

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

24 - State of Indiana - Comprehensive Annual Financial Report

State of Indiana
Statement of Net Position
June 30, 2014
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash, cash equivalents and investments - unrestricted	\$ 6,574,898	\$ 116,095	\$ 6,690,993	\$ 4,825,508
Cash, cash equivalents and investments - restricted	373,885	-	373,885	8,180,806
Securities lending collateral	1,164,156	-	1,164,156	98,766
Receivables (net)	3,140,151	85,074	3,225,225	2,662,007
Due from primary government	-	-	-	62,893
Due from component unit	28,732	-	28,732	-
Inventory	4,871	577	5,448	16,269
Prepaid expenses	99,702	77	99,779	5,551
Loans	394,546	-	394,546	2,277,701
Investment in direct financing lease	-	-	-	2,215,245
Net pension and OPEB assets	169,128	-	169,128	40,833
Other assets	2,505	36	2,541	192,053
Capital assets:				
Capital assets not being depreciated/amortized	13,786,700	-	13,786,700	1,344,498
Capital assets being depreciated/amortized	2,794,572	1,135	2,795,707	12,193,506
less accumulated depreciation/amortization	(1,598,840)	(600)	(1,599,440)	(5,365,821)
Total capital assets, net of depreciation/amortization	14,982,432	535	14,982,967	8,172,183
Total assets	26,935,006	202,394	27,137,400	28,749,815
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of hedging derivatives	-	-	-	181,255
Deferred debt refunding loss	-	-	-	113,202
Total deferred outflows of resources	-	-	-	294,457
LIABILITIES				
Accounts payable	2,325,369	23,001	2,348,370	431,874
Interest payable	3,000	23,740	26,740	110,993
Tax refunds payable	38,214	-	38,214	-
Payables to other governments	177,637	-	177,637	-
Due to component unit	62,893	-	62,893	-
Due to primary government	-	-	-	28,732
Unearned revenue	188	4,442	4,630	523,164
Advances from federal government	-	922,562	922,562	28,635
Securities lending collateral	1,164,156	-	1,164,156	98,766
Derivative instrument liability	-	-	-	181,256
Other liabilities	291	687	978	225,776
Long-term liabilities:				
Due within 1 year	154,579	3,542	158,121	971,910
Due in more than 1 year	2,495,204	25,453	2,520,657	9,305,010
Total liabilities	6,421,531	1,003,427	7,424,958	11,906,116
DEFERRED INFLOWS OF RESOURCES				
Advanced payment for service concession agreement	-	-	-	3,309,502
Deferred service concession arrangement receipts	-	-	-	297,060
Deferred debt refunding gain	-	-	-	12
Total deferred inflows of resources	-	-	-	3,606,574
NET POSITION				
Net investment in capital assets	13,873,849	535	13,874,384	4,406,176
Restricted - nonexpendable:				
Permanent funds	521,028	-	521,028	368,289
Instruction and research	-	-	-	852,631
Student aid	-	-	-	886,249
Other purposes	99,702	-	99,702	101,986
Restricted - expendable:				
Grants/constitutional restrictions	379,568	-	379,568	162,152
Future debt service	-	-	-	294,709
Instruction and research	-	-	-	701,913
Student aid	-	-	-	848,745
Endowments	-	-	-	853,991
Capital projects	-	-	-	1,599,665
Other purposes	-	-	-	318,237
Unrestricted	5,639,328	(801,568)	4,837,760	2,136,839
Total net position	\$ 20,513,475	\$ (801,033)	\$ 19,712,442	\$ 13,531,582

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, 2014
 (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	\$ 1,449,872	\$ 527,713	\$ 78,500	\$ 1,709	\$ (841,950)	\$ -
Public safety	1,425,313	480,497	132,540	68,873	(743,403)	-
Health	350,621	101,354	197,827	-	(51,440)	-
Welfare	12,493,256	1,079,528	8,650,738	-	(2,762,990)	-
Conservation, culture and development	523,548	148,077	224,017	-	(151,454)	-
Education	10,568,092	3,383	1,077,864	-	(9,486,845)	-
Transportation	1,797,686	77,861	31,705	1,109,560	(578,560)	-
Total governmental activities	28,608,388	2,418,413	10,393,191	1,180,142	(14,616,642)	-
Business-type activities						
Unemployment Compensation Fund	674,844	950,328	134,998	-	410,482	410,482
Malpractice Insurance Authority	1,855	1,851	-	-	(4)	(4)
Inns and Concessions	20,625	23,704	-	-	3,079	3,079
Wabash Memorial Bridge	871	783	-	165	77	77
Total business-type activities	698,195	976,666	134,998	165	413,634	413,634
Total primary government	\$ 29,306,583	\$ 3,395,079	\$ 10,528,189	\$ 1,180,307	(14,616,642)	(14,203,008)
Component units:						
Governmental	56,390	189	4,354	-	-	(51,847)
Proprietary	2,081,406	1,623,761	517,914	2,922	-	63,191
Colleges and universities	6,560,330	3,457,450	1,153,695	99,072	-	(1,850,113)
Total component units	\$ 8,698,126	\$ 5,081,400	\$ 1,675,963	\$ 101,994	-	(1,838,769)
General Revenues:						
Income tax		\$ 5,811,823		\$ 5,811,823	\$ -	\$ -
Sales tax		6,995,678		6,995,678	-	-
Fuels tax		763,833		763,833	-	-
Gaming tax		681,383		681,383	-	835
Unemployment tax		914		914	-	-
Inheritance tax		56,166		56,166	-	-
Alcohol & Tobacco tax		445,381		445,381	-	-
Insurance tax		224,711		224,711	-	-
Financial Institutions tax		72,976		72,976	-	-
Other tax		256,269		256,269	-	-
Total taxes		15,309,134		15,309,134	-	835
Revenue not restricted to specific programs:						
Investment earnings		19,769		19,769	1,051	20,820
Payments from State of Indiana		-		-	-	-
Other		58,912		58,912	-	58,912
Transfers within primary government		2,724		2,724	(2,724)	-
Total general revenues and transfers		15,390,539		15,390,539	(1,673)	2,994,262
Changes in net position		773,897		773,897	411,961	1,155,493
Net position - beginning, as restated		19,739,578		19,739,578	(1,212,994)	12,376,089
Net position - ending		\$ 20,513,475		\$ 19,712,442	\$ (801,033)	\$ 13,531,582

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, 2014
(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	\$ 2,146,757	\$ 348,306	\$ 637,250	\$ 3,334,187	\$ 6,466,500
Cash, cash equivalents and investments-restricted	373,885	-	-	-	373,885
Securities lending collateral	1,164,156	-	-	-	1,164,156
Receivables:					
Taxes (net of allowance for uncollectible Accounts)	1,397,904	-	-	129,277	1,527,181
Grants	4,739	194,825	-	61,779	261,343
Interest	-	280,191	-	315,783	595,974
Interfund loans	6,021	-	-	36	6,057
Due from component unit	119,076	-	-	8,000	127,076
Prepaid expenditures	-	-	-	28,732	28,732
Loans	99,022	-	-	680	99,702
Other	5,928	-	-	388,618	394,546
Total assets	233	-	44	2,228	2,505
	<u>5,317,721</u>	<u>823,322</u>	<u>637,294</u>	<u>4,269,320</u>	<u>11,047,657</u>
Total assets and deferred outflow of resources	<u>\$ 5,317,721</u>	<u>\$ 823,322</u>	<u>\$ 637,294</u>	<u>\$ 4,269,320</u>	<u>\$ 11,047,657</u>
LIABILITIES					
Accounts payable	\$ 183,221	\$ 400,580	\$ 45	\$ 448,091	\$ 1,031,937
Salaries and benefits payable	54,135	-	-	47,836	101,971
Interfund loans	-	-	-	127,076	127,076
Interfunds services used	4,793	-	-	3,644	8,437
Intergovernmental payable	37,339	-	-	140,298	177,637
Due to component unit	17,893	-	-	-	17,893
Tax refunds payable	36,307	-	-	1,907	38,214
Accrued liability for compensated absences-current	3,130	-	-	3,927	7,057
Other payables	233	-	44	160	437
Securities lending collateral	1,164,156	-	-	-	1,164,156
Total liabilities	<u>1,501,207</u>	<u>400,580</u>	<u>89</u>	<u>772,939</u>	<u>2,674,815</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable revenue	344,337	-	-	31,403	375,740
Total deferred inflow of resources	<u>344,337</u>	<u>-</u>	<u>-</u>	<u>31,403</u>	<u>375,740</u>
FUND BALANCE					
Nonspendable:	99,022	-	-	521,708	620,730
Restricted:	379,568	-	-	-	379,568
Committed:	5,648	-	-	1,133,438	1,139,086
Assigned:	1,660,140	422,742	637,205	1,985,179	4,705,266
Unassigned:	1,327,799	-	-	(175,347)	1,152,452
Total fund balance	<u>3,472,177</u>	<u>422,742</u>	<u>637,205</u>	<u>3,464,978</u>	<u>7,997,102</u>
Total liabilities, deferred inflow of resources, and fund balance	<u>\$ 5,317,721</u>	<u>\$ 823,322</u>	<u>\$ 637,294</u>	<u>\$ 4,269,320</u>	<u>\$ 11,047,657</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, 2014
(amounts expressed in thousands)

Total fund balances-governmental funds \$ 7,997,102

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	\$	1,960,899	
Infrastructure assets		9,854,273	
Construction in progress		2,015,498	
Property, plant, and equipment		2,611,429	
Computer software		60,663	
Accumulated depreciation		<u>(1,539,231)</u>	
Total capital assets, net of depreciation			14,963,531

The State's pension funds have net pension assets not reported as assets in the funds. 136,744

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		375,740	
Accounts receivable		<u>63,982</u>	
			439,722

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		(430,154)	
Litigation liabilities		(77,777)	
Pollution remediation		<u>(27,894)</u>	
			(535,825)

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. 106,647

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		(134,263)	
Other postemployment benefits		(101,328)	
Loan from the Indiana Board for Depositories		(45,000)	
Capital lease payable		(1,112,598)	
Net pension obligations		<u>(1,201,257)</u>	
Total long-term liabilities			<u>(2,594,446)</u>

Net position of governmental activities **\$ 20,513,475**

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, 2014
(amounts expressed in thousands)

	General Fund	Public Welfare- Medicaid Assistance Fund	Major Moves Construction Fund	Non-Major Governmental Funds	Total
Revenues:					
Taxes:					
Income	\$ 5,891,093	\$ -	\$ -	\$ -	\$ 5,891,093
Sales	6,959,789	-	-	86,945	7,046,734
Fuels	1,648	-	-	775,800	777,448
Gaming	60,431	-	-	621,070	681,501
Unemployment	-	-	-	914	914
Inheritance	56,166	-	-	-	56,166
Alcohol and tobacco	274,208	-	-	173,587	447,795
Insurance	220,124	-	-	4,588	224,712
Financial Institutions	-	-	-	92,862	92,862
Other	240,070	-	-	16,233	256,303
Total taxes	13,703,529	-	-	1,771,999	15,475,528
Current service charges	202,310	1,040,313	-	1,180,445	2,423,068
Investment income	19,769	-	9,184	15,788	44,741
Sales/rents	627	-	-	21,466	22,093
Grants	2,291	5,963,368	-	5,364,307	11,329,966
Other	54,593	29	-	75,047	129,669
Total revenues	13,983,119	7,003,710	9,184	8,429,052	29,425,065
Expenditures:					
Current:					
General government	1,058,290	-	-	376,612	1,434,902
Public safety	872,232	-	-	538,491	1,410,723
Health	43,249	-	-	309,375	352,624
Welfare	673,152	8,521,270	-	3,115,120	12,309,542
Conservation, culture and development	57,687	-	-	450,653	508,340
Education	9,206,824	-	-	1,335,263	10,542,087
Transportation	1,558	-	41,019	2,394,029	2,436,606
Capital outlay	-	-	-	16,999	16,999
Total expenditures	11,912,992	8,521,270	41,019	8,536,542	29,011,823
Excess (deficiency) of revenues over (under) expenditures	2,070,127	(1,517,560)	(31,835)	(107,490)	413,242
Other financing sources (uses):					
Transfers in	1,418,795	2,032,829	200,000	2,546,001	6,197,625
Transfers (out)	(3,361,171)	(500,512)	(305,441)	(2,025,722)	(6,192,846)
Proceeds from capital lease	7,073	-	-	3,572	10,645
Total other financing sources (uses)	(1,935,303)	1,532,317	(105,441)	523,851	15,424
Net change in fund balances	134,824	14,757	(137,276)	416,361	428,666
Fund Balance July 1, as restated	3,337,353	407,985	774,481	3,048,617	7,568,436
Fund Balance June 30	\$ 3,472,177	\$ 422,742	\$ 637,205	\$ 3,464,978	\$ 7,997,102

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, 2014
(amounts expressed in thousands)

Net change in fund balances-total governmental funds	\$ 428,666
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.	590,920
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 depreciation (\$104,496) exceeds net capital outlays (\$38,390) in the current period.	(66,106)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Tax revenue	(169,427)
Non-tax revenue	(2,959)
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	(38,284)
Statutory expenses	10,000
Amounts due to component units	44,384
The change in net pension assets and net pension obligations do not provide or require the use of current financial resources:	
Decrease in net pension assets	(12,861)
Increase in net pension obligations	(34,482)
The change in other postemployment benefits do not provide or require the use of current financial resources.	2,049
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.	21,997
Change in net position of governmental activities.	<u>\$ 773,897</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, 2014

(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ 41,797	\$ 74,298	\$ 116,095	\$ 108,398
Receivables:				
Accounts	83,920	688	84,608	26,051
Interest	-	466	466	-
Interfund services provided	-	-	-	8,438
Inventory	-	577	577	4,871
Prepaid expenses	-	77	77	-
Other assets	-	36	36	-
Total current assets	<u>125,717</u>	<u>76,142</u>	<u>201,859</u>	<u>147,758</u>
Noncurrent assets:				
Capital assets:				
Capital assets being depreciated/amortized	-	1,135	1,135	78,511
less accumulated depreciation/amortization	-	(600)	(600)	(59,610)
Total capital assets, net of depreciation/amortization	<u>-</u>	<u>535</u>	<u>535</u>	<u>18,901</u>
Total noncurrent assets	<u>-</u>	<u>535</u>	<u>535</u>	<u>18,901</u>
Total assets	<u>125,717</u>	<u>76,677</u>	<u>202,394</u>	<u>166,659</u>
Liabilities				
Current liabilities:				
Accounts payable	21,836	732	22,568	52,216
Claims payable	-	3,327	3,327	-
Salaries and benefits payable	-	433	433	2,610
Interest payable	23,740	-	23,740	-
Accrued liability for compensated absences	-	215	215	2,698
Due to federal government (net)	922,562	-	922,562	-
Unearned revenue	-	4,442	4,442	188
Other liabilities	-	687	687	4
Total current liabilities	<u>968,138</u>	<u>9,836</u>	<u>977,974</u>	<u>57,716</u>
Noncurrent liabilities:				
Accrued liability for compensated absences	-	365	365	2,296
Claims payable	-	25,088	25,088	-
Total noncurrent liabilities	<u>-</u>	<u>25,453</u>	<u>25,453</u>	<u>2,296</u>
Total liabilities	<u>968,138</u>	<u>35,289</u>	<u>1,003,427</u>	<u>60,012</u>
Net position				
Net investment in capital assets	-	535	535	18,902
Unrestricted (deficit)	(842,421)	40,853	(801,568)	87,745
Total net position	<u>\$ (842,421)</u>	<u>\$ 41,388</u>	<u>\$ (801,033)</u>	<u>\$ 106,647</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, 2014

(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Operating revenues:				
Sales/rents/premiums	\$ -	\$ 26,093	\$ 26,093	\$ 545,029
Employer contributions	950,328	-	950,328	-
Charges for services	-	-	-	9,445
Federal revenues	135,311	-	135,311	-
Other	-	245	245	1,748
Total operating revenues	1,085,639	26,338	1,111,977	556,222
Cost of sales	-	4,294	4,294	23,681
Gross margin	1,085,639	22,044	1,107,683	532,541
Operating expenses:				
General and administrative expense	3,606	17,526	21,132	150,633
Claims expense	-	1,342	1,342	-
Health / disability benefit payments	-	-	-	342,881
Unemployment compensation benefits	638,603	-	638,603	-
Depreciation and amortization	-	155	155	6,428
Other	-	34	34	-
Total operating expenses	642,209	19,057	661,266	499,942
Operating income (loss)	443,430	2,987	446,417	32,599
Nonoperating revenues (expenses):				
Interest and other investment income	-	1,051	1,051	-
Interest and other investment expense	(32,635)	-	(32,635)	-
Gain (Loss) on disposition of assets	-	-	-	1,859
Federal grants	(313)	-	(313)	-
Contributions to other postemployment benefits	-	-	-	(10,407)
Total nonoperating revenues (expenses)	(32,948)	1,051	(31,897)	(8,548)
Income before contributions and transfers	410,482	4,038	414,520	24,051
Capital contributions	-	165	165	-
Transfers in	-	-	-	1,638
Transfers (out)	-	(2,724)	(2,724)	(3,692)
Change in net position	410,482	1,479	411,961	21,997
Total net position, July 1, as restated	(1,252,903)	39,909	(1,212,994)	84,650
Total net position, June 30	<u>\$ (842,421)</u>	<u>\$ 41,388</u>	<u>\$ (801,033)</u>	<u>\$ 106,647</u>

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, 2014

(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 968,676	\$ 26,675	\$ 995,351	\$ 554,969
Cash received from federal government	135,311	-	135,311	-
Cash paid for general and administrative	(3,606)	(16,706)	(20,312)	(149,890)
Cash paid for salary/health/disability benefit payments	-	-	-	(341,741)
Cash paid to suppliers	-	(4,844)	(4,844)	(23,193)
Cash paid for claims expense	(617,824)	(1,577)	(619,401)	-
Net cash provided (used) by operating activities	482,557	3,548	486,105	40,145
Cash flows from noncapital financing activities:				
Transfers in	-	-	-	1,638
Transfers out	-	(2,724)	(2,724)	(3,692)
Interest on loan from federal government	(43,002)	-	(43,002)	-
Repayment of loan from federal government	(454,733)	-	(454,733)	-
Contributions to other postemployment benefits	-	-	-	(10,407)
Net cash provided (used) by noncapital financing activities	(497,735)	(2,724)	(500,459)	(12,461)
Cash flows from capital and related financing activities:				
Acquisition/construction of capital assets	-	(26)	(26)	(7,722)
Proceeds from sale of assets	-	-	-	1,876
Capital contributions	-	165	165	-
Net cash provided (used) by capital and related financing activities	-	139	139	(5,846)
Cash flows from investing activities:				
Proceeds from sales of investments	-	9,500	9,500	-
Purchase of investments	-	(9,505)	(9,505)	-
Interest income (expense) on investments	-	2,116	2,116	-
Net cash provided (used) by investing activities	-	2,111	2,111	-
Net increase (decrease) in cash and cash equivalents	(15,178)	3,074	(12,104)	21,838
Cash and cash equivalents, July 1	56,975	8,965	65,940	86,560
Cash and cash equivalents, June 30	\$ 41,797	\$ 12,039	\$ 53,836	\$ 108,398
Reconciliation of cash , cash equivalents and investments:				
Cash and cash equivalents unrestricted at end of year	\$ 41,797	\$ 12,039	\$ 53,836	\$ 108,398
Investments unrestricted	-	62,259	62,259	-
Cash, cash equivalents and investments per balance sheet	\$ 41,797	\$ 74,298	\$ 116,095	\$ 108,398
Noncash investing, capital and financing activities:				
Increase (Decrease) in fair value of investments	\$ -	\$ (1,054)	\$ (1,054)	\$ -

State of Indiana
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

(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)	\$ 443,430	\$ 2,987	\$ 446,417	\$ 32,599
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	-	155	155	6,428
(Increase) decrease in receivables	21,668	96	21,764	(1,327)
(Increase) decrease in interfund services provided	-	-	-	76
(Increase) decrease in inventory	-	28	28	713
(Increase) decrease in prepaid expenses	-	7	7	-
Increase (decrease) in claims payable	-	(235)	(235)	-
Increase (decrease) in health and disability benefits payable	-	-	-	1,140
Increase (decrease) in accounts payable	17,459	152	17,611	485
Increase (decrease) in unearned revenue	-	101	101	(1)
Increase (decrease) in salaries payable	-	34	34	196
Increase (decrease) in compensated absences	-	102	102	(166)
Increase (decrease) in other payables	-	121	121	2
Net cash provided (used) by operating activities	<u>\$ 482,557</u>	<u>\$ 3,548</u>	<u>\$ 486,105</u>	<u>\$ 40,145</u>

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

State of Indiana
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

(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	\$ 126,270	\$ 36,684	\$ -	\$ 609,655
Securities lending collateral	2,168,992	-	-	-
Receivables:				
Taxes	-	4,730	-	183,622
Contributions	11,963	-	-	-
Interest	88,071	1	45	-
Member loans	180	-	-	-
From investment sales	4,503,959	-	-	-
Other	3,935	-	-	59
Total receivables	<u>4,608,108</u>	<u>4,731</u>	<u>45</u>	<u>183,681</u>
Pension and other employee benefit investments at fair value:				
Short term investments	1,330,863	-	-	-
Equity Securities	7,853,562	-	-	-
Debt Securities	12,781,505	-	-	-
Other	9,255,727	-	-	-
Total investments at fair value	<u>31,221,657</u>	<u>-</u>	<u>-</u>	<u>-</u>
Pool Investments at Amortized Cost:				
Cash and cash equivalents	-	-	146,764	-
U.S. Government Agencies	-	-	64,399	-
Commercial Paper	-	-	69,726	-
Total investments at amortized cost	<u>-</u>	<u>-</u>	<u>280,889</u>	<u>-</u>
Other assets	408	-	-	-
Property, plant and equipment net of accumulated depreciation	9,203	-	-	-
Total assets	<u>38,134,638</u>	<u>41,415</u>	<u>280,934</u>	<u>\$ 793,336</u>
Liabilities:				
Accounts/escrows payable	5,082	1,378	17	\$ 793,336
Salaries and benefits payable	3,236	101	-	-
Benefits payable	95,254	-	-	-
Intergovernmental payable	-	2,175	-	-
Investment purchases payable	4,616,227	-	-	-
Securities purchased payable	225,767	-	-	-
Securities lending collateral	2,168,992	-	-	-
Other	17,167	-	16	-
Total liabilities	<u>7,131,725</u>	<u>3,654</u>	<u>33</u>	<u>\$ 793,336</u>
Net Position				
Restricted for:				
Employees' pension benefits	30,652,059	-	-	
OPEB benefits	337,763	-	-	
Future death benefits	13,091	-	-	
Trust beneficiaries	-	37,761	-	
Investment pool participants	-	-	280,901	
Total net position	<u>\$ 31,002,913</u>	<u>\$ 37,761</u>	<u>\$ 280,901</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, 2014

(amounts expressed in thousands)

	Pension and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Investment Trust Fund
Additions:			
Member contributions	\$ 355,050	\$ 3,288	\$ 165,563
Employer contributions	982,135	-	-
Contributions from the State of Indiana	826,142	-	-
Net investment income (loss)	3,669,216	44	703
Less investment expense	(189,400)	-	-
Taxes	-	85,563	-
Donations/escheats	-	118,282	-
Transfers from other retirement funds	15,582	-	-
Reinvestment of distributions	-	-	268
Other	376	-	-
Total additions	5,659,624	207,177	166,534
Deductions:			
Pension and disability benefits	2,248,979	-	-
Retiree health benefits	40,346	-	-
Death benefits	870	-	-
Payments to participants/beneficiaries	-	200,945	265
Refunds of contributions and interest	87,375	-	277,966
Administrative	35,962	-	255
Capital projects	8,855	-	-
Transfers to other retirement funds	15,582	-	-
Other	15	-	183
Total deductions	2,437,984	200,945	278,669
Net increase (decrease) in net position	3,221,640	6,232	(112,135)
Net position restricted, July 1, as restated	27,781,273	31,529	393,036
Net position restricted, June 30	\$ 31,002,913	\$ 37,761	\$ 280,901

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, 2014
(amounts expressed in thousands)

	Governmental	Proprietary	Colleges and Universities	Total
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ 148,013	\$ 592,293	\$ 753,887	\$ 1,494,193
Cash, cash equivalents and investments - restricted	300	1,303,847	752,416	2,056,563
Securities lending collateral	-	-	98,766	98,766
Receivables (net)	845	446,161	408,930	855,936
Due from primary government	-	5,287	17,606	22,893
Inventory	-	206	16,063	16,269
Prepaid expenses	-	1,493	4,058	5,551
Loans	-	148,041	-	148,041
Investment in direct financing lease	-	77,188	-	77,188
Other assets	-	1,958	141,424	143,382
Total current assets	149,158	2,576,474	2,193,150	4,918,782
Noncurrent assets:				
Cash, cash equivalents and investments - unrestricted	-	349,408	2,981,907	3,331,315
Cash, cash equivalents and investments - restricted	-	964,508	5,159,735	6,124,243
Receivables (net)	-	1,281,748	524,323	1,806,071
Due from primary government	-	40,000	-	40,000
Loans	37,114	2,092,546	-	2,129,660
Investment in direct financing lease	-	2,138,057	-	2,138,057
Net pension and OPEB assets	-	4,990	35,843	40,833
Other assets	-	4,439	44,232	48,671
Capital assets:				
Capital assets not being depreciated/amortized	-	691,872	652,626	1,344,498
Capital assets being depreciated/amortized	440	935,609	11,257,457	12,193,506
less accumulated depreciation/amortization	(287)	(391,929)	(4,973,605)	(5,365,821)
Total capital assets, net of depreciation/amortization	153	1,235,552	6,936,478	8,172,183
Total noncurrent assets	37,267	8,111,248	15,682,518	23,831,033
Total assets	186,425	10,687,722	17,875,668	28,749,815
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	-	179,166	2,089	181,255
Deferred debt refunding loss	-	89,404	23,798	113,202
Total deferred outflows of resources	-	268,570	25,887	294,457
Liabilities				
Current liabilities:				
Accounts payable	3,416	40,879	387,579	431,874
Interest payable	-	78,868	32,125	110,993
Due to primary government	-	28,732	-	28,732
Unearned revenue	12,892	298,019	168,120	479,031
Securities lending collateral	-	-	98,766	98,766
Accrued liability for compensated absences	-	213	88,792	89,005
Other liabilities	346	35,629	54,871	90,846
Current portion of long-term liabilities	258	595,306	287,341	882,905
Total current liabilities	16,912	1,077,646	1,117,594	2,212,152

State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2014
(amounts expressed in thousands)

	Governmental	Proprietary	Colleges and Universities	Total
Noncurrent liabilities:				
Accrued liability for compensated absences	-	135	64,784	64,919
Accrued prize liabilities	-	116,686	-	116,686
Net pension and OPEB liabilities	-	22	100,096	100,118
Unearned revenue	-	5,062	39,071	44,133
Funds held in trust for others	-	-	243,242	243,242
Advances from federal government	-	-	28,635	28,635
Revenue bonds/notes payable	-	6,102,829	2,677,216	8,780,045
Derivative instrument liability	-	179,167	2,089	181,256
Other noncurrent liabilities	-	44,135	90,795	134,930
Total noncurrent liabilities	-	6,448,036	3,245,928	9,693,964
Total liabilities	16,912	7,525,682	4,363,522	11,906,116
Deferred inflows of resources				
Advanced payment for service concession agreement	-	3,309,502	-	3,309,502
Deferred service concession arrangement receipts	-	295,362	1,698	297,060
Deferred debt refunding gain	-	-	12	12
Total deferred inflows of resources	-	3,604,864	1,710	3,606,574
NET POSITION				
Net investment in capital assets	154	284,580	4,121,442	4,406,176
Restricted - nonexpendable:				
Permanent funds	-	777	367,512	368,289
Instruction and research	-	-	852,631	852,631
Student aid	-	-	886,249	886,249
Other purposes	-	-	101,986	101,986
Restricted - expendable:				
Grants/constitutional restrictions	-	136,841	25,311	162,152
Future debt service	-	270,765	23,944	294,709
Instruction and research	-	-	701,913	701,913
Student aid	-	66	848,679	848,745
Endowments	-	450	853,541	853,991
Capital projects	-	1,272,163	327,502	1,599,665
Other purposes	569	424	317,244	318,237
Unrestricted	168,790	(2,140,320)	4,108,369	2,136,839
Total net position	\$ 169,513	\$ (174,254)	\$ 13,536,323	\$ 13,531,582

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, 2014
(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	\$ 56,390	\$ 189	\$ 4,354	\$ -	\$ (51,847)	\$ -	\$ -	\$ (51,847)
Proprietary	2,081,406	1,623,761	517,914	2,922	-	63,191	-	63,191
Colleges and universities	6,560,330	3,457,450	1,153,695	99,072	-	-	(1,850,113)	(1,850,113)
Total component units	\$ 8,698,126	\$ 5,081,400	\$ 1,675,963	\$ 101,994	(51,847)	63,191	(1,850,113)	(1,838,769)
General Revenues:								
		Gaming tax			835			835
		Total taxes			835			835
Revenue not restricted to specific programs:								
		Investment earnings		101	(30,797)		859,744	829,048
		Payments from State of Indiana		51,790	18,018		1,463,217	1,533,025
		Other		-	2,747		628,607	631,354
		Total general revenues		52,726	(10,032)		2,951,568	2,994,262
		Change in net position		879	53,159		1,101,455	1,155,493
		Net position - beginning, as restated		168,634	(227,413)		12,434,868	12,376,089
		Net position - ending		\$ 169,513	\$ (174,254)		\$ 13,536,323	\$ 13,531,582

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, 2014

(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	\$ 103,835	\$ 30,298	\$ 458,160	\$ -	\$ 592,293
Cash, cash equivalents and investments - restricted	1,003,010	-	300,837	-	1,303,847
Receivables (net)	85,612	98,564	270,567	(8,582)	446,161
Due from primary government	-	-	5,287	-	5,287
Inventory	-	-	206	-	206
Prepaid expenses	185	127	1,181	-	1,493
Loans	130,904	-	18,462	(1,325)	148,041
Investment in direct financing lease	75,777	-	1,411	-	77,188
Other assets	9	-	1,949	-	1,958
Total current assets	1,399,332	128,989	1,058,060	(9,907)	2,576,474
Noncurrent assets:					
Cash, cash equivalents and investments - unrestricted	1,254	126,307	221,847	-	349,408
Cash, cash equivalents and investments - restricted	237,603	9,009	717,896	-	964,508
Receivables (net)	-	-	1,281,748	-	1,281,748
Due from primary government	-	-	40,000	-	40,000
Loans	2,869,517	-	198,014	(974,985)	2,092,546
Investment in direct financing lease	1,185,636	-	952,421	-	2,138,057
Net pension and OPEB assets	-	4,990	-	-	4,990
Other assets	4,261	-	178	-	4,439
Capital assets:					
Capital assets not being depreciated/amortized	539,203	-	152,669	-	691,872
Capital assets being depreciated/amortized	652,993	3,061	279,555	-	935,609
less accumulated depreciation/amortization	(241,412)	(1,232)	(149,285)	-	(391,929)
Total capital assets, net of depreciation/amortization	950,784	1,829	282,939	-	1,235,552
Total noncurrent assets	5,249,055	142,135	3,695,043	(974,985)	8,111,248
Total assets	6,648,387	271,124	4,753,103	(984,892)	10,687,722
Deferred Outflows of Resources					
Accumulated decrease in fair value of hedging derivatives	161,878	-	179,167	(161,879)	179,166
Deferred debt refunding loss	65,995	-	23,409	-	89,404
Total deferred outflows of resources	227,873	-	202,576	(161,879)	268,570
Liabilities					
Current liabilities:					
Accounts payable	9,187	8,981	22,711	-	40,879
Interest payable	49,926	-	37,524	(8,582)	78,868
Due to primary government	-	28,732	-	-	28,732
Unearned revenue	242,829	759	54,431	-	298,019
Accrued liability for compensated absences	-	-	213	-	213
Other liabilities	155	964	34,510	-	35,629
Current portion of long-term liabilities	227,214	94,072	275,345	(1,325)	595,306
Total current liabilities	529,311	133,508	424,734	(9,907)	1,077,646
Noncurrent liabilities:					
Accrued liability for compensated absences	-	-	135	-	135
Accrued prize liabilities	-	116,686	-	-	116,686
Net pension and OPEB liabilities	-	-	22	-	22
Unearned revenue	4,576	-	486	-	5,062
Revenue bonds/notes payable	3,924,871	-	3,152,943	(974,985)	6,102,829
Derivative instrument liability	161,879	-	179,167	(161,879)	179,167
Other noncurrent liabilities	1,317	-	42,818	-	44,135
Total noncurrent liabilities	4,092,643	116,686	3,375,571	(1,136,864)	6,448,036
Total liabilities	4,621,954	250,194	3,800,305	(1,146,771)	7,525,682

State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units -
Proprietary Funds
June 30, 2014

(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	3,309,502	-	-	-	3,309,502
Deferred service concession arrangement receipts	295,362	-	-	-	295,362
Total deferred inflows of resources	3,604,864	-	-	-	3,604,864
NET POSITION					
Net investment in capital assets	45,624	1,829	237,127	-	284,580
Restricted - nonexpendable:					
Permanent funds	-	-	777	-	777
Restricted - expendable:					
Grants/constitutional restrictions	-	-	136,841	-	136,841
Future debt service	175,660	-	95,105	-	270,765
Student aid	-	-	66	-	66
Endowments	-	-	450	-	450
Capital projects	1,269,338	-	2,825	-	1,272,163
Other purposes	-	-	424	-	424
Unrestricted	(2,841,180)	19,101	681,759	-	(2,140,320)
Total net position	\$ (1,350,558)	\$ 20,930	\$ 1,155,374	\$ -	\$ (174,254)

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, 2014
(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)	\$ 400,105	\$ 364,368	\$ 65,256	\$ -	\$ 29,519	\$ -	\$ -	\$ -	\$ 29,519
State Lottery Commission	1,021,298	1,018,727	-	-	-	(2,571)	-	-	(2,571)
Non-Major Proprietary	709,741	286,304	456,758	2,922	-	-	36,243	-	36,243
IFA & ISCBA Interfund Eliminations	(49,738)	(45,638)	(4,100)	-	-	-	-	-	-
Total component units	\$ 2,081,406	\$ 1,623,761	\$ 517,914	\$ 2,922	29,519	(2,571)	36,243	-	63,191
General revenues:									
Investment earnings					11,885	(494)	(42,188)	-	(30,797)
Payments from State of Indiana					-	-	18,018	-	18,018
Other					-	2,545	202	-	2,747
Total general revenues					11,885	2,051	(23,968)	-	(10,032)
Change in net position					41,404	(520)	12,275	-	53,159
Net position - beginning, as restated					(1,391,962)	21,450	1,143,099	-	(227,413)
Net position - ending					<u>\$ (1,350,558)</u>	<u>\$ 20,930</u>	<u>\$ 1,155,374</u>	<u>\$ -</u>	<u>\$ (174,254)</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, 2014
(amounts expressed in thousands)

	Indiana University	Purdue University	Non-Major Colleges and Universities	Totals
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ 314,026	\$ 84,634	\$ 355,227	\$ 753,887
Cash, cash equivalents and investments - restricted	271,942	414,393	66,081	752,416
Securities lending collateral	98,766	-	-	98,766
Receivables (net)	147,130	156,168	105,632	408,930
Due from primary government	-	-	17,606	17,606
Inventory	10,917	-	5,146	16,063
Prepaid expenses	-	2	4,056	4,058
Other assets	47,310	26,774	67,340	141,424
Total current assets	890,091	681,971	621,088	2,193,150
Noncurrent assets:				
Cash, cash equivalents and investments - unrestricted	1,630,020	724,489	627,398	2,981,907
Cash, cash equivalents and investments - restricted	1,799,336	2,880,078	480,321	5,159,735
Receivables (net)	254,638	216,841	52,844	524,323
Net pension and OPEB assets	-	-	35,843	35,843
Other assets	-	16,019	28,213	44,232
Capital assets:				
Capital assets not being depreciated/amortized	235,622	170,637	246,367	652,626
Capital assets being depreciated/amortized	4,606,338	3,676,140	2,974,979	11,257,457
less accumulated depreciation/amortization	(2,061,171)	(1,751,246)	(1,161,188)	(4,973,605)
Total capital assets, net of depreciation/amortization	2,780,789	2,095,531	2,060,158	6,936,478
Total noncurrent assets	6,464,783	5,932,958	3,284,777	15,682,518
Total assets	7,354,874	6,614,929	3,905,865	17,875,668
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	-	-	2,089	2,089
Deferred debt refunding loss	13,964	7,227	2,607	23,798
Total deferred outflows of resources	13,964	7,227	4,696	25,887
Liabilities				
Current liabilities:				
Accounts payable	184,718	113,804	89,057	387,579
Interest payable	11,913	16,914	3,298	32,125
Unearned revenue	108,051	37,338	22,731	168,120
Securities lending collateral	98,766	-	-	98,766
Accrued liability for compensated absences	47,705	26,361	14,726	88,792
Other liabilities	-	25,194	29,677	54,871
Current portion of long-term liabilities	65,234	156,976	65,131	287,341
Total current liabilities	516,387	376,587	224,620	1,117,594
Noncurrent liabilities:				
Accrued liability for compensated absences	18,719	30,996	15,069	64,784
Other postemployment benefits	29,707	38,568	31,821	100,096
Unearned revenue	39,069	-	2	39,071
Funds held in trust for others	77,710	123,624	41,908	243,242
Advances from federal government	-	19,930	8,705	28,635
Revenue bonds/notes payable	884,345	862,467	930,404	2,677,216
Derivative instrument liability	-	-	2,089	2,089
Other noncurrent liabilities	46,539	28,474	15,782	90,795
Total noncurrent liabilities	1,096,089	1,104,059	1,045,780	3,245,928
Total liabilities	1,612,476	1,480,646	1,270,400	4,363,522
Deferred Inflows of Resources				
Deferred service concession arrangement receipts	-	-	1,698	1,698
Deferred debt refunding gain	-	12	-	12
Total deferred inflows of resources	-	12	1,698	1,710

State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units -
Colleges and Universities
June 30, 2014
(amounts expressed in thousands)

	Indiana University	Purdue University	Non-Major Colleges and Universities	Totals
Net Position				
Net investment in capital assets	1,830,756	1,166,479	1,124,207	4,121,442
Restricted - nonexpendable:				
Permanent funds	329,060	-	38,452	367,512
Instruction and research	486,550	333,502	32,579	852,631
Student aid	468,876	310,224	107,149	886,249
Other purposes	33,483	44,322	24,181	101,986
Restricted - expendable:				
Grants/constitutional restrictions	-	-	25,311	25,311
Future debt service	20,164	-	3,780	23,944
Instruction and research	332,952	289,196	79,765	701,913
Student aid	163,976	592,215	92,488	848,679
Endowments	273,850	564,285	15,406	853,541
Capital projects	142,748	84,677	100,077	327,502
Other purposes	124,031	156,464	36,749	317,244
Unrestricted	1,549,916	1,600,134	958,319	4,108,369
Total net position	\$ 5,756,362	\$ 5,141,498	\$ 2,638,463	\$ 13,536,323

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, 2014
(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	\$ 2,949,449	\$ 1,743,690	\$ 626,136	\$ 44,978	\$ (534,645)	\$ -	\$ -	\$ (534,645)
Purdue University	2,000,877	1,082,560	395,818	22,438	-	(500,061)	-	(500,061)
Non-Major Colleges and Universities	1,610,004	631,200	131,741	31,656	-	-	(815,407)	(815,407)
Total component units	<u>\$ 6,560,330</u>	<u>\$ 3,457,450</u>	<u>\$ 1,153,695</u>	<u>\$ 99,072</u>	<u>(534,645)</u>	<u>(500,061)</u>	<u>(815,407)</u>	<u>(1,850,113)</u>
General revenues:								
Investment earnings					354,820	429,146	75,778	859,744
Payments from State of Indiana					519,417	392,293	551,507	1,463,217
Other					123,486	145,235	359,886	628,607
Total general revenues					<u>997,723</u>	<u>966,674</u>	<u>987,171</u>	<u>2,951,568</u>
Change in net position					463,078	466,613	171,764	1,101,455
Net position - beginning					5,293,284	4,674,885	2,466,699	12,434,868
Net position - ending					<u>\$ 5,756,362</u>	<u>\$ 5,141,498</u>	<u>\$ 2,638,463</u>	<u>\$ 13,536,323</u>

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