

REQUIRED SUPPLEMENTARY INFORMATION



Schedule of Funding Progress Other Postemployment Benefits

(amounts expressed in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b- a)/c)
State Personnel Healthcare Plan						
6/30/2017	\$ 44,998	\$ 41,078	(3,920)	109.5%	\$ 1,245,383	-0.3%
6/30/2016	44,321	40,884	(3,437)	108.4%	1,148,771	-0.3%
6/30/2015	44,133	44,263	130	99.7%	1,180,296	0.0%
Legislature's Healthcare Plan						
6/30/2017	-	10,734	10,734	0.0%	5,540	193.8%
6/30/2016	-	9,541	9,541	0.0%	3,559	268.1%
6/30/2015	-	11,964	11,964	0.0%	3,504	341.4%
Indiana State Police Healthcare Plan						
6/30/2017	97,323	430,337	333,014	22.6%	98,693	337.4%
6/30/2016	79,799	380,529	300,730	21.0%	91,753	327.8%
6/30/2015	53,909	341,219	287,310	15.8%	92,130	311.9%
Conservation and Excise Police Healthcare Plan						
6/30/2017	15,176	42,009	26,833	36.1%	15,602	172.0%
6/30/2016	12,888	45,401	32,513	28.4%	14,497	224.3%
6/30/2015	10,464	41,831	31,367	25.0%	15,106	207.6%

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

	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Actuarially determined contribution	\$ 20,556	\$ 19,455	\$ 17,119	\$ 17,271	\$ 18,058	\$ 18,210	\$ 16,046	\$ 18,110	\$ 14,318	\$ 13,162
Contributions in relation to the actuarially determined contribution	20,556	18,073	13,451	14,005	47,588	16,059	13,240	13,352	13,429	13,400
Contribution deficiency (excess)	-	1,382	3,668	3,266	(29,530)	2,151	2,806	4,758	889	(238)
Covered-employee payroll	75,731	68,786	68,219	68,490	63,347	66,083	64,948	66,603	68,283	65,421
Contributions as a percentage of covered-employee payroll	27.1%	26.3%	19.7%	20.4%	75.1%	24.3%	20.4%	20.0%	19.7%	20.5%

Notes to Schedule:

Valuation date
 June 30, 2017
Actuarial cost method
 Entry age normal cost
Amortization method
 Level percentage of payroll, closed
Remaining amortization period
 24 years
Asset valuation method
 4 year smoothed value
Inflation
 2.25%

Salary increases
 3.5% for the pre-1987 plan; For the 1987 plan, 9% at ages 26 and younger, annual increase reduced 0.5% per year reaching 4% at age 36, annual increases of 4% at ages 36 and older. New salary matrix effective July 1, 2017 is reflected.

Investment rate of return

6.75%, net of pension plan investment expense, including inflation

Retirement age

Pre-1987 Plan - Retirement rates are based on age with 10% assumed to retire at ages 42-45, 7.5% at ages 46-54, 10% at 55, 12.5% at 56, 15% at 57, 20% at 58, 40% at ages 59 and older, except 100% at 65 (with at least 20 years of service). Based on experience study through June 30, 2010.

1987 Plan - Retirement rates are based on years of service with 15% assumed to retire at 25 years of service, 12.5% at 26 years, 10% at 27 years, 7.5% at years 28 and 29, 10% at 30 years, 12.5% at 31 years, 15% at 32 years, 40% at 33 years, and 27.5% at 34 or more years, except 100% at age 65 (with at least 25 years of service). Based on experience study through June 30, 2010.

Mortality

RP-2014 Blue Collar Mortality Tables adjusted to 2006 with MP-2016 Mortality Improvement Scale.

Other information

Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported. Actuarially determined contribution includes the statutory pension contribution and the statutory supplemental contribution.

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

	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Actuarially determined contribution	\$ 5,308	\$ 4,904	\$ 5,195	\$ 4,029	\$ 4,525	\$ 4,167	\$ 4,343	\$ 4,451	\$ 4,193	\$ 3,750
Contributions in relation to the actuarially determined contribution	4,259	4,677	4,342	4,545	3,746	4,199	3,573	3,555	3,591	3,383
Contribution deficiency (excess)	1,049	227	853	(516)	779	(32)	770	896	602	367
Covered-employee payroll	75,731	68,786	68,219	68,490	63,347	66,083	64,948	66,603	68,283	65,421
Contributions as a percentage of covered-employee payroll	5.6%	6.8%	6.4%	6.6%	5.9%	6.4%	5.5%	5.3%	5.3%	5.2%

Notes to Schedule:

Valuation date
 June 30, 2017

Actuarial cost method
 Entry age normal cost

Amortization method
 Level percentage of payroll, closed

Remaining amortization period
 30 years

Asset valuation method
 Not applicable

Inflation
 2.25%

Salary increases
 3.5% for the pre-1987 plan; For the 1987 plan, 9% at ages 26 and younger, annual increase reduced 0.5% per year reaching 4% at age 36; annual increases of 4% at ages 36 and older. New salary matrix effective July 1, 2017 is reflected.

Investment rate of return
 3.13% net of pension plan investment expense, including inflation. 2.71% as of June 30, 2016. Rate is S&P Municipal Bond 20 year high grade rate index.

Retirement age
 Pre-1987 Plan - Retirement rates are based on age with 10% assumed to retire at ages 42-45, 7.5% at ages 46-54, 10% at 55, 12.5% at 56, 15% at 57, 20% at 58, 40% at ages 59 and older, except 100% at 65 (with at least 20 years of service). Based on experience study through June 30, 2010.

1987 Plan - Retirement rates
 are based on years of service with 15% assumed to retire at 25 years of service, 10% at 26 years, 10% at 27 years, 7.5% at years 28 and 29, 10% at 30 years, 12.5% at 31 years, 15% at 32 years, 40% at 33 years, and 27.5% at 34 or more years, except 100% at age 65 (with at least 25 years of service). Based on experience study through June 30, 2010.

Mortality
 RP-2014 Blue Collar Mortality Tables adjusted to 2006 with MP-2016 Mortality Improvement Scale.

Other information
 Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.

**Schedule of Contributions
Employee Retirement Systems and Plans**

State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan (EG&C Plan)
(amounts expressed in thousands)

	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	\$ 4,033	\$ 4,078	\$ 4,820	\$ 5,341	\$ 4,794
Contributions in relation to the actuarially determined contribution	5,691	5,367	5,215	5,359	19,740
Contribution deficiency (excess)	(1,658)	(1,289)	(395)	(18)	(14,946)
Covered payroll	27,428	25,526	25,133	25,825	24,675
Contributions as a percentage of covered payroll	20.7%	21.0%	20.7%	20.8%	80.0%

Notes to Schedule:*Valuation date*

Actuarially determined contribution rates are calculated as of June 30, with an effective date of January 1.

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

24 years, closed

Asset valuation method

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

Inflation

2.25%

Salary increases

2.5%

Investment rate of return

6.75%

Mortality

RP-2014 Blue Collar Mortality Table, with Social Security Administration generational improvement scale from 2006

Other information

The actuarially determined contribution amounts are based on the average of the actuarially determined contribution rates developed in the actuarial valuations completed one year and two years prior to the beginning of the fiscal year, multiplied by actual payroll during the fiscal year. The approved contribution rate was 20.75% for calendar year 2017. Member census data as of June 30, 2016 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2016 and June 30, 2017. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2016 to June 30, 2017.

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Contributions
Employee Retirement Systems and Plans
Prosecuting Attorneys' Retirement Fund
(amounts expressed in thousands)

	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	\$ 2,148	\$ 1,381	\$ 1,419	\$ 2,345	\$ 2,542
Contributions in relation to the actuarially determined contribution	1,486	1,440	1,063	1,174	19,443
Contribution deficiency (excess)	662	(59)	356	1,171	(16,901)
Covered payroll	22,635	21,372	21,145	20,608	18,805
Contributions as a percentage of covered payroll	6.6%	6.7%	5.0%	5.7%	103.4%

Notes to Schedule:*Valuation date*

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

27 years, closed

Asset valuation method

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

Inflation

2.25%

Salary increases

4.0%

Investment rate of return

6.75%

Mortality

RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2006

Other information

The actuarially determined contribution amounts are based on the average of the actuarially determined contribution rates developed in the actuarial valuations completed one year and two years prior to the beginning of the fiscal year, multiplied by anticipated payroll during the fiscal year. Member census data as of June 30, 2016 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2016 and June 30, 2017. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2016 to June 30, 2017.

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Contributions
Employee Retirement Systems and Plans
Legislators' Defined Benefit Plan
 (amounts expressed in thousands)

	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	\$ 170	\$ 138	\$ 119	\$ 138	\$ 140
Contributions in relation to the actuarially determined contribution	135	138	131	138	150
Contribution deficiency (excess)	35	-	(12)	-	(10)
Covered payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Valuation date

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Actuarial cost method

Entry age normal (Level Percent of Payroll) for accounting and Traditional Unit Credit for funding

Amortization method

Level dollar

Remaining amortization period

18 years, closed

Asset valuation method

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

Inflation

2.25%

Salary increases

2.25%

Investment rate of return

6.75%

Retirement age

Mortality

RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2006

Other information

Based on the actuarial assumptions and methods, an actuarially determined contribution amount is computed. The INPRS Board of Trustees considers this information when requesting appropriations from the State. Member census data as of June 30, 2016 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2016 and June 30, 2017. Standard actuarial roll forward techniques were then used to project liabilities computed as of June 30, 2016 to June 30, 2017. N/A is not applicable as this is a closed plan with no payroll.

The effort and costs to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Contributions
Employee Retirement Systems and Plans
Judges' Retirement System
(amounts expressed in thousands)

	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Actuarially determined contribution	\$ 14,335	\$ 17,485	\$ 18,865	\$ 27,648	\$ 25,458
Contributions in relation to the actuarially determined contribution	<u>16,824</u>	<u>16,946</u>	<u>21,020</u>	<u>20,895</u>	<u>111,419</u>
Contribution deficiency (excess)	(2,489)	539	(2,155)	6,753	(85,961)
Covered payroll	54,755	51,382	48,582	46,041	47,595
Contributions as a percentage of covered payroll	30.7%	33.0%	43.3%	45.4%	234.1%

Notes to Schedule:*Valuation date*

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

12 years, closed

Asset valuation method

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

Inflation

2.25%

Salary increases

2.5%

Investment rate of return

6.75%

Mortality

RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2006

Other information

The actuarially determined contribution amounts are based on the average of the actuarially determined contribution rates developed in the actuarial valuations completed one year and two years prior to the beginning of the fiscal year, multiplied by anticipated payroll during the fiscal year. Member census data as of June 30, 2016 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2016 and June 30, 2017. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2016 to June 30, 2017.

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of Contributions
Employee Retirement Systems and Plans
Public Employees' Retirement Fund
(amounts expressed in thousands)**

	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	\$ 140,631	\$ 143,499	\$ 133,755	\$ 134,976	\$ 114,353
Contributions in relation to the actuarially determined contribution	140,631	143,499	133,755	134,976	114,353
Contribution deficiency (excess)	-	-	-	-	-
State's covered payroll	1,276,857	1,199,921	1,162,622	1,213,031	1,173,716
Contributions as a percentage of covered payroll	11.0%	12.0%	11.5%	11.1%	9.7%

Notes to Schedule:

Valuation date

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

20 years, closed

Asset valuation method

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

Inflation

2.25%

Salary increases

2.50% - 4.25%

Investment rate of return

6.75%

Mortality

RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006

Other information

The INPRS Board sets, at its discretion, the State's employer contribution rate upon considering the results of the actuarial valuation and other analysis as appropriate. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/14 was 11.17%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/15 was 10.55%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/16 was 9.80%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/17 was 10.11%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actual dollar amount of the State's contributions depends on the actual payroll for the fiscal year.

Member census data as of June 30, 2016 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2016 and June 30, 2017. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2016 to June 30, 2017.

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Contributions
Employee Retirement Systems and Plans
Teachers' Retirement Fund Pre-1996 Account
 (amounts expressed in thousands)

	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Statutorily determined contribution	\$ 871,141	\$ 887,643	\$ 845,774	\$ 825,617	\$ 1,003,847
Contributions in relation to the statutorily required contribution	871,141	887,643	845,774	825,617	1,003,847
Contribution deficiency (excess)	-	-	-	-	-

Notes to Schedule:

Valuation date

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

25 years, closed

Asset valuation method

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

Inflation

2.25%

Salary increases

2.5% - 12.5%

Investment rate of return

6.75%

Mortality

RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2006

Other information

Member census data as of June 30, 2016 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2016 and June 30, 2017. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2016 to June 30, 2017.

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Contributions
Employee Retirement Systems and Plans
Teachers' Retirement Fund 1996 Account
 (amounts expressed in thousands)

	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	\$ 879	\$ 758	\$ 772	\$ 735	\$ 761
Contributions in relation to the actuarially determined contribution	879	758	772	735	761
Contribution deficiency (excess)	-	-	-	-	-
State's covered payroll	11,722	10,108	10,288	10,380	10,150
Contributions as a percentage of covered payroll	7.5%	7.5%	7.5%	7.1%	7.5%

Notes to Schedule:

Valuation date

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

26 years, closed

Asset valuation method

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

Inflation

2.25%

Salary increases

2.5% - 12.5%

Investment rate of return

6.75%

Mortality

RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2006

Other information

Member census data as of June 30, 2016 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2016 and June 30, 2017. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2016 to June 30, 2017.

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Employer Contributions Other Postemployment Benefits

(amounts expressed in thousands)

Year Ended June 30	State Personnel Healthcare Plan - DB Plan		Legislature's Healthcare Plan - DB Plan		Indiana State Police Healthcare Plan - DB Plan		Conservation and Excise Police Healthcare Plan - DB Plan		Retiree Health Benefit Trust Fund - DC Plan	
	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed
2017	\$ 1,577	304.5%	\$ 748	69.8%	\$ 32,614	82.4%	\$ 2,948	126.1%	\$ 44,900	100.0%
2016	1,538	193.6%	680	67.9%	30,630	113.8%	3,313	107.9%	44,700	100.0%
2015	1,839	194.0%	842	65.8%	29,604	85.5%	3,124	78.0%	43,300	100.0%

Schedule of Contributions
Other Postemployment Benefit Plans
State Personnel Healthcare Plan
 (amounts expressed in thousands)

	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Actuarially determined contribution	\$ 3,060	\$ 1,538	\$ 1,839	\$ 1,010	\$ 941	\$ 2,964	\$ 4,664	\$ 6,282	\$ 7,716	\$ 7,231
Contributions in relation to the actuarially determined contribution	4,802	2,977	3,567	3,200	4,203	33,850	16,922	1,913	1,796	1,636
Contribution deficiency (excess)	(1,742)	(1,439)	(1,728)	(2,190)	(3,262)	(30,886)	(12,258)	4,379	5,920	5,595
Covered-employee payroll	1,245,383	1,148,771	1,180,286	1,219,424	1,178,197	1,170,773	1,184,288	1,251,207	1,293,479	1,130,900
Contributions as a percentage of covered-employee payroll	0.4%	0.3%	0.3%	0.3%	0.4%	2.9%	1.4%	0.2%	0.1%	0.1%

Notes to Schedule:

- Valuation date
- June 30 of the year indicated
- Actuarial cost method
- Entry age normal (Level Percent of Payroll)
- Amortization method
- Level dollar
- Amortization period
- 30 years, closed
- Asset valuation method
- Market value of assets
- Inflation
- 2.25%
- Healthcare cost trend rates
- 9.0% initial, decreasing 0.5% per year to an ultimate rate of 4.5%
- Salary increases
- 2.25% for general wage inflation plus merit and productivity increases of 2.0% ages 20 and 30; 1.5% age 40; and 1.0% age 50 (sample rates at select ages only).
- Investment rate of return
- 2.92% as of June 30, 2016 and 3.56% as of June 30, 2017.
- Retirement age
- Annual retirement rates follow the PERF, PARF, and Judges' retirement system rates.
- Mortality
- Pre and post retirement mortality rates are based on SS-2012 Employee and Annuitant Mortality Table fully generational using SSA scale.
- Other information
- Census data as of June 30, 2017 was used in the valuation.

	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Actuarially determined contribution	\$ 34,980	\$ 30,630	\$ 29,064	\$ 26,030	\$ 27,419	\$ 27,794	\$ 30,155	\$ 42,106	\$ 35,271	\$ 34,275
Contributions in relation to the actuarially determined contribution	26,871	34,862	25,320	24,835	11,684	18,627	13,787	9,009	7,910	7,408
Contribution deficiency (excess)	8,109	(4,232)	3,744	1,195	15,735	9,167	16,368	33,097	27,361	26,867
Covered-employee payroll	98,693	91,753	92,130	93,630	93,680	92,494	92,845	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	27.2%	38.0%	27.5%	26.5%	12.5%	20.1%	14.8%	N/A	N/A	N/A
<p>Notes to Schedule:</p> <p><i>Valuation date</i> June 30 of the year indicated</p> <p><i>Actuarial cost method</i> Entry age normal (Level Percent of Payroll)</p> <p><i>Amortization method</i> Level dollar</p> <p><i>Amortization period</i> 30 years, closed</p> <p><i>Asset valuation method</i> Market value of assets</p> <p><i>Inflation</i> 2.25%</p> <p><i>Healthcare cost trend rates</i> 9.0% initial, decreasing 0.5% per year to an ultimate rate of 4.5%</p> <p><i>Salary increases</i> 2.25% for general wage inflation plus 0.25% for merit and productivity increases for all ages</p> <p><i>Investment rate of return</i> 2.92% as of June 30, 2016 and 3.56% as of June 30, 2017</p> <p><i>Retirement age</i> Annual retirement rates are based on ISP's 2011 experience study</p> <p><i>Mortality</i> SS-2012 Total Dataset Mortality Table with blue collar adjustment fully generational using SSA scale</p> <p><i>Other information</i> Census data as of June 30, 2017 was used in the valuation. N/A is not available.</p>										

Schedule of Contributions
Other Postemployment Benefit Plans
Conservation and Excise Police Healthcare Plan
 (amounts expressed in thousands)

	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008
Actuarially determined contribution	\$ 3,349	\$ 3,313	\$ 3,124	\$ 2,822	\$ 3,053	\$ 3,675	\$ 4,423	\$ 5,373	\$ 4,178	\$ 3,965
Contributions in relation to the actuarially determined contribution	3,718	3,575	2,437	2,482	2,893	6,889	1,336	1,303	982	898
Contribution deficiency (excess)	(369)	(262)	687	340	160	(3,214)	3,087	4,070	3,196	3,067
Covered-employee payroll	15,602	14,497	15,106	15,969	16,038	15,541	16,283	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	23.8%	24.7%	16.1%	15.5%	18.0%	44.3%	8.2%	N/A	N/A	N/A

Notes to Schedule:

- Valuation date: June 30 of the year indicated
- Actuarial cost method: Entry age normal (Level Percent of Payroll)
- Amortization method: Level dollar
- Amortization period: 30 years, closed
- Asset valuation method: Market value of assets
- Inflation: 2.25%
- Healthcare cost trend rates: 9.0% initial, decreasing 0.5% per year to an ultimate rate of 4.5%
- Salary increases: 2.25% for general wage inflation plus 0.25% for merit and productivity increases
- Investment rate of return: 2.92% as of June 30, 2016 and 3.56% as of June 30, 2017
- Retirement age: Age 45 = 3%; ages 46-49 = 2%; age 50 = 3%; ages 51-59 = 15%; ages 60-64 = 40%; and age 65+ = 100%
- Mortality: SS-2012 Total Dataset Mortality Table with blue collar adjustment fully generational using SSA scale
- Other information: Census data as of June 30, 2017 was used in the valuation.
- N/A is not available.

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

	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Total pension liability				
Service cost	\$ 14,537	\$ 14,356	\$ 13,747	\$ 13,576
Interest	37,930	35,912	34,935	33,758
Changes of benefit terms	-	275	269	147
Differences between expected and actual experience	(562)	4,765	778	1,112
Changes of assumptions	(5)	9,230	775	533
Benefit payments, including refunds of employee contributions	(33,677)	(34,955)	(32,923)	(30,724)
Net change in total pension liability	18,223	29,583	17,581	18,402
Total pension liability, beginning	570,380	540,797	523,216	504,814
Total pension liability, ending	\$ 588,603	\$ 570,380	\$ 540,797	\$ 523,216
Plan fiduciary net position				
Contributions, employer	\$ 18,073	\$ 13,451	\$ 14,005	\$ 47,588
Contributions, employee	4,043	3,967	3,763	3,786
Net investment income	(10,454)	(990)	44,883	29,787
Benefit payments, including refunds of employee contributions	(33,677)	(34,955)	(32,923)	(30,724)
Administrative expense	(306)	(300)	(307)	(261)
Other	1	-	(11)	2
Net change in plan fiduciary net position	(22,320)	(18,827)	29,410	50,178
Plan fiduciary net position, beginning	449,171	467,998	438,588	388,410
Plan fiduciary net position, ending	\$ 426,851	\$ 449,171	\$ 467,998	\$ 438,588
Net pension liability	\$ 161,752	\$ 121,209	\$ 72,799	\$ 84,628
Plan fiduciary net position as a percentage of the total pension liability	72.5%	78.7%	86.5%	83.8%
Covered employee payroll	68,786	68,219	68,490	63,347
Net pension liability as a percentage of covered employee payroll	235.2%	177.7%	106.3%	133.6%

Notes to Schedule:

Benefit changes. Changes of benefit terms reflect one-time 13th checks paid to eligible retirees.

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

Changes of assumptions. 6/30/2016 Mortality Assumption: Mortality rates for healthy members were based on the RP-2014 Blue Collar Mortality Tables adjusted to 2006 with MP-2015 Mortality Improvement Scale. Mortality rates for disabled members were based on the RP-2014 Mortality tables for disabled members adjusted to 2006 with MP-2015 Mortality Improvement Scale. 6/30/2015 Mortality Assumption: Mortality rates for healthy members were based on the RP-2014 Blue Collar Mortality Tables adjusted to 2006 with MP-2015 Mortality Improvement Scale. Mortality rates for disabled members were based on the RP-2014 Mortality tables for disabled members adjusted to 2006 with MP-2015 Mortality Improvement Scale. 6/30/2014 Mortality Assumption: Mortality rates for healthy members were based on the 2014 separate non-annuitant and annuitant mortality tables (separate male and female tables) as published by the IRS. Mortality rates for disabled members were based on the same tables increased by 115% for disabled retirements and disabled terminations with deferred benefits. 6/30/2013 Mortality Assumption: Mortality rates for healthy members were based on the 2013 separate non-annuitant and annuitant mortality tables (separate male and female tables) as published by the IRS. Mortality rates for disabled members were based on the same tables increased by 115% for disabled retirements and disabled terminations with deferred benefits.

Other. The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

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

	6/30/2016
Total pension liability	
Service cost	\$ 3,776
Interest	1,143
Differences between expected and actual experience	(476)
Changes of assumptions	4,125
Benefit payments, including refunds of employee contributions, and administrative and other expenses	(4,677)
Net change in total pension liability	3,891
Total pension liability, beginning	13,152
Total pension liability, ending	\$ 17,043
Plan fiduciary net position	
Contributions, employer	\$ 4,677
Benefit payments, including refunds of employee contributions	(3,800)
Administrative expense	(69)
Other	(808)
Net change in plan fiduciary net position	-
Plan fiduciary net position, beginning	-
Plan fiduciary net position, ending	\$ -
Net pension liability	\$ 17,043
Plan fiduciary net position as a percentage of the total pension liability	0.0%
Covered employee payroll	68,786
Net pension liability as a percentage of covered employee payroll	24.8%

Notes to Schedule:

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

Changes of assumptions. Mortality rates for healthy members were based on the RP-2014 Blue Collar Mortality Tables adjusted from 2006 using MP-2016 Mortality Improvement Scale. Mortality rates for disabled members were based on the RP-2014 Mortality tables for disabled members adjusted from 2006 using MP-2016 Mortality Improvement Scale.

3.13% discount rate, net of pension plan investment expense, including inflation at June 30, 2017. Discount rate of 2.71% at June 30, 2016. Rate is S&P Municipal Bond 20 year high grade rate index. Rate prior to June 30, 2016 was 6.75%.

Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported. For the July 1, 2016 actuarial valuation, the inflation assumption was reduced from 3.50% to 2.25%.

Other. The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2016 for GASB-S73 purposes.

**Schedule of Changes in Net Pension Liability and Related Ratios
Employee Retirement Systems and Plans**

**State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers'
Retirement Plan**

(amounts expressed in thousands)

	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Total pension liability				
Service cost	\$ 3,011	\$ 3,905	\$ 3,841	\$ 3,811
Interest	8,955	8,384	8,031	7,740
Differences between expected and actual experience	470	845	(430)	(1,845)
Changes of assumptions	-	2,669	-	(40)
Benefit payments, including refunds of employee contributions	(6,267)	(6,608)	(5,938)	(4,836)
Member reassignments	-	-	-	(15)
Net change in total pension liability	<u>6,169</u>	<u>9,195</u>	<u>5,504</u>	<u>4,815</u>
Total pension liability, beginning	<u>132,796</u>	<u>123,601</u>	<u>118,097</u>	<u>113,282</u>
Total pension liability, ending	<u>\$ 138,965</u>	<u>\$ 132,796</u>	<u>\$ 123,601</u>	<u>\$ 118,097</u>
Plan fiduciary net position				
Contributions, employer	\$ 5,367	\$ 5,215	\$ 5,359	\$ 19,740
Contributions, employee	1,016	1,004	1,019	1,006
Net investment income	1,313	(71)	13,339	4,702
Benefit payments, including refunds of employee contributions	(6,245)	(6,609)	(5,938)	(4,836)
Administrative expense	(139)	(158)	(141)	(121)
Member reassignments	(21)	-	-	(15)
Net change in plan fiduciary net position	<u>1,291</u>	<u>(619)</u>	<u>13,638</u>	<u>20,476</u>
Plan fiduciary net position, beginning	<u>110,038</u>	<u>110,657</u>	<u>97,019</u>	<u>76,543</u>
Plan fiduciary net position, ending	<u>\$ 111,329</u>	<u>\$ 110,038</u>	<u>\$ 110,657</u>	<u>\$ 97,019</u>
Net pension liability	<u>\$ 27,636</u>	<u>\$ 22,758</u>	<u>\$ 12,944</u>	<u>\$ 21,078</u>
Plan fiduciary net position as a percentage of the total pension liability	80.1%	82.9%	89.5%	82.2%
Covered payroll	25,526	25,133	25,825	24,675
Net pension liability as a percentage of covered payroll	108.3%	90.6%	50.1%	85.4%

Notes to Schedule:

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

Benefit changes. There were no changes to the plan that impacted the pension benefits during the fiscal year.

Changes of assumptions. An assumption study was performed in April of 2015 resulting in an update to the following assumptions: 1) The inflation assumption changed from 3.0% per year to 2.25% per year; 2) the future salary increases assumption changed from 3.25% to 2.5% per year; 3) the mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) Blue Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report; 4) the retirement assumption changed to reflect higher likelihood of retirement at certain ages; 5) the termination assumption changed from an age-based table to a service-based table; and 6) the dependent assumption was adjusted to reflect recent experience.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

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

	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Total pension liability				
Service cost	\$ 1,626	\$ 1,603	\$ 1,587	\$ 1,568
Interest	5,239	4,409	4,207	3,816
Changes of benefit terms	-	-	-	1,346
Differences between expected and actual experience	4,058	4,551	-	1,474
Changes of assumptions	-	5,216	-	(109)
Benefit payments, including refunds of employee contributions	(3,747)	(3,254)	(2,398)	(2,235)
Other	(3)	-	-	-
Net change in total pension liability	7,173	12,525	3,396	5,860
Total pension liability, beginning	77,861	65,336	61,940	56,080
Total pension liability, ending	<u>\$ 85,034</u>	<u>\$ 77,861</u>	<u>\$ 65,336</u>	<u>\$ 61,940</u>
Plan fiduciary net position				
Contributions, employer	\$ 1,440	\$ 1,063	\$ 1,174	\$ 19,443
Contributions, employee	1,279	1,269	1,334	1,271
Net investment income	589	(34)	6,581	1,897
Benefit payments, including refunds of employee contributions	(3,747)	(3,254)	(2,398)	(2,235)
Administrative expense	(193)	(127)	(108)	(145)
Other	-	-	4	-
Net change in plan fiduciary net position	(632)	(1,083)	6,587	20,231
Plan fiduciary net position, beginning	53,424	54,507	47,920	27,689
Plan fiduciary net position, ending	<u>\$ 52,792</u>	<u>\$ 53,424</u>	<u>\$ 54,507</u>	<u>\$ 47,920</u>
Net pension liability	<u>\$ 32,242</u>	<u>\$ 24,437</u>	<u>\$ 10,829</u>	<u>\$ 14,020</u>
Plan fiduciary net position as a percentage of the total pension liability	62.1%	68.6%	83.4%	77.4%
Covered payroll	21,372	21,145	20,608	18,805
Net pension liability as a percentage of covered payroll	150.9%	115.6%	52.5%	74.6%

Notes to Schedule:

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

Benefit changes: There were no changes to the plan that impacted the pension benefits during the fiscal year.

In 2013, HB 1057 changed the benefits in the Prosecuting Attorneys' Retirement Fund to be comparable to the Judges' Retirement Fund.

Changes of assumptions: In 2013, the interest crediting rate on member contributions was changed to 3.5% from 5.5%. An assumption study was performed in April of 2015 resulting in an update to the following assumptions:

1) The inflation assumption changed from 3.0% per year to 2.25% per year; 2) The mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report; and 3) the retirement assumption changed from an age and points-based table to an age and service-based table, reflecting higher rates of retirement after 22 years of service.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Changes in Net Pension Liability and Related Ratios
Employee Retirement Systems and Plans
Legislators' Defined Benefit Plan
(amounts expressed in thousands)

	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Total pension liability				
Service cost	\$ 2	\$ 3	\$ 3	\$ 2
Interest	280	269	277	291
Differences between expected and actual experience	(233)	(68)	(36)	(140)
Changes of assumptions	-	325	-	-
Benefit payments, including refunds of employee contributions	(359)	(370)	(363)	(365)
Net change in total pension liability	(310)	159	(119)	(212)
Total pension liability, beginning	4,325	4,166	4,285	4,497
Total pension liability, ending	<u>\$ 4,015</u>	<u>\$ 4,325</u>	<u>\$ 4,166</u>	<u>\$ 4,285</u>
Plan fiduciary net position				
Contributions, employer	\$ 138	\$ 131	\$ 138	\$ 150
Net investment income	27	(5)	439	201
Benefit payments, including refunds of employee contributions	(359)	(370)	(363)	(365)
Administrative expense	(61)	(71)	(62)	(34)
Net change in plan fiduciary net position	(255)	(315)	152	(48)
Plan fiduciary net position, beginning	3,174	3,489	3,337	3,385
Plan fiduciary net position, ending	<u>\$ 2,919</u>	<u>\$ 3,174</u>	<u>\$ 3,489</u>	<u>\$ 3,337</u>
Net pension liability	<u>\$ 1,096</u>	<u>\$ 1,151</u>	<u>\$ 677</u>	<u>\$ 948</u>
Plan fiduciary net position as a percentage of the total pension liability	72.7%	73.4%	83.7%	77.9%
Covered payroll	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

Notes to Schedule:

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

Benefit changes. There were no changes to the plan that impacted the pension benefits during the fiscal year.

Changes of assumptions. An assumption study was performed in April of 2015 resulting in an update to the following assumptions: 1) The inflation assumption changed from 3.0% per year to 2.25% per year; and 2) The mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

N/A is not applicable as this is a closed plan with no payroll.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Changes in Net Pension Liability and Related Ratios
Employee Retirement Systems and Plans
Judges' Retirement System
(amounts expressed in thousands)

	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Total pension liability				
Service cost	\$ 13,870	\$ 15,283	\$ 15,302	\$ 16,084
Interest	31,889	31,753	30,992	30,047
Differences between expected and actual experience	7,182	8,411	(16,026)	(13,603)
Changes of assumptions	-	(31,926)	-	186
Benefit payments, including refunds of employee contributions	(20,922)	(19,432)	(18,527)	(17,579)
Member reassignments	-	-	4	121
Other	162	-	-	-
Net change in total pension liability	32,181	4,089	11,745	15,256
Total pension liability, beginning	468,945	464,855	453,110	437,854
Total pension liability, ending	\$ 501,126	\$ 468,944	\$ 464,855	\$ 453,110
Plan fiduciary net position				
Contributions, employer	\$ 16,946	\$ 21,020	\$ 20,895	\$ 111,419
Contributions, employee	3,239	3,292	2,856	2,631
Net investment income	5,323	(102)	51,890	16,955
Benefit payments, including refunds of employee contributions	(20,922)	(19,432)	(18,527)	(17,579)
Administrative expense	(148)	(165)	(146)	(126)
Member reassignments	-	-	4	121
Other	-	9	6	5
Net change in plan fiduciary net position	4,438	4,622	56,978	113,426
Plan fiduciary net position, beginning	437,352	432,730	375,752	262,326
Plan fiduciary net position, ending	\$ 441,790	\$ 437,352	\$ 432,730	\$ 375,752
Net pension liability	\$ 59,336	\$ 31,592	\$ 32,125	\$ 77,358
Plan fiduciary net position as a percentage of the total pension liability	88.2%	93.3%	93.1%	82.9%
Covered payroll	51,382	48,582	46,041	47,595
Net pension liability as a percentage of covered payroll	115.5%	65.0%	69.8%	162.5%

Notes to Schedule:

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

Benefit changes. There were no changes to the plan that impacted the pension benefits during the fiscal year.

Changes of assumptions. An assumption study was performed in April of 2015 resulting in an update to the following assumptions: 1) The inflation assumption changed from 3.0% per year to 2.25% per year; 2) the future salary increases assumption changed from 4.0% to 2.5% per year; 3) the cost-of-living assumption decreased from 4.0% to 2.5% per year; 4) the mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report; 5) the retirement assumption changed from an age-based table to an age and service based table, reflecting higher rates of retirement after 22 years of service; 6) the termination assumption changed from an age-based table to 3% for all members; and 7) the dependent assumption was adjusted to reflect recent experience.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of the State's Proportionate Share of the Net Pension Liability
Employee Retirement Systems and Plans
Public Employees' Retirement Fund
(amounts expressed in thousands)**

	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
State's proportion of the net pension liability (asset)	25.04%	24.27%	24.85%	24.45%
State's proportionate share of the net pension liability (asset)	\$ 1,136,293	\$ 988,605	\$ 652,920	\$ 837,311
State's covered payroll	1,199,921	1,162,622	1,213,031	1,173,716
State's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	94.7%	85.0%	53.8%	71.3%
Plan fiduciary net position as a percentage of the total pension liability	75.3%	77.3%	84.3%	78.8%

Notes to Schedule:

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

Benefit changes. There were no changes to the plan that impacted pension benefits during the fiscal year.

Plan amendments. In 2016, there were no changes to the plan that impacted the pension benefits during the year.

In 2014, HB 1075 impacted the PERF by reducing the Annuity Savings Account (ASA) interest crediting rate on annuities from 7.5% to 5.75% effective October 1, 2014. Effective October 1, 2015 the rate becomes the greater of 4.5% or market rate. On January 1, 2017, the ASA annuities are allowed to be outsourced to a third party provider.

Changes of assumptions. An assumption study was performed in April of 2015 resulting in an update to the following assumptions: '1) the inflation assumption changed from 3.00% to 2.25% per year; 2) the future salary increase assumption changed from an age-based table ranging from 3.25% to 4.5% to an age-based table ranging from 2.50% to 4.25%; 3) the mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Table projected on a fully generationally basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee report; 4) the retirement assumption was updated based on recent experience. Additionally, for actives who are eligible for early retirement (reduced benefit), 33% are assumed to commence benefits immediate and 67% are assumed to commence benefits at unreduced retirement eligibility. If eligible for an unreduced retirement benefit upon termination from employment, 100% commence immediately; 5) the termination assumption was updated based on recent experience. For members earning less than \$20,000, the tables were updated from a select and ultimate table to just an ultimate table as there is little correlation with service. For members earning more than \$20,000, the table were updated from using a 5-year select period to a 10-year select period to correspond with the vesting schedule; 6) the disability assumption was updated based on recent experience; and 7) the ASA annuitization assumption was updated from 50% of members assumed to annuitize their ASA balance to 60% of members assumed to annuitize their ASA balance prior to January 1, 2018.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of the State's Proportionate Share of the Net Pension Liability
Employee Retirement Systems and Plans
Teachers' Retirement Fund Pre-1996 Account
(amounts expressed in thousands)**

	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
State's proportion of the net pension liability (asset)	100.00%	100.00%	100.00%	100.00%
State's proportionate share of the net pension liability (asset)	\$ 12,052,671	\$ 11,917,837	\$ 10,853,349	\$ 11,248,396
Plan fiduciary net position as a percentage of the total pension liability	28.4%	30.0%	33.6%	31.7%

Notes to Schedule:

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

Benefit changes. There were no changes to the plan that impacted the pension benefits during the fiscal year.

Plan amendments. In 2016, there were no changes to the plan that impacted the pension benefits during the year.

In 2014, HB 1075 impacted the TRF Pre-1996 Account by reducing the Annuity Savings Account (ASA) interest crediting rate on annuities from 7.5% to 5.75% effective October 1, 2014. Effective October 1, 2015 the rate becomes the greater of 4.5% or market rate. On January 1, 2017, the ASA annuities are allowed to be outsourced to a third party provider.

Changes of assumptions. An assumption study was performed in April of 2015 resulting in an update to the following assumptions: 1) the inflation assumption changed from 3.00% to 2.25% per year; 2) the future salary increase assumption changed from a table ranging from 3.00% to 12.50% to a table ranging from 2.50% to 12.50%; 3) the mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 White Collar Mortality Table with Social Security Administration generational projection scale from 2006; 4) the retirement assumption was updated based on recent experience; and 5) the termination assumption was updated based on recent experience.

The effort and cost to recreate financial statement information for 10 years was not practical.

Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Information needed, but will not be part of schedule:

Plan total pension liability	16,840,200	17,017,746	16,355,216	16,463,598
Plan fiduciary net position	4,787,529	5,099,909	5,501,867	5,215,202
Plan net pension liability	12,052,671	11,917,837	10,853,349	11,248,396
Plan covered-employee payroll	-	-	-	-
Plan covered-employee payroll-State	-	-	-	-
Plan covered-employee payroll-all other employers	-	-	-	-

**Schedule of the State's Proportionate Share of the Net Pension Liability
Employee Retirement Systems and Plans
Teachers' Retirement Fund 1996 Account
(amounts expressed in thousands)**

	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
State's proportion of the net pension liability (asset)	0.35%	0.38%	0.40%	0.42%
State's proportionate share of the net pension liability (asset)	\$ 2,739	\$ 1,977	\$ 191	\$ 1,310
State's covered payroll	10,108	10,288	10,380	10,150
State's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	27.1%	19.2%	1.8%	12.9%
Plan fiduciary net position as a percentage of the total pension liability	87.8%	91.1%	99.1%	93.4%

Notes to Schedule:

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

Benefit changes. There were no changes to the plan that impacted the pension benefits during the fiscal year.

Plan amendments. In 2016, there were no changes to the plan that impacted the pension benefits during the fiscal year. In 2014, HB 1075 impacted the PERF by reducing the Annuity Savings Account (ASA) interest crediting rate on annuities from 7.5% to 5.75% effective October 1, 2014. Effective October 1, 2015 the rate becomes the greater of 4.5% or market rate. On January 1, 2017, the ASA annuities are allowed to be outsourced to a third party provider.

Changes of assumptions. An assumption study was performed in April of 2015 resulting in an update to the following assumptions: 1) The inflation assumption changed from 3.00% to 2.25% per year; 2) the future salary increases assumption changed from a table ranging from 3.00% to 12.50% to a table ranging from 2.50% to 12.50%; 3) the mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 White Collar Mortality Table with Social Security Administration generational projection scale from 2006; 4) the retirement assumption was updated based on recent experience; and 5) the termination assumption was updated based on recent experience.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

Schedule of Changes in the Net OPEB Liability and Related Ratios
Other Postemployment Benefit Plans
State Personnel Healthcare Plan
(amounts expressed in thousands)

	6/30/2017
Total OPEB liability	
Service cost	\$ 2,334
Interest	1,536
Differences between expected and actual experience	(121)
Changes of assumptions	(1,081)
Benefit payments	(4,404)
Net change in total OPEB liability	(1,736)
Total OPEB liability, beginning	54,776
Total OPEB liability, ending	\$ 53,040
Plan fiduciary net position	
Contributions, employer	\$ 4,802
Net investment income	292
Benefit payments	(4,404)
Administrative expense	(418)
Net change in plan fiduciary net position	272
Plan fiduciary net position, beginning	44,726
Plan fiduciary net position, ending	\$ 44,998
Net OPEB liability	\$ 8,042
Plan fiduciary net position as a percentage of the total OPEB liability	84.8%
Covered-employee payroll	1,245,383
Net OPEB liability as a percentage of covered-employee payroll	0.6%

Notes to Schedule:*Changes of assumptions:*

1. Trend rates for medical and prescription drug benefits have been reset to an initial rate of 9.00% decreasing by 0.50% annually to an ultimate rate of 4.5%. Dental trend rates have been modified from an initial rate of 4.50% decreasing by 0.25% to 3.50% to a flat 3.00%. This change caused an increase in the total OPEB liability.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2017 for GASB-S74 purposes.

Schedule of Changes in the Net OPEB Liability and Related Ratios
Other Postemployment Benefit Plans
Indiana State Police Healthcare Plan
(amounts expressed in thousands)

	6/30/2017
Total OPEB liability	
Service cost	\$ 24,701
Interest	16,987
Changes of benefit terms	(34,808)
Differences between expected and actual experience	3,921
Changes of assumptions	(48,451)
Benefit payments	(8,656)
Net change in total OPEB liability	(46,306)
Total OPEB liability, beginning	586,042
Total OPEB liability, ending	\$ 539,736
Plan fiduciary net position	
Contributions, employer	\$ 26,871
Contributions, employee	473
Net investment income	508
Benefit payments	(8,656)
Administrative expense	(589)
Net change in plan fiduciary net position	18,607
Plan fiduciary net position, beginning	78,716
Plan fiduciary net position, ending	\$ 97,323
Net OPEB liability	\$ 442,413
Plan fiduciary net position as a percentage of the total OPEB liability	18.0%
Covered-employee payroll	98,693
Net OPEB liability as a percentage of covered-employee payroll	448.3%

Notes to Schedule:*Benefit changes:*

1. Employees hired on/after July 1, 2016 are only eligible for retiree health benefits until Medicare eligibility. This change does not generate an immediate reduction to the total OPEB liabilities, but is expected to have a significant impacts as more active employees are affected by this change.
2. ISP is expected to increase the maximum out-of-pocket for the retiree health plan from \$2,750 (single)/\$5,500 (family) currently to \$4,000 (single) / \$8,000 (family) on January 1, 2018. This change caused a decrease in the total OPEB liability.

Changes of assumptions:

1. Trend rates for medical and prescription drug benefits have been reset to an initial rate of 9.00% decreasing by 0.50% annually to an ultimate rate of 4.5%. Dental trend rates have been modified from an initial rate of 4.50% decreasing by 0.25% to 3.50% to a flat 3.00%. This change caused an increase in the total OPEB liability.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2017 for GASB-S74 purposes.

Schedule of Changes in the Net OPEB Liability and Related Ratios
Other Postemployment Benefit Plans
Conservation and Excise Police Healthcare Plan
(amounts expressed in thousands)

	6/30/2017
Total OPEB liability	
Service cost	\$ 2,327
Interest	1,956
Changes of benefit terms	(7,023)
Differences between expected and actual experience	(1,654)
Changes of assumptions	(5,925)
Benefit payments	(1,305)
Net change in total OPEB liability	(11,624)
Total OPEB liability, beginning	67,648
Total OPEB liability, ending	\$ 56,024
Plan fiduciary net position	
Contributions, employer	\$ 3,718
Net investment income	79
Benefit payments	(1,305)
Administrative expense	(82)
Net change in plan fiduciary net position	2,410
Plan fiduciary net position, beginning	12,766
Plan fiduciary net position, ending	\$ 15,176
Net OPEB liability	\$ 40,848
Plan fiduciary net position as a percentage of the total OPEB liability	27.1%
Covered-employee payroll	15,602
Net OPEB liability as a percentage of covered-employee payroll	261.8%

Notes to Schedule:*Benefit changes:*

1. CEPP is expected to modify the provisions of the retiree health plan effective on January 1, 2018 as follows:
 - a. Deductible: increased from \$500 (single)/\$1,000 (family) to \$750 (single)/\$1,500 (family).
 - b. Maximum out-of-pocket: increased from \$2,500 (single)/\$4,100 (family) to \$2,550 (single)/\$5,100 (family).
 - c. Prescription drug: modified the deductible from \$300 to \$300 (single)/\$900 (family). These changes caused a decrease in the total OPEB liability.
2. Incremental spouse cost for Medicare retirees who are covering their spouses is set at 1.6 of the single cost in 2018. This multiplier is set to increase annually until it reaches 2 times the single cost in 2022. This change caused a decrease in the total OPEB liability.

Changes of assumptions:

1. Trend rates for medical and prescription drug benefits have been reset to an initial rate of 9.00% decreasing by 0.50% annually to an ultimate rate of 4.5%. Dental trend rates have been modified from an initial rate of 4.50% decreasing by 0.25% to 3.50% to a flat 3.00%. This change caused an increase in the total OPEB liability.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2017 for GASB-S74 purposes.

Schedule of Investment Returns
Annual Money-Weighted Rate of Return, Net of Investment Expense
Other Postemployment Benefit Plans

6/30/2017

Single-employer defined benefit other postemployment benefit plan:

State Personnel Healthcare Plan (SPP)	0.7%
Indiana State Police Healthcare Plan (ISPP)	0.6%
Conservation and Excise Police Healthcare Plan (CEPP)	0.6%

Note:

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2017 for GASB-S74 purposes.

Budgetary Information

The Governor submits a budget biennially to be adopted by the General Assembly for the ensuing two-year period. The budget covers the general fund and most special revenue funds. The General Assembly enacts the budget through passage of specific appropriations.

The budget bill is enacted as the Appropriations Act that the Governor may veto, subject to legislative override. Except as specifically provided by statute, appropriations or any part thereof remaining unexpended and unencumbered at the close of any fiscal year will lapse and be returned to the fund from which it was appropriated.

The final budget is composed of budgeted amounts as adopted and as amended by supplemental appropriations or appropriation transfers that were necessary during the current year. The State Board of Finance, which consists of the Governor, Auditor of State and Treasurer of State, is empowered to transfer appropriations from one appropriation, fund, or agency of the State to another, with the exception of trust funds. The State Budget Agency may transfer, assign, and reassign almost any appropriation, except those restricted by law, but only when: (1) the uses and purposes to which the funds are transferred are uses and purposes which the agency is permitted or required to perform; and (2) and the transfers are within the same agency of the state to which the appropriation was originally made. Capital appropriations are initially posted to general government. As projects are approved by the State Budget Committee the appropriations are transferred to the function of government from which they are disbursed. In addition, expenditures under many federal grants are required to be spent before they are reimbursed by the federal government. These actions are considered supplemental appropriations; therefore, expenditures do not exceed appropriations for individual funds.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is maintained at the fund level by the State Budget Agency. When budgets are submitted for each fund, certain recurring expenditures are not budgeted (such as tort claims) according to instructions from the State Budget Agency to the various agencies. The Budget Agency monitors all funds regularly in addition to monitoring excess general fund revenue that will be available at the end of the fiscal year to cover the non-budgeted, recurring expenditures.

State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Budgetary Basis)
For the Year Ended June 30, 2017
(amounts expressed in thousands)

	General Fund			
	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues:				
Taxes:				
Income	\$ 6,277,508	\$ 6,277,508	\$ 6,359,825	\$ 82,317
Sales	7,839,640	7,839,640	7,492,374	(347,266)
Fuels	-	-	1,843	1,843
Gaming	438,815	438,815	48,837	(389,978)
Alcohol and tobacco	266,300	266,300	268,362	2,062
Insurance	232,300	232,300	230,561	(1,739)
Other	287,929	287,929	311,461	23,532
Total taxes	15,342,492	15,342,492	14,713,263	(629,229)
Current service charges	275,855	275,855	168,535	(107,320)
Investment income	18,867	18,867	33,654	14,787
Sales/rents	729	729	260	(469)
Grants	-	-	1,669	1,669
Other	8,073	8,073	27,555	19,482
Total revenues	15,646,016	15,646,016	14,944,936	(701,080)
Expenditures:				
Current:				
General government	1,361,571	2,376,139	1,000,075	1,376,064
Public safety	1,825,811	1,102,519	1,093,949	8,570
Health	50,512	46,731	48,174	(1,443)
Welfare	3,787,100	1,311,957	970,060	341,897
Conservation, culture and development	163,065	98,633	95,223	3,410
Education	10,086,106	9,797,477	9,701,110	96,367
Transportation	144,874	194,219	143,469	50,750
Debt service:				
Capital lease principal	-	-	5,548	(5,548)
Capital lease interest	-	-	391	(391)
Total expenditures	17,419,039	14,927,675	13,057,999	1,869,676
Excess of revenues over (under) expenditures	(1,773,023)	718,341	1,886,937	(1,168,596)
Other financing sources (uses):				
Total other financing sources (uses)	(2,316,858)	(2,316,858)	(2,316,858)	-
Net change in fund balances	\$ (4,089,881)	\$ (1,598,517)	(429,921)	\$ 1,168,596
Fund balances July 1, as restated			2,889,410	
Fund balances June 30			\$ 2,459,489	

Public Welfare-Medicaid Assistance			
Budget		Actual	Variance to Final Budget
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
689,219	689,219	863,230	174,011
-	-	-	-
7,621,062	7,621,062	8,492,676	871,614
1	1	-	(1)
<u>8,310,282</u>	<u>8,310,282</u>	<u>9,355,906</u>	<u>1,045,624</u>
-	-	-	-
-	-	-	-
-	-	-	-
6,778	17,822,927	11,461,746	6,361,181
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>6,778</u>	<u>17,822,927</u>	<u>11,461,746</u>	<u>6,361,181</u>
8,303,504	(9,512,645)	(2,105,840)	(7,406,805)
2,191,289	2,191,289	2,191,289	-
<u>\$ 10,494,793</u>	<u>\$ (7,321,356)</u>	85,449	<u>\$ 7,406,805</u>
		<u>433,385</u>	
		<u>\$ 518,834</u>	

Budget/GAAP Reconciliation Major Funds

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

(amounts expressed in thousands)	GENERAL FUND	PUBLIC WELFARE- MEDICAID ASSIS	Total
Net change in fund balances (budgetary basis)	\$ (429,921)	\$ 85,449	\$ (344,472)
Adjustments necessary to convert the results of operations on a budgetary basis to a GAAP basis are:			
Revenues are recorded when earned (GAAP) as opposed to when cash is received (budgetary)	110,479	(138,332)	(27,854)
Expenditures are recorded when the liability is incurred (GAAP) as opposed to when payment is made (budgetary)	47,553	154,326	201,879
Net change in fund balances (GAAP basis)	\$ (271,889)	\$ 101,442	\$ (170,447)

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

Roads	Average International Roughness Index (IRI), Right Wheel Path (RWP)		
	2017	2016	2015
Interstate Roads (excluding Rest Areas and Weigh Stations)	77.6	80.0	78.6
NHS Roads - Non-Interstate (excluding Rest Areas and Weigh Stations)	95.1	95.6	90.9
Non-NHS Roads	105.4	105.4	100.9

The condition of road pavement is based on the International Roughness Index (IRI), which is a measure of the roughness of the pavement in terms of inches per mile, and applies both to Portland cement concrete (PCC) and hot mix asphalt (HMA) pavements. IRI's range from zero for a pavement that is perfectly smooth to ratings above 170 for a pavement that warrants replacement. The condition index is used to classify roads in excellent condition (0-79), good condition (80-114), satisfactory condition (115-149), fair condition (150-169), and poor condition (170 and above). It is the State's policy to maintain a network average of no more than 101 IRI (RWP). Condition assessments are determined on an annual basis for all roads maintained by INDOT. The ratings provided are based on data gathered during the summer (May to October) for each fiscal year. The data is evaluated and compared to standard criteria by the end of the fiscal year.

Bridges	Average Sufficiency Rating		
	2017	2016	2015
Interstate Bridges	90.9%	90.8%	90.1%
NHS Bridges - Non-Interstate	91.7%	91.5%	90.2%
Non-NHS Bridges	90.5%	90.5%	90.2%

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

Infrastructure - Modified Reporting
Comparison of Planned-to-Actual Maintenance/Preservation
(amounts expressed in thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Roads					
Interstate Roads (including Rest Areas and Weigh Stations):					
Planned	\$ 246,165	\$ 126,191	\$ 89,148	\$ 161,222	\$ 189,542
Actual	171,413	125,283	104,327	160,064	123,699
NHS and Non-NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)					
Planned	393,319	277,605	146,134	260,501	282,843
Actual	344,826	220,215	167,298	245,864	298,356
Roads at State Institutions and Properties					
Planned	-	260	-	868	1,030
Actual	453	241	-	322	3,132
Total					
Planned	639,484	404,056	235,282	422,591	473,415
Actual	516,692	345,739	271,625	406,250	425,187
Bridges					
Interstate Bridges					
Planned	\$ 106,125	\$ 57,794	\$ 59,637	\$ 40,755	\$ 46,568
Actual	141,487	82,044	44,736	28,728	36,820
NHS Bridges - Non-Interstate					
Planned	46,003	31,892	46,121	37,982	51,418
Actual	42,633	33,116	38,240	32,121	28,553
Non-NHS Bridges					
Planned	93,649	82,601	79,775	63,939	76,918
Actual	102,920	77,573	67,345	49,030	80,470
Bridges at State Institutions and Properties					
Planned	-	-	-	-	-
Actual	-	-	-	-	752
Total					
Planned	245,777	172,287	185,533	142,676	174,904
Actual	287,040	192,733	150,321	109,879	146,595

Source: Indiana Department of Transportation