
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 (\$608,214) exceeds depreciation of \$281,817 in the current period.	326,397
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Tax revenue	(13,096)
Non-tax revenue	2,104
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	(228,561)
Statutory expenses	10,000
Investment in direct financing lease	31,646
The change in net pension assets and net pension obligations do not provide or require the use of current financial resources:	
Increase in net pension assets	120,563
Decrease in net pension obligations	177,522
The change in other postemployment benefits do not provide or require the use of current financial resources.	(11,474)
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.	25,496
Change in net position of governmental activities.	<u>\$ 651,311</u>

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, 2013

(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ 57,120	\$ 72,273	\$ 129,393	\$ 83,767
Securities lending collateral	-	-	-	-
Receivables:				
Accounts	105,590	806	106,396	24,437
Interest	-	476	476	-
Grants	1,909	-	1,909	-
Interfund services provided	-	-	-	8,324
Inventory	-	605	605	5,584
Prepaid expenses	-	98	98	-
Total current assets	<u>164,619</u>	<u>74,258</u>	<u>238,877</u>	<u>122,112</u>
Noncurrent assets:				
Capital assets:				
Capital assets being depreciated/amortized	-	1,109	1,109	72,420
less accumulated depreciation/amortization	-	(445)	(445)	(55,558)
Total capital assets, net of depreciation/amortization	-	664	664	16,862
Total noncurrent assets	<u>-</u>	<u>664</u>	<u>664</u>	<u>16,862</u>
Total assets	<u>164,619</u>	<u>74,922</u>	<u>239,541</u>	<u>138,974</u>
Liabilities				
Current liabilities:				
Accounts payable	4,378	828	5,206	50,011
Claims payable	-	3,861	3,861	-
Salaries and benefits payable	-	399	399	2,415
Interest payable	34,107	-	34,107	-
Accrued liability for compensated absences	-	235	235	2,754
Due to federal government (net)	1,377,295	-	1,377,295	-
Unearned revenue	-	4,093	4,093	2
Other liabilities	-	564	564	1
Total current liabilities	<u>1,415,780</u>	<u>9,980</u>	<u>1,425,760</u>	<u>55,183</u>
Noncurrent liabilities:				
Accrued liability for compensated absences	-	244	244	2,405
Claims payable	-	24,789	24,789	-
Total noncurrent liabilities	<u>-</u>	<u>25,033</u>	<u>25,033</u>	<u>2,405</u>
Total liabilities	<u>1,415,780</u>	<u>35,013</u>	<u>1,450,793</u>	<u>57,588</u>
Net position				
Net investment in capital assets	-	664	664	16,863
Unrestricted (deficit)	(1,251,161)	39,245	(1,211,916)	64,523
Total net position	<u>\$ (1,251,161)</u>	<u>\$ 39,909</u>	<u>\$ (1,211,252)</u>	<u>\$ 81,386</u>

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, 2013
(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Operating revenues:				
Sales/rents/premiums	\$ -	\$ 26,267	\$ 26,267	\$ 537,816
Employer contributions	830,527	-	830,527	-
Charges for services	-	-	-	8,593
Federal revenues	668,183	-	668,183	-
Other	-	196	196	747
Total operating revenues	1,498,710	26,463	1,525,173	547,156
Cost of sales	-	4,328	4,328	24,329
Gross margin	1,498,710	22,135	1,520,845	522,827
Operating expenses:				
General and administrative expense	7,782	17,444	25,226	148,410
Claims expense	-	1,532	1,532	-
Health / disability benefit payments	-	-	-	347,880
Unemployment compensation benefits	1,105,997	-	1,105,997	-
Depreciation and amortization	-	168	168	6,747
Other	-	32	32	-
Total operating expenses	1,113,779	19,176	1,132,955	503,037
Operating income (loss)	384,931	2,959	387,890	19,790
Nonoperating revenues (expenses):				
Interest and other investment income	-	9	9	-
Interest and other investment expense	(46,806)	(638)	(47,444)	(216)
Gain (Loss) on disposition of assets	-	(552)	(552)	(134)
Federal grants	2,349	-	2,349	-
Total nonoperating revenues (expenses)	(44,457)	(1,181)	(45,638)	(350)
Income before contributions and transfers	340,474	1,778	342,252	19,440
Capital contributions	-	87	87	-
Transfers in	-	-	-	6,198
Transfers (out)	-	(2,769)	(2,769)	(142)
Change in net position	340,474	(904)	339,570	25,496
Total net position, July 1, as restated	(1,591,635)	40,813	(1,550,822)	55,890
Total net position, June 30	\$ (1,251,161)	\$ 39,909	\$ (1,211,252)	\$ 81,386

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, 2013

(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 1,489,480	\$ 26,336	\$ 1,515,816	\$ 546,457
Cash paid for general and administrative	(7,782)	(17,171)	(24,953)	(148,039)
Cash paid for salary/health/disability benefit payments	-	-	-	(354,360)
Cash paid to suppliers	-	(4,690)	(4,690)	(25,024)
Cash paid for claims expense	(1,102,430)	(3,053)	(1,105,483)	-
Net cash provided (used) by operating activities	379,268	1,422	380,690	19,034
Cash flows from noncapital financing activities:				
Transfers in	-	-	-	6,198
Transfers out	-	(2,769)	(2,769)	(142)
Interest on loan from federal government	(61,043)	-	(61,043)	-
Repayment of loan from federal government	(339,530)	-	(339,530)	-
Federal grants	2,431	-	2,431	-
Net cash provided (used) by noncapital financing activities	(398,142)	(2,769)	(400,911)	6,056
Cash flows from capital and related financing activities:				
Acquisition/construction of capital assets	-	(699)	(699)	(7,441)
Proceeds from sale of assets	-	-	-	181
Principal payments -- capital leases	-	-	-	(5,870)
Capital contributions	-	87	87	-
Interest paid	-	-	-	(216)
Net cash provided (used) by capital and related financing activities	-	(612)	(612)	(13,346)
Cash flows from investing activities:				
Proceeds from sales of investments	-	9,350	9,350	-
Purchase of investments	-	(9,508)	(9,508)	-
Interest income (expense) on investments	-	2,251	2,251	-
Net cash provided (used) by investing activities	-	2,093	2,093	-
Net increase (decrease) in cash and cash equivalents	(18,874)	134	(18,740)	11,744
Cash and cash equivalents, July 1	75,994	8,831	84,825	72,023
Cash and cash equivalents, June 30	<u>\$ 57,120</u>	<u>\$ 8,965</u>	<u>\$ 66,085</u>	<u>\$ 83,767</u>
Reconciliation of cash , cash equivalents and investments:				
Cash and cash equivalents unrestricted at end of year	\$ 57,120	\$ 8,965	\$ 66,085	\$ 83,767
Investments unrestricted	-	63,308	63,308	-
Cash, cash equivalents and investments per balance sheet	<u>\$ 57,120</u>	<u>\$ 72,273</u>	<u>\$ 129,393</u>	<u>\$ 83,767</u>
Noncash investing, capital and financing activities:				
Increase (Decrease) in fair value of investments	\$ -	\$ (2,815)	\$ (2,815)	\$ -

State of Indiana
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

(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)	\$ 384,931	\$ 2,959	\$ 387,890	\$ 19,790
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	-	168	168	6,747
(Increase) decrease in receivables	(9,231)	177	(9,054)	618
(Increase) decrease in interfund services provided	-	-	-	(1,349)
(Increase) decrease in inventory	-	(30)	(30)	(310)
(Increase) decrease in prepaid expenses	-	6	6	-
Increase (decrease) in claims payable	-	(1,521)	(1,521)	-
Increase (decrease) in health and disability benefits payable	-	-	-	(6,479)
Increase (decrease) in accounts payable	3,568	24	3,592	(184)
Increase (decrease) in unearned revenue	-	(393)	(393)	(3)
Increase (decrease) in salaries payable	-	43	43	(272)
Increase (decrease) in compensated absences	-	23	23	477
Increase (decrease) in other payables	-	(34)	(34)	(1)
Net cash provided (used) by operating activities	\$ 379,268	\$ 1,422	\$ 380,690	\$ 19,034

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, 2013
(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	\$ 130,918	\$ 25,114	\$ -	\$ 518,266
Securities lending collateral	1,080,547	-	-	-
Receivables:				
Taxes	-	4,478	-	168,550
Contributions	20,127	-	-	-
Interest	91,908	3	66	-
Member loans	257	-	-	-
From investment sales	2,427,113	-	-	-
Other	2,302	-	-	54
Total receivables	<u>2,541,707</u>	<u>4,481</u>	<u>66</u>	<u>168,604</u>
Pension and other employee benefit investments at fair value:				
Short term investments	1,496,036	-	-	-
Equity Securities	6,883,348	-	-	-
Debt Securities	12,026,007	-	-	-
Other	7,842,229	-	-	-
Total investments at fair value	<u>28,247,620</u>	<u>-</u>	<u>-</u>	<u>-</u>
Pool Investments at Amortized Cost:				
Cash and cash equivalents	-	-	219,328	-
U.S. Government Agencies	-	-	76,372	-
Commercial Paper	-	-	97,314	-
Total investments at amortized cost	<u>-</u>	<u>-</u>	<u>393,014</u>	<u>-</u>
Other assets	304	-	-	-
Property, plant and equipment net of accumulated depreciation	12,154	-	-	-
Total assets	<u>32,013,250</u>	<u>29,595</u>	<u>393,080</u>	<u>\$ 686,870</u>
Liabilities:				
Accounts/escrows payable	6,390	620	26	\$ 670,289
Salaries and benefits payable	2,589	105	-	-
Benefits payable	87,950	-	-	-
Intergovernmental payable	-	2,364	-	-
Investment purchases payable	2,842,609	-	-	-
Securities purchased payable	175,228	-	-	-
Securities lending collateral	1,080,547	-	-	-
Other	-	-	18	16,581
Total liabilities	<u>4,195,313</u>	<u>3,089</u>	<u>44</u>	<u>\$ 686,870</u>
Net Position				
Restricted for:				
Employees' pension benefits	27,506,654	-	-	
OPEB benefits	294,705	-	-	
Future death benefits	12,336	-	-	
Local units	4,242	-	-	
Trust beneficiaries	-	26,506	-	
Investment pool participants	-	-	393,036	
Total net position	<u>\$ 27,817,937</u>	<u>\$ 26,506</u>	<u>\$ 393,036</u>	

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

State of Indiana
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2013

(amounts expressed in thousands)

	Pension and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Investment Trust Fund
Additions:			
Member contributions	\$ 331,253	\$ 1,614	\$ 356,867
Employer contributions	2,161,258	-	-
Contributions from the State of Indiana	89,132	-	-
Net investment income (loss)	1,684,714	69	940
Less investment expense	(140,302)	-	-
Taxes	-	86,714	-
Federal reimbursements	548	-	-
Donations/escheats	-	110,366	-
Transfers in	14,759	-	-
Reinvestment of distributions	-	-	446
Other	308	-	-
Total additions	4,141,670	198,763	358,253
Deductions:			
Pension and disability benefits	2,161,413	-	-
Retiree health benefits	14,651	-	-
Death benefits	1,744	-	-
Payments to participants/beneficiaries	-	225,607	442
Refunds of contributions and interest	98,414	-	338,095
Administrative	32,623	-	314
Pension relief distributions	219,814	-	-
Capital projects	13,728	-	-
Transfers out	14,759	-	-
Other	284	-	185
Total deductions	2,557,430	225,607	339,036
Net increase (decrease) in net position	1,584,240	(26,844)	19,217
Net position restricted, July 1, as restated	26,233,697	53,350	373,819
Net position restricted, June 30	\$ 27,817,937	\$ 26,506	\$ 393,036

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, 2013
(amounts expressed in thousands)

	Governmental	Proprietary	Colleges and Universities	Total
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ 151,575	\$ 1,512,926	\$ 1,617,608	\$ 3,282,109
Cash, cash equivalents and investments - restricted	-	277,898	41,581	319,479
Securities lending collateral	-	-	66,935	66,935
Receivables (net)	1,015	437,094	410,483	848,592
Due from primary government	-	5,000	-	5,000
Inventory	-	339	15,933	16,272
Prepaid expenses	-	915	5,403	6,318
Loans	-	141,411	-	141,411
Investment in direct financing lease	-	71,590	-	71,590
Other assets	-	2,072	109,669	111,741
Total current assets	152,590	2,449,245	2,267,612	4,869,447
Noncurrent assets:				
Cash, cash equivalents and investments - unrestricted	-	874,464	114,127	988,591
Cash, cash equivalents and investments - restricted	-	925,654	7,042,264	7,967,918
Receivables (net)	-	1,453,623	521,710	1,975,333
Due from primary government	-	45,000	-	45,000
Loans	35,289	2,182,892	-	2,218,181
Investment in direct financing lease	-	2,174,568	-	2,174,568
Net pension and OPEB assets	-	1,273	32,219	33,492
Other assets	-	33,034	33,114	66,148
Capital assets:				
Capital assets not being depreciated/amortized	-	662,153	773,629	1,435,782
Capital assets being depreciated/amortized	427	1,071,222	10,656,334	11,727,983
less accumulated depreciation/amortization	(330)	(419,093)	(4,659,554)	(5,078,977)
Total capital assets, net of depreciation/amortization	97	1,314,282	6,770,409	8,084,788
Total noncurrent assets	35,386	9,004,790	14,513,843	23,554,019
Total assets	187,976	11,454,035	16,781,455	28,423,466
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	-	177,733	2,211	179,944
Deferred refunding costs	-	7,898	-	7,898
Total deferred outflows of resources	-	185,631	2,211	187,842
Liabilities				
Current liabilities:				
Accounts payable	2,540	75,034	371,162	448,736
Interest payable	-	94,098	32,452	126,550
Due to primary government	-	3,389	-	3,389
Unearned revenue	16,222	181,637	213,369	411,228
Advances from federal government	-	1,611	-	1,611
Securities lending collateral	-	-	66,935	66,935
Accrued liability for compensated absences	-	-	83,657	83,657
Other liabilities	344	42,155	62,545	105,044
Current portion of long-term liabilities	236	612,991	308,960	922,187
Total current liabilities	19,342	1,010,915	1,139,080	2,169,337

State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2013
(amounts expressed in thousands)

	Governmental	Proprietary	Colleges and Universities	Total
Noncurrent liabilities:				
Accrued liability for compensated absences	-	126	76,209	76,335
Accrued prize liabilities	-	118,597	-	118,597
Net pension and OPEB liabilities	-	68	89,167	89,235
Unearned revenue	-	2,940	36,957	39,897
Funds held in trust for others	-	-	174,286	174,286
Advances from federal government	-	1,218	28,764	29,982
Revenue bonds/notes payable	-	6,865,228	2,709,702	9,574,930
Derivative instrument liability	-	177,733	2,211	179,944
Other noncurrent liabilities	-	13,511	90,481	103,992
Total noncurrent liabilities	-	7,179,421	3,207,777	10,387,198
Total liabilities	19,342	8,190,336	4,346,857	12,556,535
Deferred inflows of resources				
Advanced payment for service concession agreement	-	3,358,897	-	3,358,897
Deferred service concession arrangement receipts	-	299,706	1,941	301,647
Total deferred inflows of resources	-	3,658,603	1,941	3,660,544
NET POSITION				
Net investment in capital assets	97	290,407	4,004,112	4,294,616
Restricted - nonexpendable:				
Grants/constitutional restrictions	-	834	-	834
Permanent funds	-	-	64,955	64,955
Instruction and research	-	-	767,864	767,864
Student aid	-	157	796,797	796,954
Other purposes	-	686	340,421	341,107
Restricted - expendable:				
Grants/constitutional restrictions	-	107,144	15,739	122,883
Future debt service	-	375,885	26,818	402,703
Instruction and research	-	-	627,071	627,071
Student aid	-	-	754,784	754,784
Endowments	-	244	726,395	726,639
Capital projects	-	1,243,766	206,746	1,450,512
Other purposes	317	376	288,912	289,605
Unrestricted	168,220	(2,228,772)	3,814,254	1,753,702
Total net position	\$ 168,634	\$ (209,273)	\$ 12,434,868	\$ 12,394,229

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, 2013
 (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	\$ 31,365	\$ 161	\$ 1,501	\$ -	\$ (29,703)	\$ -	\$ -	\$ (29,703)
Proprietary	2,398,258	1,738,521	595,372	7,578	-	(56,787)	-	(56,787)
Colleges and universities	6,336,061	3,393,068	1,137,912	63,562	-	-	(1,741,519)	(1,741,519)
Total component units	\$ 8,765,684	\$ 5,131,750	\$ 1,734,785	\$ 71,140	(29,703)	(56,787)	(1,741,519)	(1,828,009)
General Revenues:								
Gaming tax					1,203	-	-	1,203
Total taxes					1,203	-	-	1,203
Revenue not restricted to specific programs:								
Investment earnings					207	20,940	501,592	522,739
Payments from State of Indiana					48,381	19,346	1,407,046	1,474,773
Other					-	3	582,212	582,215
Total general revenues					49,791	40,289	2,490,850	2,580,930
Change in net position					20,088	(16,498)	749,331	752,921
Net position - beginning, as restated					148,546	(192,775)	11,685,537	11,641,308
Net position - ending					\$ 168,634	\$ (209,273)	\$ 12,434,868	\$ 12,394,229

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, 2013

(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	\$ 999,295	\$ 37,923	\$ 475,708	\$ -	\$ 1,512,926
Cash, cash equivalents and investments - restricted	-	-	277,898	-	277,898
Receivables (net)	84,483	68,733	292,588	(8,710)	437,094
Due from primary government	-	-	5,000	-	5,000
Inventory	-	-	339	-	339
Prepaid expenses	185	142	588	-	915
Loans	107,284	-	34,787	(660)	141,411
Investment in direct financing lease	70,735	-	855	-	71,590
Other assets	9	-	2,063	-	2,072
Total current assets	1,261,991	106,798	1,089,826	(9,370)	2,449,245
Noncurrent assets:					
Cash, cash equivalents and investments - unrestricted	555,852	129,935	188,677	-	874,464
Cash, cash equivalents and investments - restricted	-	8,720	916,934	-	925,654
Receivables (net)	-	-	1,453,623	-	1,453,623
Due from primary government	-	-	45,000	-	45,000
Loans	2,966,371	-	192,822	(976,301)	2,182,892
Investment in direct financing lease	1,220,751	-	953,817	-	2,174,568
Net pension and OPEB assets	-	1,273	-	-	1,273
Other assets	16,308	-	16,726	-	33,034
Capital assets:					
Capital assets not being depreciated/amortized	547,648	-	114,505	-	662,153
Capital assets being depreciated/amortized	795,319	2,727	273,176	-	1,071,222
less accumulated depreciation/amortization	(276,498)	(983)	(141,612)	-	(419,093)
Total capital assets, net of depreciation/amortization	1,066,469	1,744	246,069	-	1,314,282
Total noncurrent assets	5,825,751	141,672	4,013,668	(976,301)	9,004,790
Total assets	7,087,742	248,470	5,103,494	(985,671)	11,454,035
Deferred Outflows of Resources					
Accumulated decrease in fair value of hedging derivatives	155,370	-	177,733	(155,370)	177,733
Deferred refunding costs	-	-	7,898	-	7,898
Total deferred outflows of resources	155,370	-	185,631	(155,370)	185,631
Liabilities					
Current liabilities:					
Accounts payable	17,222	14,991	42,821	-	75,034
Interest payable	60,330	-	42,478	(8,710)	94,098
Due to primary government	-	3,389	-	-	3,389
Unearned revenue	142,433	669	38,535	-	181,637
Advances from federal government	1,611	-	-	-	1,611
Other liabilities	418	583	41,154	-	42,155
Current portion of long-term liabilities	206,732	92,035	314,884	(660)	612,991
Total current liabilities	428,746	111,667	479,872	(9,370)	1,010,915
Noncurrent liabilities:					
Accrued liability for compensated absences	-	-	126	-	126
Accrued prize liabilities	-	118,597	-	-	118,597
Net pension and OPEB liabilities	-	-	68	-	68
Unearned revenue	2,453	-	487	-	2,940
Advances from federal government	1,218	-	-	-	1,218
Revenue bonds/notes payable	4,374,395	-	3,467,134	(976,301)	6,865,228
Derivative instrument liability	155,370	-	177,733	(155,370)	177,733
Other noncurrent liabilities	2,427	-	11,084	-	13,511
Total noncurrent liabilities	4,535,863	118,597	3,656,632	(1,131,671)	7,179,421
Total liabilities	4,964,609	230,264	4,136,504	(1,141,041)	8,190,336

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

June 30, 2013

(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	3,358,897	-	-	-	3,358,897
Deferred service concession arrangement receipts	299,706	-	-	-	299,706
Total deferred inflows of resources	3,658,603	-	-	-	3,658,603
NET POSITION					
Net investment in capital assets	54,556	1,744	234,107	-	290,407
Restricted - nonexpendable:					
Grants/constitutional restrictions	-	-	834	-	834
Student aid	-	-	157	-	157
Other purposes	-	-	686	-	686
Restricted - expendable:					
Grants/constitutional restrictions	-	-	107,144	-	107,144
Future debt service	216,875	-	159,010	-	375,885
Endowments	-	-	244	-	244
Capital projects	1,242,472	-	1,294	-	1,243,766
Other purposes	-	-	376	-	376
Unrestricted	(2,894,003)	16,462	648,769	-	(2,228,772)
Total net position	\$ (1,380,100)	\$ 18,206	\$ 1,152,621	\$ -	\$ (209,273)

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, 2013**
(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)	\$ 713,463	\$ 580,751	\$ 52,034	\$ -	\$ (80,678)	\$ -	\$ -	\$ -	\$ (80,678)
State Lottery Commission	934,154	934,028	-	-	-	(126)	-	-	(126)
Non-Major Proprietary	800,838	269,677	547,600	7,578	-	-	24,017	-	24,017
IFA & ISCBA Interfund Eliminations	(50,197)	(45,935)	(4,262)	-	-	-	-	-	-
Total component units	\$ 2,398,258	\$ 1,738,521	\$ 595,372	\$ 7,578	(80,678)	(126)	24,017	-	(56,787)
General revenues:									
Investment earnings					27,425	(8,804)	2,319	-	20,940
Payments from State of Indiana					-	-	19,346	-	19,346
Other					-	-	3	-	3
Total general revenues					27,425	(8,804)	21,668	-	40,289
Change in net position					(53,253)	(8,930)	45,685	-	(16,498)
Net position - beginning, as restated					(1,326,847)	27,136	1,106,936	-	(192,775)
Net position - ending					<u>\$ (1,380,100)</u>	<u>\$ 18,206</u>	<u>\$ 1,152,621</u>	<u>\$ -</u>	<u>\$ (209,273)</u>

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, 2013
(amounts expressed in thousands)

	Indiana University	Purdue University	Non-Major Colleges and Universities	Totals
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ 529,608	\$ 536,052	\$ 551,948	\$ 1,617,608
Cash, cash equivalents and investments - restricted	-	3,038	38,543	41,581
Securities lending collateral	66,935	-	-	66,935
Receivables (net)	146,905	144,072	119,506	410,483
Inventory	11,078	-	4,855	15,933
Prepaid expenses	-	27	5,376	5,403
Other assets	34,745	49,382	25,542	109,669
Total current assets	789,271	732,571	745,770	2,267,612
Noncurrent assets:				
Cash, cash equivalents and investments - unrestricted	-	-	114,127	114,127
Cash, cash equivalents and investments - restricted	3,138,858	3,192,753	710,653	7,042,264
Receivables (net)	263,191	204,506	54,013	521,710
Net pension and OPEB assets	-	-	32,219	32,219
Other assets	-	14,595	18,519	33,114
Capital assets:				
Capital assets not being depreciated/amortized	354,970	251,549	167,110	773,629
Capital assets being depreciated/amortized	4,344,813	3,412,747	2,898,774	10,656,334
less accumulated depreciation/amortization	(1,951,057)	(1,624,013)	(1,084,484)	(4,659,554)
Total capital assets, net of depreciation/amortization	2,748,726	2,040,283	1,981,400	6,770,409
Total noncurrent assets	6,150,775	5,452,137	2,910,931	14,513,843
Total assets	6,940,046	6,184,708	3,656,701	16,781,455
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	-	-	2,211	2,211
Total deferred outflows of resources	-	-	2,211	2,211
Liabilities				
Current liabilities:				
Accounts payable	195,471	96,573	79,118	371,162
Interest payable	12,937	17,914	1,601	32,452
Unearned revenue	145,074	41,304	26,991	213,369
Securities lending collateral	66,935	-	-	66,935
Accrued liability for compensated absences	41,537	26,856	15,264	83,657
Other liabilities	-	35,429	27,116	62,545
Current portion of long-term liabilities	60,051	150,074	98,835	308,960
Total current liabilities	522,005	368,150	248,925	1,139,080
Noncurrent liabilities:				
Accrued liability for compensated absences	25,779	33,789	16,641	76,209
Other postemployment benefits	25,864	36,179	27,124	89,167
Unearned revenue	36,955	-	2	36,957
Funds held in trust for others	76,677	61,050	36,559	174,286
Advances from federal government	-	19,932	8,832	28,764
Revenue bonds/notes payable	911,923	963,850	833,929	2,709,702
Derivative instrument liability	-	-	2,211	2,211
Other noncurrent liabilities	47,559	26,873	16,049	90,481
Total noncurrent liabilities	1,124,757	1,141,673	941,347	3,207,777
Total liabilities	1,646,762	1,509,823	1,190,272	4,346,857
Deferred Inflows of Resources				
Deferred service concession arrangement receipts	-	-	1,941	1,941
Total deferred inflows of resources	-	-	1,941	1,941

State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units -
Colleges and Universities
June 30, 2013

(amounts expressed in thousands)

	Indiana University	Purdue University	Non-Major Colleges and Universities	Totals
Net Position				
Net investment in capital assets	1,779,033	1,139,118	1,085,961	4,004,112
Restricted - nonexpendable:				
Permanent funds	27,998	-	36,957	64,955
Future debt service	-	-	-	-
Instruction and research	424,610	310,757	32,497	767,864
Student aid	400,191	290,493	106,113	796,797
Other purposes	274,836	42,324	23,261	340,421
Restricted - expendable:				
Grants/constitutional restrictions	-	-	15,739	15,739
Future debt service	20,247	-	6,571	26,818
Instruction and research	306,024	254,390	66,657	627,071
Student aid	156,795	519,289	78,700	754,784
Endowments	259,306	456,300	10,789	726,395
Capital projects	82,565	46,818	77,363	206,746
Other purposes	123,242	139,432	26,238	288,912
Unrestricted	1,438,437	1,475,964	899,853	3,814,254
Total net position	\$ 5,293,284	\$ 4,674,885	\$ 2,466,699	\$ 12,434,868

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, 2013**
(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	\$ 2,797,458	\$ 1,684,831	\$ 611,267	\$ 21,062	\$ (480,298)	\$ -	\$ -	\$ (480,298)
Purdue University	1,951,723	1,080,075	409,707	36,015	-	(425,926)	-	(425,926)
Non-Major Colleges and Universities	1,586,880	628,162	116,938	6,485	-	-	(835,295)	(835,295)
Total component units	<u>\$ 6,336,061</u>	<u>\$ 3,393,068</u>	<u>\$ 1,137,912</u>	<u>\$ 63,562</u>	<u>(480,298)</u>	<u>(425,926)</u>	<u>(835,295)</u>	<u>(1,741,519)</u>
General revenues:								
Investment earnings					207,578	249,075	44,939	501,592
Payments from State of Indiana					509,598	370,382	527,066	1,407,046
Other					125,651	77,474	379,087	582,212
Total general revenues					<u>842,827</u>	<u>696,931</u>	<u>951,092</u>	<u>2,490,850</u>
Change in net position					362,529	271,005	115,797	749,331
Net position - beginning, as restated					4,930,755	4,403,880	2,350,902	11,685,537
Net position - ending					<u>\$ 5,293,284</u>	<u>\$ 4,674,885</u>	<u>\$ 2,466,699</u>	<u>\$ 12,434,868</u>

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