

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

24 - State of Indiana - Comprehensive Annual Financial Report

State of Indiana
Statement of Net Position
June 30, 2017
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash, cash equivalents and investments - unrestricted	\$ 5,760,763	\$ 77,083	\$ 5,837,846	\$ 5,569,797
Cash, cash equivalents and investments - restricted	548,533	320,512	869,045	8,053,374
Securities lending collateral	1,346,816	-	1,346,816	100,094
Receivables (net)	2,913,713	205,128	3,118,841	2,063,831
Due from primary government	-	-	-	34,314
Due from component unit	24,068	-	24,068	-
Inventory	3,628	729	4,357	14,096
Prepaid expenses	77,710	116	77,826	24,973
Loans	477,815	-	477,815	2,246,391
Investment in direct financing lease	-	-	-	1,958,033
OPEB assets	37,130	-	37,130	58,612
Other assets	1,558	70	1,628	261,843
Capital assets:				
Capital assets not being depreciated/amortized	15,060,717	-	15,060,717	2,646,706
Capital assets being depreciated/amortized	3,140,310	714	3,141,024	13,920,880
less accumulated depreciation/amortization	(1,902,800)	(511)	(1,903,311)	(6,352,205)
Total capital assets, net of depreciation/amortization	16,298,227	203	16,298,430	10,215,381
Total assets	27,489,961	603,841	28,093,802	30,600,739
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of hedging derivatives	-	-	-	111,584
Debt refunding loss	-	-	-	107,278
Outflows of resources related to pensions	1,660,221	-	1,660,221	165,272
Swap termination	-	-	-	71,030
Total deferred outflows of resources	1,660,221	-	1,660,221	455,164
LIABILITIES				
Accounts payable	1,583,273	48,338	1,631,611	517,058
Interest payable	-	-	-	114,302
Tax refunds payable	55,416	-	55,416	-
Payables to other governments	177,195	-	177,195	-
Due to component unit	34,314	-	34,314	-
Due to primary government	-	-	-	24,068
Unearned revenue	16	4,465	4,481	346,548
Advances from federal government	-	-	-	28,386
Securities lending collateral	1,346,816	-	1,346,816	100,094
Derivative instrument liability	-	-	-	111,583
Other liabilities	1,565	281	1,846	230,125
Long-term liabilities:				
Due within 1 year	143,279	2,304	145,583	961,750
Due in more than 1 year	14,491,210	23,409	14,514,619	9,695,001
Total liabilities	17,833,084	78,797	17,911,881	12,128,915
DEFERRED INFLOWS OF RESOURCES				
Advanced payment for service concession agreement	-	-	-	3,161,315
Service concession arrangement receipts	-	-	-	283,302
Related to pensions	31,035	-	31,035	66,428
Total deferred inflows of resources	31,035	-	31,035	3,511,045
NET POSITION				
Net investment in capital assets	15,475,782	203	15,475,985	5,906,374
Restricted - nonexpendable:				
Permanent funds	501,125	-	501,125	104,542
Instruction and research	-	-	-	989,719
Student aid	-	-	-	999,312
Other purposes	77,710	-	77,710	412,141
Restricted - expendable:				
Grants/constitutional restrictions	550,852	-	550,852	1,516,118
Future debt service	-	-	-	289,451
Instruction and research	-	-	-	744,458
Student aid	-	-	-	867,187
Endowments	-	-	-	520,633
Capital projects	-	-	-	358,612
Unemployment compensation	-	477,659	477,659	-
Other purposes	-	-	-	598,599
Unrestricted	(5,319,406)	47,182	(5,272,224)	2,108,797
Total net position	\$ 11,286,063	\$ 525,044	\$ 11,811,107	\$ 15,415,943

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, 2017
 (amounts expressed in thousands)

	Net (Expense) Revenue and Changes in Net Position						
	Expenses	Program Revenues		Capital Grants and Contributions	Primary Government		Component Units
		Charges for Services	Operating Grants and Contributions		Governmental Activities	Business-type Activities	
Functions/Programs							
Primary government:							
Governmental activities:							
General government	\$ 1,388,593	\$ 617,780	\$ 71,341	\$ 1,494	\$ (697,978)	\$ (697,978)	\$ -
Public safety	1,738,657	514,401	140,234	391	(1,083,631)	(1,083,631)	-
Health	379,164	199,355	273,323	-	93,514	93,514	-
Welfare	15,046,853	902,829	10,700,490	-	(3,443,534)	(3,443,534)	-
Conservation, culture and development	572,922	159,714	210,103	-	(203,105)	(203,105)	-
Education	11,035,840	2,312	1,052,205	-	(9,981,323)	(9,981,323)	-
Transportation	1,991,560	81,397	30,388	977,109	(902,666)	(902,666)	-
Interest expense	43,672	-	-	-	(43,672)	(43,672)	-
Total governmental activities	32,197,261	2,477,788	12,478,084	978,994	(16,262,395)	(16,262,395)	-
Business-type activities							
Unemployment Compensation Fund	305,407	548,336	-	-	-	242,929	242,929
Malpractice Insurance Authority	2,314	876	-	-	-	(1,438)	(1,438)
Inns and Concessions	23,097	26,567	-	-	-	3,470	3,470
Total business-type activities	330,818	575,779	-	-	-	244,961	244,961
Total primary government	\$ 32,528,079	\$ 3,053,567	\$ 12,478,084	\$ 978,994	(16,262,395)	(16,017,434)	-
Component units:							
Governmental	128,511	251	9,072	-	-	-	(119,188)
Proprietary	2,029,756	1,728,725	444,018	19,702	-	-	162,689
Colleges and universities	6,967,945	3,346,457	1,736,578	120,055	-	-	(1,764,855)
Total component units	\$ 9,126,212	\$ 5,075,433	\$ 2,189,668	\$ 139,757	-	-	(1,721,364)
General Revenues:							
Income tax					6,454,721	6,454,721	-
Sales tax					7,577,276	7,577,276	-
Fuels tax					824,805	824,805	-
Gaming tax					623,460	623,460	1,699
Alcohol & Tobacco tax					441,935	441,935	-
Insurance tax					235,022	235,022	-
Financial Institutions tax					101,619	101,619	-
Other tax					326,418	326,418	-
Total taxes					16,585,256	16,585,256	1,699
Revenue not restricted to specific programs:							
Investment earnings					46,641	46,641	671,039
Payments from State of Indiana					-	-	1,605,345
Other					27,814	27,814	356,088
Transfers within primary government					(2,242)	(2,242)	-
Total general revenues and transfers					16,661,953	16,661,420	2,634,171
Changes in net position					399,558	643,986	912,817
Net position - beginning, as restated					10,886,505	11,167,121	14,503,126
Net position - ending					\$ 11,286,063	\$ 11,811,107	\$ 15,415,943

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, 2017
(amounts expressed in thousands)

	General Fund	Public Welfare- Medicaid Assistance Fund	Non-Major Governmental Funds	Total
ASSETS				
Cash, cash equivalents and investments-unrestricted	\$ 1,383,988	\$ 258,722	\$ 3,976,462	\$ 5,619,172
Cash, cash equivalents and investments-restricted	548,533	-	-	548,533
Securities lending collateral	1,346,816	-	-	1,346,816
Receivables:				
Taxes (net of allowance for uncollectible Accounts)	1,479,190	-	120,232	1,599,422
Grants	4,109	182,172	48,335	234,616
Interest	-	397,535	379,735	777,270
Interfund loans	10,277	-	662	10,939
Due from component unit	652,949	-	9,110	662,059
Prepaid expenditures	-	-	24,068	24,068
Loans	77,546	-	163	77,709
Other	1,650	-	476,165	477,815
	1,221	-	337	1,558
Total assets	<u>5,506,279</u>	<u>838,429</u>	<u>5,035,269</u>	<u>11,379,977</u>
Total assets and deferred outflow of resources	<u>\$ 5,506,279</u>	<u>\$ 838,429</u>	<u>\$ 5,035,269</u>	<u>\$ 11,379,977</u>
LIABILITIES				
Accounts payable	\$ 160,280	\$ 270,608	\$ 462,375	\$ 893,263
Salaries and benefits payable	47,322	-	32,610	79,932
Interfund loans	-	-	662,059	662,059
Interfunds services used	5,501	13	4,345	9,859
Intergovernmental payable	38,943	-	138,252	177,195
Due to component unit	1,570	-	2,744	4,314
Tax refunds payable	50,845	-	4,571	55,416
Unearned revenue	-	-	10	10
Accrued liability for compensated absences-current	2,796	-	2,424	5,220
Other payables	1,221	-	339	1,560
Securities lending collateral	1,346,816	-	-	1,346,816
Total liabilities	<u>1,655,294</u>	<u>270,621</u>	<u>1,309,729</u>	<u>3,235,644</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	289,141	-	19,632	308,773
Total deferred inflow of resources	<u>289,141</u>	<u>-</u>	<u>19,632</u>	<u>308,773</u>
FUND BALANCE				
Nonspendable	77,546	-	501,288	578,834
Restricted	550,460	-	-	550,460
Committed	3,539	-	876,470	880,009
Assigned	2,633,888	567,808	2,945,105	6,146,801
Unassigned	296,411	-	(616,955)	(320,544)
Total fund balance	<u>3,561,844</u>	<u>567,808</u>	<u>3,705,908</u>	<u>7,835,560</u>
Total liabilities, deferred inflow of resources, and fund balance	<u>\$ 5,506,279</u>	<u>\$ 838,429</u>	<u>\$ 5,035,269</u>	<u>\$ 11,379,977</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, 2017
(amounts expressed in thousands)

Total fund balances-governmental funds **\$ 7,835,560**

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

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

Land	\$	2,191,979	
Infrastructure assets		12,339,267	
Construction in progress		589,638	
Property, plant, and equipment		2,747,657	
Computer software		225,530	
Accumulated depreciation		<u>(1,835,938)</u>	
Total capital assets, net of depreciation			16,258,133

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		308,773	
Accounts receivable		<u>245,174</u>	
Total receivables			553,947

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		(494,125)	
Litigation liabilities		(59,376)	
Pollution remediation		<u>(20,406)</u>	
Total liabilities			(573,907)

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.

143,216

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		(138,903)	
Other postemployment benefits		(96,194)	
Loan from the Indiana Board for Depositories		(30,000)	
Capital lease payable		(822,444)	
Net pension liability and related deferrals		<u>(11,843,345)</u>	
Total long-term liabilities			<u>(12,930,886)</u>

Net position of governmental activities **\$ 11,286,063**

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, 2017
(amounts expressed in thousands)

	General Fund	Public Welfare- Medicaid Assistance Fund	Non-Major Governmental Funds	Total
Revenues:				
Taxes:				
Income	\$ 6,442,695	\$ -	\$ 144	\$ 6,442,839
Sales	7,511,874	-	66,618	7,578,492
Fuels	1,776	-	822,845	824,621
Gaming	50,447	-	573,022	623,469
Alcohol and tobacco	267,837	-	171,406	439,243
Insurance	230,412	-	4,610	235,022
Financial Institutions	-	-	101,388	101,388
Other	310,655	-	15,834	326,489
Total taxes	14,815,696	-	1,755,867	16,571,563
Current service charges	163,594	871,140	1,445,364	2,480,098
Investment income	46,640	-	23,475	70,115
Sales/rents	260	-	22,650	22,910
Grants	1,669	8,346,433	4,954,306	13,302,408
Other	27,555	-	101,629	129,184
Total revenues	15,055,414	9,217,573	8,303,291	32,576,278
Expenditures:				
Current:				
General government	940,349	-	408,722	1,349,071
Public safety	1,102,174	-	527,310	1,629,484
Health	48,160	-	329,650	377,810
Welfare	990,317	11,307,420	2,805,546	15,103,283
Conservation, culture and development	97,337	-	451,188	548,525
Education	9,683,413	-	1,363,587	11,047,000
Transportation	143,511	-	2,805,977	2,949,488
Debt service:				
Capital lease principal	5,548	-	57,658	63,206
Capital lease interest	391	-	43,281	43,672
Capital outlay	-	-	20,599	20,599
Total expenditures	13,011,200	11,307,420	8,813,518	33,132,138
Excess (deficiency) of revenues over (under) expenditures	2,044,214	(2,089,847)	(510,227)	(555,860)
Other financing sources (uses):				
Transfers in	1,384,306	2,619,489	2,806,642	6,810,437
Transfers (out)	(3,701,163)	(428,200)	(2,680,132)	(6,809,495)
Proceeds from capital lease	754	-	475,751	476,505
Total other financing sources (uses)	(2,316,103)	2,191,289	602,261	477,447
Net change in fund balances	(271,889)	101,442	92,034	(78,413)
Fund Balance July 1, as restated	3,833,733	466,366	3,613,874	7,913,973
Fund Balance June 30	\$ 3,561,844	\$ 567,808	\$ 3,705,908	\$ 7,835,560

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, 2017
(amounts expressed in thousands)

Net change in fund balances-total governmental funds	\$ (78,413)
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.	313,701
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 (\$333,232) exceeds depreciation (\$100,211) in the current period.	233,021
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Tax revenue	13,312
Non-tax revenue	(86,373)
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	60,894
The change in net pension liability does not provide or require the use of current financial resources:	
Increase in net pension liabilities	(71,696)
The change in other postemployment benefits do not provide or require the use of current financial resources.	(404)
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.	15,517
Change in net position of governmental activities.	<u>\$ 399,558</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, 2017

(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ -	\$ 77,083	\$ 77,083	\$ 141,593
Cash, cash equivalents and investments - restricted	320,512	-	320,512	-
Receivables:				
Accounts	49,691	361	50,052	28,316
Interest	-	289	289	-
Interfund services provided	-	-	-	9,859
Inventory	-	729	729	3,628
Prepaid expenses	-	116	116	-
Other assets	-	70	70	-
Total current assets	<u>370,203</u>	<u>78,648</u>	<u>448,851</u>	<u>183,396</u>
Noncurrent assets:				
Accounts receivable	154,787	-	154,787	-
Capital assets:				
Capital assets being depreciated/amortized	-	714	714	106,958
less accumulated depreciation/amortization	-	(511)	(511)	(66,864)
Total capital assets, net of depreciation/amortization	-	203	203	40,094
Total noncurrent assets	<u>154,787</u>	<u>203</u>	<u>154,990</u>	<u>40,094</u>
Total assets	<u>524,990</u>	<u>78,851</u>	<u>603,841</u>	<u>223,490</u>
Deferred Outflows of Resources				
Related to pensions	-	-	-	10,772
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,772</u>
Liabilities				
Current liabilities:				
Accounts payable	47,331	614	47,945	54,653
Claims payable	-	2,097	2,097	-
Salaries and benefits payable	-	393	393	1,927
Accrued liability for compensated absences	-	207	207	3,000
Unearned revenue	-	4,465	4,465	6
Other liabilities	-	281	281	5
Total current liabilities	<u>47,331</u>	<u>8,057</u>	<u>55,388</u>	<u>59,591</u>
Noncurrent liabilities:				
Accrued liability for compensated absences	-	506	506	2,406
Claims payable	-	22,903	22,903	-
Net pension liability	-	-	-	28,634
Total noncurrent liabilities	<u>-</u>	<u>23,409</u>	<u>23,409</u>	<u>31,040</u>
Total liabilities	<u>47,331</u>	<u>31,466</u>	<u>78,797</u>	<u>90,631</u>
Deferred Inflows of Resources				
Related to pensions	-	-	-	415
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>415</u>
Net position				
Net investment in capital assets	-	203	203	40,094
Restricted-expendable:				
Unemployment compensation	477,659	-	477,659	-
Unrestricted (deficit)	-	47,182	47,182	103,122
Total net position	<u>\$ 477,659</u>	<u>\$ 47,385</u>	<u>\$ 525,044</u>	<u>\$ 143,216</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, 2017
(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Operating revenues:				
Sales/rents/premiums	\$ -	\$ 27,269	\$ 27,269	\$ 590,408
Employer contributions	548,336	-	548,336	-
Charges for services	-	-	-	10,046
Other	-	174	174	1,070
Total operating revenues	548,336	27,443	575,779	601,524
Cost of sales	-	5,258	5,258	19,514
Gross margin	548,336	22,185	570,521	582,010
Operating expenses:				
General and administrative expense	-	18,319	18,319	167,687
Claims expense	-	635	635	-
Health / disability benefit payments	-	-	-	377,601
Unemployment compensation benefits	305,407	-	305,407	-
Depreciation and amortization	-	42	42	14,499
Other	-	26	26	-
Total operating expenses	305,407	19,022	324,429	559,787
Operating income (loss)	242,929	3,163	246,092	22,223
Nonoperating revenues (expenses):				
Interest and other investment income	1,684	25	1,709	1
Interest and other investment expense	-	(1,131)	(1,131)	-
Gain (Loss) on disposition of assets	-	-	-	(1,369)
Contributions to other postemployment benefits	-	-	-	(17,848)
Other	-	-	-	9
Total nonoperating revenues (expenses)	1,684	(1,106)	578	(19,207)
Income before contributions and transfers	244,613	2,057	246,670	3,016
Capital contributions	-	-	-	11,201
Transfers in	-	-	-	1,300
Transfers (out)	-	(2,242)	(2,242)	-
Change in net position	244,613	(185)	244,428	15,517
Net position, July 1, as restated	233,046	47,570	280,616	127,699
Net position, June 30	\$ 477,659	\$ 47,385	\$ 525,044	\$ 143,216

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, 2017

(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 569,522	\$ 27,698	\$ 597,220	\$ 597,781
Cash paid for general and administrative	-	(18,472)	(18,472)	(165,239)
Cash paid for salary/health/disability benefit payments	-	-	-	(378,587)
Cash paid to suppliers	-	(5,321)	(5,321)	(20,085)
Cash paid for claims expense	(297,534)	(1,074)	(298,608)	-
Net cash provided (used) by operating activities	271,988	2,831	274,819	33,870
Cash flows from noncapital financing activities:				
Transfers in	-	-	-	1,300
Transfers out	-	(2,242)	(2,242)	-
Interest on loan from federal government	1,180	-	1,180	-
Contributions to other postemployment benefits	-	-	-	(17,848)
Other	-	-	-	9
Net cash provided (used) by noncapital financing activities	1,180	(2,242)	(1,062)	(16,539)
Cash flows from capital and related financing activities:				
Acquisition/construction of capital assets	-	(7)	(7)	(23,014)
Proceeds from sale of assets	-	-	-	1,005
Capital contributions	-	-	-	11,201
Net cash provided (used) by capital and related financing activities	-	(7)	(7)	(10,808)
Cash flows from investing activities:				
Proceeds from sales of investments	-	21,015	21,015	-
Purchase of investments	-	(23,339)	(23,339)	-
Interest income (expense) on investments	-	1,312	1,312	1
Net cash provided (used) by investing activities	-	(1,012)	(1,012)	1
Net increase (decrease) in cash and cash equivalents	273,168	(430)	272,738	6,524
Cash and cash equivalents, July 1	47,344	15,393	62,737	135,069
Cash and cash equivalents, June 30	\$ 320,512	\$ 14,963	\$ 335,475	\$ 141,593
Reconciliation of cash , cash equivalents and investments:				
Cash and cash equivalents unrestricted at end of year	\$ -	\$ 14,963	\$ 14,963	\$ 141,593
Cash and cash equivalents restricted at end of year	320,512	-	320,512	-
Investments unrestricted	-	62,120	62,120	-
Cash, cash equivalents and investments per balance sheet	\$ 320,512	\$ 77,083	\$ 397,595	\$ 141,593
Noncash investing, capital and financing activities:				
Increase (Decrease) in fair value of investments	\$ -	\$ (2,324)	\$ (2,324)	\$ -

State of Indiana
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2017

(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)	\$ 242,929	\$ 3,163	\$ 246,092	\$ 22,223
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	-	42	42	14,499
(Increase) decrease in receivables	21,185	233	21,418	(4,603)
(Increase) decrease in interfund services provided	-	-	-	860
(Increase) decrease in inventory	-	(63)	(63)	972
(Increase) decrease in prepaid expenses	-	(27)	(27)	-
(Increase) decrease in deferred outflows	-	-	-	298
Increase (decrease) in claims payable	-	(439)	(439)	-
Increase (decrease) in accounts payable	7,874	(51)	7,823	(3,201)
Increase (decrease) in unearned revenue	-	101	101	1
Increase (decrease) in salaries payable	-	(116)	(116)	367
Increase (decrease) in compensated absences	-	24	24	375
Increase (decrease) in net pension liabilities	-	-	-	4,314
Increase (decrease) in deferred inflows	-	-	-	(2,236)
Increase (decrease) in other payables	-	(36)	(36)	1
Net cash provided (used) by operating activities	<u>\$ 271,988</u>	<u>\$ 2,831</u>	<u>\$ 274,819</u>	<u>\$ 33,870</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, 2017
(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	\$ 73,507	\$ 66,797	\$ 754,328	\$ 734,170
Securities lending collateral	288,073	-	-	-
Receivables:				
Taxes	-	-	-	17,490
Contributions	26,935	-	-	-
Interest	83,623	30	43	-
Securities lending	64	4	-	-
Member loans	85	-	-	-
Accounts	-	1,875	-	73
From investment sales	7,605,147	-	-	-
Total receivables	<u>7,715,854</u>	<u>1,909</u>	<u>43</u>	<u>17,563</u>
Pension and other employee benefit investments at fair value:				
Short term investments	1,547,579	-	-	-
Equity Securities	8,493,662	-	-	-
Debt Securities	12,273,820	-	-	-
Other	10,678,702	-	-	-
Total investments at fair value	<u>32,993,763</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other assets	102	-	-	-
Property, plant and equipment net of accumulated depreciation	6,124	-	-	-
Total assets	<u>41,077,423</u>	<u>68,706</u>	<u>754,371</u>	<u>\$ 751,733</u>
Liabilities				
Accounts/escrows payable	7,537	101	56	\$ 751,733
Salaries and benefits payable	-	91	-	-
Securities lending payable	64	4	-	-
Benefits payable	37,829	-	-	-
Investment purchases payable	7,677,137	-	-	-
Securities purchased payable	276,792	-	-	-
Securities lending collateral	288,073	-	-	-
Other	33,916	-	36	-
Total liabilities	<u>8,321,348</u>	<u>196</u>	<u>92</u>	<u>\$ 751,733</u>
Net Position				
Restricted for:				
Employees' pension benefits	32,258,569	-	-	-
OPEB benefits	482,408	-	-	-
Future death benefits	15,098	-	-	-
Trust beneficiaries	-	68,510	-	-
Investment pool participants	-	-	754,279	-
Total net position	<u>\$ 32,756,075</u>	<u>\$ 68,510</u>	<u>\$ 754,279</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, 2017

(amounts expressed in thousands)

	Pension and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Investment Trust Fund
Additions:			
Member contributions	\$ 363,950	\$ 70	\$ 1,052,947
Employer contributions	1,070,396	-	-
Contributions from the State of Indiana	871,564	-	-
Net investment income (loss)	2,596,802	161	3,329
Less investment expense	(205,490)	-	-
Current service charges	-	22,543	-
Federal reimbursements	537	-	-
Donations/escheats	-	108,566	-
Transfers from other retirement funds	16,669	-	-
Reinvestment of distributions	-	-	2,796
Other	402	-	-
Total additions	4,714,830	131,340	1,059,072
Deductions:			
Pension and disability benefits	2,517,962	-	-
Retiree health benefits	45,938	-	-
Death benefits	909	-	-
Payments to participants/beneficiaries	-	110,502	2,804
Refunds of contributions and interest	70,357	-	549,645
Administrative	41,249	-	421
Transfers to other retirement funds	16,669	-	-
Other	782	-	165
Total deductions	2,693,866	110,502	553,035
Net increase (decrease) in net position	2,020,964	20,838	506,037
Net position restricted, July 1, as restated	30,735,111	47,672	248,242
Net position restricted, June 30	\$ 32,756,075	\$ 68,510	\$ 754,279

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, 2017
(amounts expressed in thousands)

	Governmental	Proprietary	Colleges and Universities	Total
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ 1,099	\$ 477,748	\$ 820,995	\$ 1,299,842
Cash, cash equivalents and investments - restricted	169,046	1,275,485	658,257	2,102,788
Securities lending collateral	-	2,035	98,059	100,094
Receivables (net)	442	363,950	546,281	910,673
Due from primary government	-	5,224	4,090	9,314
Inventory	-	141	13,955	14,096
Prepaid expenses	-	19,052	5,921	24,973
Loans	-	156,953	-	156,953
Investment in direct financing lease	-	81,398	293	81,691
Other assets	-	3,378	107,891	111,269
Total current assets	170,587	2,385,364	2,255,742	4,811,693
Noncurrent assets:				
Cash, cash equivalents and investments - unrestricted	-	468,641	3,801,314	4,269,955
Cash, cash equivalents and investments - restricted	-	841,631	5,108,955	5,950,586
Receivables (net)	-	681,384	471,774	1,153,158
Due from primary government	-	25,000	-	25,000
Loans	56,606	2,032,832	-	2,089,438
Investment in direct financing lease	-	1,870,753	5,589	1,876,342
OPEB assets	-	-	58,612	58,612
Other assets	-	103,230	47,344	150,574
Capital assets:				
Capital assets not being depreciated/amortized	-	1,695,933	950,773	2,646,706
Capital assets being depreciated/amortized	270	977,979	12,942,631	13,920,880
less accumulated depreciation/amortization	(157)	(429,062)	(5,922,986)	(6,352,205)
Total capital assets, net of depreciation/amortization	113	2,244,850	7,970,418	10,215,381
Total noncurrent assets	56,719	8,268,321	17,464,006	25,789,046
Total assets	227,306	10,653,685	19,719,748	30,600,739
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	-	110,184	1,400	111,584
Debt refunding loss	-	62,642	44,636	107,278
Related to pensions	1,829	9,209	154,234	165,272
Swap termination	-	71,030	-	71,030
Total deferred outflows of resources	1,829	253,065	200,270	455,164
Liabilities				
Current liabilities:				
Accounts payable	6,729	57,793	452,536	517,058
Interest payable	-	71,436	42,866	114,302
Due to primary government	-	24,068	-	24,068
Unearned revenue	9,691	153,583	145,469	308,743
Securities lending collateral	-	2,035	98,059	100,094
Accrued liability for compensated absences	-	115	93,020	93,135
Other liabilities	306	33,044	49,907	83,257
Current portion of long-term liabilities	300	570,380	297,935	868,615
Total current liabilities	17,026	912,454	1,179,792	2,109,272

State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2017
(amounts expressed in thousands)

	Governmental	Proprietary	Colleges and Universities	Total
Noncurrent liabilities:				
Accrued liability for compensated absences	-	133	78,323	78,456
Accrued prize liabilities	-	98,555	-	98,555
Net pension and OPEB liabilities	3,999	21,637	389,653	415,289
Unearned revenue	-	14,038	23,767	37,805
Funds held in trust for others	-	-	295,163	295,163
Advances from federal government	-	885	27,501	28,386
Revenue bonds/notes payable	-	5,746,797	3,060,741	8,807,538
Derivative instrument liability	-	110,183	1,400	111,583
Other noncurrent liabilities	-	56,089	90,779	146,868
	<u>3,999</u>	<u>6,048,317</u>	<u>3,967,327</u>	<u>10,019,643</u>
Total noncurrent liabilities	3,999	6,048,317	3,967,327	10,019,643
Total liabilities	21,025	6,960,771	5,147,119	12,128,915
Deferred Inflows of Resources				
Advanced payment for service concession agreement	-	3,161,315	-	3,161,315
Service concession arrangement receipts	-	282,332	970	283,302
Related to pensions	172	511	65,745	66,428
	<u>172</u>	<u>3,444,158</u>	<u>66,715</u>	<u>3,511,045</u>
Total deferred inflows of resources	172	3,444,158	66,715	3,511,045
Net Position				
Net investment in capital assets	113	979,139	4,927,122	5,906,374
Restricted - nonexpendable:				
Permanent funds	-	782	103,760	104,542
Instruction and research	-	-	989,719	989,719
Student aid	-	-	999,312	999,312
Other purposes	-	-	412,141	412,141
Restricted - expendable:				
Grants/constitutional restrictions	-	1,492,621	23,497	1,516,118
Future debt service	-	272,390	17,061	289,451
Instruction and research	-	-	744,458	744,458
Student aid	-	3	867,184	867,187
Endowments	-	795	519,838	520,633
Capital projects	-	6,669	351,943	358,612
Other purposes	394	153	598,052	598,599
Unrestricted	207,431	(2,250,731)	4,152,097	2,108,797
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	\$ 207,938	\$ 501,821	\$ 14,706,184	\$ 15,415,943

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, 2017
(amounts expressed in thousands)**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Proprietary	Colleges and Universities	Net (Expense) Revenue
Governmental	\$ 128,511	\$ 251	\$ 9,072	\$ -	\$ (119,188)	\$ -	\$ -	\$ (119,188)
Proprietary	2,029,756	1,728,725	444,018	19,702	-	162,689	-	162,689
Colleges and universities	6,967,945	3,346,457	1,736,578	120,055	-	-	(1,764,855)	(1,764,855)
Total component units	\$ 9,126,212	\$ 5,075,433	\$ 2,189,668	\$ 139,757	(119,188)	162,689	(1,764,855)	(1,721,354)
General Revenues:								
					1,699	-	-	1,699
Gaming tax					1,699	-	-	1,699
Total taxes								
Revenue not restricted to specific programs:								
Investment earnings					1,254	26,060	643,725	671,039
Payments from State of Indiana					42,477	22,788	1,540,080	1,605,345
Other					-	1,742	354,346	356,088
Total general revenues					45,430	50,590	2,538,151	2,634,171
Change in net position					(73,758)	213,279	773,296	912,817
Net position - beginning, as restated					281,696	288,542	13,932,888	14,503,126
Net position - ending					\$ 207,938	\$ 501,821	\$ 14,706,184	\$ 15,415,943

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, 2017

(amounts expressed in thousands)

	Indiana Finance Authority	State Lottery Commission	Non-Major	IFA & ISCBA/IMC Elimination	Total Component Units
Assets					
Current assets:					
Cash, cash equivalents and investments - unrestricted	\$ 101,657	\$ 36,457	\$ 339,634	\$ -	\$ 477,748
Cash, cash equivalents and investments - restricted	1,010,274	-	265,211	-	1,275,485
Securities lending collateral	-	-	2,035	-	2,035
Receivables (net)	70,482	119,652	189,920	(16,104)	363,950
Due from primary government	-	-	5,224	-	5,224
Inventory	-	-	141	-	141
Prepaid expenses	1,902	15,574	1,576	-	19,052
Loans	139,086	-	24,302	(6,435)	156,953
Investment in direct financing lease	74,963	-	10,140	(3,705)	81,398
Other assets	-	-	3,378	-	3,378
Total current assets	1,398,364	171,683	841,561	(26,244)	2,385,364
Noncurrent assets:					
Cash, cash equivalents and investments - unrestricted	-	109,663	358,978	-	468,641
Cash, cash equivalents and investments - restricted	362,251	7,965	471,415	-	841,631
Receivables (net)	-	-	681,384	-	681,384
Due from primary government	-	-	25,000	-	25,000
Loans	2,833,345	-	170,413	(970,926)	2,032,832
Investment in direct financing lease	924,978	-	1,031,465	(85,690)	1,870,753
Other assets	103,098	-	132	-	103,230
Capital assets:					
Capital assets not being depreciated/amortized	1,581,642	-	114,291	-	1,695,933
Capital assets being depreciated/amortized	607,750	3,146	367,083	-	977,979
less accumulated depreciation/amortization	(247,771)	(2,084)	(179,207)	-	(429,062)
Total capital assets, net of depreciation/amortization	1,941,621	1,062	302,167	-	2,244,850
Total noncurrent assets	6,165,293	118,690	3,040,954	(1,056,616)	8,268,321
Total assets	7,563,657	290,373	3,882,515	(1,082,860)	10,653,685
Deferred Outflows of Resources					
Accumulated decrease in fair value of hedging derivatives	101,731	-	110,184	(101,731)	110,184
Debt refunding loss	47,210	-	15,432	-	62,642
Related to pensions	984	1,392	6,833	-	9,209
Swap termination	71,030	-	-	-	71,030
Total deferred outflows of resources	220,955	1,392	132,449	(101,731)	253,065
Liabilities					
Current liabilities:					
Accounts payable	34,494	7,377	15,922	-	57,793
Interest payable	57,148	-	30,392	(16,104)	71,436
Due to primary government	-	24,068	-	-	24,068
Unearned revenue	102,688	2,416	48,479	-	153,583
Securities lending collateral	-	-	2,035	-	2,035
Accrued liability for compensated absences	-	-	115	-	115
Other liabilities	392	859	31,793	-	33,044
Current portion of long-term liabilities	222,535	126,768	231,217	(10,140)	570,380
Total current liabilities	417,257	161,488	359,953	(26,244)	912,454
Noncurrent liabilities:					
Accrued liability for compensated absences	-	-	133	-	133
Accrued prize liabilities	-	98,555	-	-	98,555
Net pension and OPEB liabilities	2,144	2,763	16,730	-	21,637
Unearned revenue	-	14,038	-	-	14,038
Advances from federal government	885	-	-	-	885
Revenue bonds/notes payable	4,551,715	-	2,251,698	(1,056,616)	5,746,797
Derivative instrument liability	101,731	-	110,183	(101,731)	110,183
Other noncurrent liabilities	-	-	56,089	-	56,089
Total noncurrent liabilities	4,656,475	115,356	2,434,833	(1,158,347)	6,048,317
Total liabilities	5,073,732	276,844	2,794,786	(1,184,591)	6,960,771

State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units -
Proprietary Funds
June 30, 2017

(amounts expressed in thousands)

	Indiana Finance Authority	State Lottery Commission	Non-Major	IFA & ISCBA/IMC Elimination	Total Component Units
Deferred Inflows of Resources					
Advanced payment for service concession agreement	3,161,315	-	-	-	3,161,315
Service concession arrangement receipts	282,332	-	-	-	282,332
Related to pensions	29	210	272	-	511
Total deferred inflows of resources	3,443,676	210	272	-	3,444,158
NET POSITION					
Net investment in capital assets	720,839	13,649	244,651	-	979,139
Restricted - nonexpendable:					
Permanent funds	-	-	782	-	782
Restricted - expendable:					
Grants/constitutional restrictions	1,331,825	-	160,796	-	1,492,621
Future debt service	198,149	-	74,241	-	272,390
Student aid	-	-	3	-	3
Endowments	-	-	795	-	795
Capital projects	-	-	6,669	-	6,669
Other purposes	-	-	153	-	153
Unrestricted	(2,983,609)	1,062	731,816	-	(2,250,731)
Total net position	\$ (732,796)	\$ 14,711	\$ 1,219,906	\$ -	\$ 501,821

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, 2017
(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)	\$ 274,310	\$ 449,638	\$ -	\$ 17,100	\$ 192,428	\$ -	\$ -	\$ -	\$ 192,428
State Lottery Commission	1,224,546	1,213,076	-	-	-	(11,470)	-	-	(11,470)
Non-Major Proprietary	585,955	116,948	448,136	2,602	-	-	(18,269)	-	(18,269)
IFA & ISCBA Interfund Eliminations	(55,055)	(50,937)	(4,118)	-	-	-	-	-	-
Total component units	\$ 2,029,756	\$ 1,728,725	\$ 444,018	\$ 19,702	192,428	(11,470)	(18,269)	-	162,689
General revenues:									
Investment earnings					4,876	120	21,064	-	26,060
Payments from State of Indiana					-	-	22,788	-	22,788
Other					-	1,742	-	-	1,742
Total general revenues					4,876	1,862	43,852	-	50,590
Change in net position					197,304	(9,608)	25,583	-	213,279
Net position - beginning, as restated					(930,100)	24,319	1,194,323	-	288,542
Net position - ending					\$ (732,796)	\$ 14,711	\$ 1,219,906	\$ -	\$ 501,821

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, 2017
(amounts expressed in thousands)

	Indiana University	Purdue University	Non-Major Colleges and Universities	Totals
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ 147,543	\$ 260,936	\$ 412,516	\$ 820,995
Cash, cash equivalents and investments - restricted	283,854	259,191	115,212	658,257
Securities lending collateral	98,059	-	-	98,059
Receivables (net)	247,501	170,679	128,101	546,281
Due from primary government	3,359	60	671	4,090
Inventory	9,675	-	4,280	13,955
Prepaid expenses	-	3	5,918	5,921
Investment in direct financing lease	-	-	293	293
Other assets	46,975	28,446	32,470	107,891
Total current assets	836,966	719,315	699,461	2,255,742
Noncurrent assets:				
Cash, cash equivalents and investments - unrestricted	1,632,612	1,466,906	701,796	3,801,314
Cash, cash equivalents and investments - restricted	2,200,360	2,346,383	562,212	5,108,955
Receivables (net)	230,554	211,300	29,920	471,774
Investment in direct financing lease	-	-	5,589	5,589
OPEB assets	-	-	58,612	58,612
Other assets	-	37,346	9,998	47,344
Capital assets:				
Capital assets not being depreciated/amortized	402,665	311,498	236,610	950,773
Capital assets being depreciated/amortized	5,169,838	4,382,612	3,390,181	12,942,631
less accumulated depreciation/amortization	(2,367,412)	(2,173,302)	(1,382,272)	(5,922,986)
Total capital assets, net of depreciation/amortization	3,205,091	2,520,808	2,244,519	7,970,418
Total noncurrent assets	7,268,617	6,582,743	3,612,646	17,464,006
Total assets	8,105,583	7,302,058	4,312,107	19,719,748
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	-	-	1,400	1,400
Debt refunding loss	22,048	21,632	956	44,636
Related to pensions	64,297	49,881	40,056	154,234
Total deferred outflows of resources	86,345	71,513	42,412	200,270
Liabilities				
Current liabilities:				
Accounts payable	260,214	122,483	69,839	452,536
Interest payable	12,095	20,601	10,170	42,866
Unearned revenue	82,009	40,298	23,162	145,469
Securities lending collateral	98,059	-	-	98,059
Accrued liability for compensated absences	46,826	26,654	19,540	93,020
Other liabilities	-	20,103	29,804	49,907
Current portion of long-term liabilities	82,619	143,433	71,883	297,935
Total current liabilities	581,822	373,572	224,398	1,179,792
Noncurrent liabilities:				
Accrued liability for compensated absences	28,780	36,736	12,807	78,323
Net pension and OPEB liabilities	132,993	114,852	141,808	389,653
Unearned revenue	23,767	-	-	23,767
Funds held in trust for others	118,744	118,528	57,891	295,163
Advances from federal government	-	19,028	8,473	27,501
Revenue bonds/notes payable	1,000,843	1,079,675	980,223	3,060,741
Derivative instrument liability	-	-	1,400	1,400
Other noncurrent liabilities	38,375	6,870	45,534	90,779
Total noncurrent liabilities	1,343,502	1,375,689	1,248,136	3,967,327
Total liabilities	1,925,324	1,749,261	1,472,534	5,147,119
Deferred Inflows of Resources				
Service concession arrangement receipts	-	-	970	970
Related to pensions	38,220	21,939	5,586	65,745
Total deferred inflows of resources	38,220	21,939	6,556	66,715

State of Indiana
Combining Statement of Net Position
Discretely Presented Component Units -
Colleges and Universities
June 30, 2017

(amounts expressed in thousands)

	Indiana University	Purdue University	Non-Major Colleges and Universities	Totals
Net Position				
Net investment in capital assets	2,200,168	1,454,962	1,271,992	4,927,122
Restricted - nonexpendable:				
Permanent funds	59,075	-	44,685	103,760
Instruction and research	559,472	395,785	34,462	989,719
Student aid	514,643	366,273	118,396	999,312
Other purposes	332,380	50,106	29,655	412,141
Restricted - expendable:				
Grants/constitutional restrictions	-	-	23,497	23,497
Future debt service	16,941	-	120	17,061
Instruction and research	300,360	357,787	86,311	744,458
Student aid	186,795	577,261	103,128	867,184
Endowments	-	506,245	13,593	519,838
Capital projects	149,902	72,257	129,784	351,943
Other purposes	408,311	146,486	43,255	598,052
Unrestricted	1,500,337	1,675,209	976,551	4,152,097
Total net position	\$ 6,228,384	\$ 5,602,371	\$ 2,875,429	\$ 14,706,184

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, 2017**
(amounts expressed in thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Indiana University	Purdue University	Non-Major Colleges and Universities	Net (Expense) Revenue
Indiana University	\$ 3,174,628	\$ 1,580,305	\$ 772,746	\$ 54,256	\$ (767,321)	\$ -	\$ -	\$ (767,321)
Purdue University	2,197,948	1,153,775	555,516	38,759	-	(449,898)	-	(449,898)
Non-Major Colleges and Universities	1,595,369	612,377	408,316	27,040	-	-	(547,636)	(547,636)
Total component units	<u>\$ 6,967,945</u>	<u>\$ 3,346,457</u>	<u>\$ 1,736,578</u>	<u>\$ 120,055</u>	<u>(767,321)</u>	<u>(449,898)</u>	<u>(547,636)</u>	<u>(1,764,855)</u>
General revenues:								
Investment earnings					308,318	272,680	62,727	643,725
Payments from State of Indiana					558,111	397,705	584,264	1,540,080
Other					292,743	45,338	16,265	354,346
Total general revenues					<u>1,159,172</u>	<u>715,723</u>	<u>663,256</u>	<u>2,538,151</u>
Change in net position					391,851	265,825	115,620	773,296
Net position - beginning					5,836,533	5,336,546	2,759,809	13,932,888
Net position - ending					<u>\$ 6,228,384</u>	<u>\$ 5,602,371</u>	<u>\$ 2,875,429</u>	<u>\$ 14,706,184</u>

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