

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS



State of Indiana
Statement of Net Assets
June 30, 2008
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Current assets:				
Cash, cash equivalents and investments	\$ 7,452,010	\$ 293,275	\$ 7,745,285	\$ 3,343,249
Securities lending collateral	2,437,137	-	2,437,137	548,956
Receivables (net)	2,148,038	39,682	2,187,720	666,811
Inventory	5,802	608	6,410	14,690
Prepaid expenses	3,956	45	4,001	22,153
Loans	57,146	-	57,146	-
Intergovernmental loans	-	-	-	1,068,689
Due from primary government	-	-	-	34,561
Due from component unit	36,088	-	36,088	-
Investment in direct financing lease	-	-	-	53,090
Funds held in trust by others	-	-	-	18,159
Other postemployment benefits	-	-	-	6,303
Other current assets	-	-	-	60,744
Total current assets	12,140,177	333,610	12,473,787	5,837,405
Noncurrent assets:				
Cash, cash equivalents and investments - restricted	-	-	-	2,478,638
Taxes, interest, and penalties receivable	445,194	-	445,194	4,722
Other receivables	13,325	-	13,325	5,371,790
Investments - unrestricted	-	-	-	4,381,770
Loans	474,894	-	474,894	22
Bond issuance costs net of amortization	-	-	-	48,570
Intergovernmental loans	-	-	-	1,736,315
Due from primary government	-	-	-	50,000
Investment in direct financing lease	-	-	-	1,447,101
Net pension assets	181,362	-	181,362	-
Other postemployment benefits	-	-	-	1,191
Other noncurrent assets	5	-	5	74,607
Capital assets:				
Land	1,316,455	-	1,316,455	355,874
Infrastructure	7,762,926	-	7,762,926	534,442
Construction in progress	724,035	3,056	727,091	1,303,865
Property, plant, and equipment	1,842,960	22,802	1,865,762	8,902,719
Less accumulated depreciation	(985,093)	(12,185)	(997,278)	(3,826,555)
Total capital assets, net of depreciation	10,661,283	13,673	10,674,956	7,270,345
Total noncurrent assets	11,776,063	13,673	11,789,736	22,865,071
Total assets	23,916,240	347,283	24,263,523	28,702,476
Liabilities:				
Current liabilities:				
Accounts payable	527,010	587	527,597	409,027
Claims payable	-	2,737	2,737	11,109
Interest payable	-	-	-	150,402
Current portion of long-term debt	-	-	-	1,658,051
Line of credit	-	-	-	478,475
Intergovernmental payable	152,957	-	152,957	-
Due to primary government	-	-	-	36,088
Due to component unit	34,561	-	34,561	-
Capital lease payable	41,153	-	41,153	1,561
Accrued prize liability	-	-	-	62,585
Salaries, health, disability, and benefits payable	129,965	452	130,417	31,163
Tax refunds payable	45,497	-	45,497	-
Deferred revenue	11,141	6,437	17,578	299,806
Accrued liability for compensated absences	80,522	186	80,708	62,230
Other postemployment benefits	-	-	-	5,563
Securities lending payable	4,457	-	4,457	-
Securities lending collateral	2,437,137	-	2,437,137	548,956
Deposits held in custody for others	-	-	-	58,937
Other current liabilities	41	418	459	63,534
Total current liabilities	3,464,441	10,817	3,475,258	3,877,487

State of Indiana
Statement of Net Assets
June 30, 2008
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Long-term liabilities:				
Accrued liability for compensated absences	\$ 67,863	\$ 237	\$ 68,100	\$ 56,605
Claims payable	-	46,974	46,974	-
Intergovernmental payable	60,000	-	60,000	-
Accrued prize liability	-	-	-	80,630
Internal balances	-	-	-	-
Net pension obligations	10,833	-	10,833	-
Other postemployment benefits	35,745	-	35,745	7,834
Due to component unit	50,000	-	50,000	-
Deferred revenue	-	-	-	3,709,235
Capital lease payable	1,280,440	-	1,280,440	9,083
Funds held in trust for others	-	-	-	160,067
Advances from federal government	-	-	-	35,517
Revenue bonds/notes payable	-	-	-	12,135,832
Other noncurrent liabilities	-	-	-	60,062
Total long-term liabilities	1,504,881	47,211	1,552,092	16,254,865
Total liabilities	4,969,322	58,028	5,027,350	20,132,352
Net Assets:				
Invested in capital assets net of related debt	9,339,690	13,673	9,353,363	3,049,564
Restricted-nonexpendable:				
Grants/constitutional restrictions	-	-	-	2,974
Permanent funds	555,950	-	555,950	-
Future debt service	-	-	-	118,515
Instruction and research	-	-	-	198,481
Student aid	-	-	-	155,770
Other purposes	-	-	-	114,810
Total restricted-nonexpendable	555,950	-	555,950	590,550
Restricted-expendable:				
Instruction and research	-	-	-	430,105
Grants/constitutional restrictions	163,841	-	163,841	11,106
Endowments	-	-	-	510,015
Future debt service	-	-	-	249,365
Pension fund distribution	-	-	-	14,617
Public safety programs	-	-	-	7,016
Student aid	-	-	-	719,477
Auxiliary enterprises	-	-	-	8,076
Capital projects	-	-	-	406,943
Repairs and rehabilitation	-	-	-	806
Water pollution and drinking water projects	-	-	-	894,366
Unemployment compensation	-	265,013	265,013	-
Unrealized gains	-	-	-	96,329
Other purposes	-	-	-	20,995
Total restricted-expendable	163,841	265,013	428,854	3,369,216
Unrestricted	8,887,437	10,569	8,898,006	1,560,794
Total net assets	\$ 18,946,918	\$ 289,255	\$ 19,236,173	\$ 8,570,124

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, 2008**
(amounts expressed in thousands)

Functions/Programs	Program Revenues			Capital Grants and Contributions			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Primary Government		
							Total	Component Units	
Primary government:									
Governmental activities:									
General government	\$ 5,172,003	\$ 838,962	\$ 449,239	\$ 199	\$ (3,883,603)	\$ -	\$ (3,883,603)	\$ -	
Public safety	1,384,954	461,330	182,686	26,637	(714,301)	-	(714,301)	-	
Health	387,349	15,030	230,544	46	(141,729)	-	(141,729)	-	
Welfare	9,158,302	180,314	6,481,086	-	(2,496,902)	-	(2,496,902)	-	
Conservation, culture and development	590,073	146,441	273,986	-	(169,646)	-	(169,646)	-	
Education	7,369,686	3,987	849,987	-	(6,515,712)	-	(6,515,712)	-	
Transportation	1,309,247	38,142	941,228	-	(329,877)	-	(329,877)	-	
Unallocated interest expense	724	-	-	-	(724)	-	(724)	-	
Total governmental activities	25,372,338	1,684,206	9,408,756	26,882	(14,252,494)	-	(14,252,494)	-	
Business-type activities:									
Unemployment Compensation Fund	845,956	617,737	134,559	-	-	(93,660)	(93,660)	-	
Other	24,480	28,590	-	-	-	4,110	4,110	-	
Total business-type activities	870,436	646,327	134,559	-	-	(89,550)	(89,550)	-	
Total primary government	\$ 26,242,774	\$ 2,330,533	\$ 9,543,315	\$ 26,882	(14,252,494)	(89,550)	(14,342,044)	-	
Component units:									
Proprietary	1,870,055	1,451,797	568,389	101,038	-	-	-	251,169	
Colleges and universities	5,357,146	2,632,371	1,111,225	114,903	-	-	-	(1,498,647)	
Total component units	\$ 7,227,201	\$ 4,084,168	\$ 1,679,614	\$ 215,941				(1,247,478)	
General Revenues:									
Income tax					5,838,675	-	5,838,675	-	
Sales tax					5,873,260	-	5,873,260	-	
Fuels tax					676,144	-	676,144	-	
Gaming tax					826,359	-	826,359	-	
Inheritance tax					166,094	-	166,094	-	
Alcohol & tobacco tax					556,498	-	556,498	-	
Insurance tax					203,110	-	203,110	-	
Financial institutions tax					37,419	-	37,419	-	
Other tax					582,618	-	582,618	-	
Total taxes					14,760,177	-	14,760,177	-	
Revenue not restricted to specific programs					239,372	21,625	260,997	137,915	
Investment earnings					-	-	-	1,430,252	
Payments from State of Indiana					76,199	-	76,199	342,975	
Other					(3,699)	3,699	-	-	
Transfers within primary government									
Total general revenues and transfers					15,072,049	25,324	15,097,373	1,911,142	
Changes in net assets					819,555	(64,226)	755,329	663,664	
Net assets - beginning, as restated					18,127,363	353,481	18,480,844	7,906,460	
Net assets - ending					\$ 18,946,918	\$ 289,255	\$ 19,236,173	\$ 8,570,124	

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, 2008
(amounts expressed in thousands)

	<u>General Fund</u>	<u>Motor Vehicle Highway Fund</u>	<u>Medicaid Assistance Fund</u>	<u>Major Moves Construction Fund</u>
Assets:				
Cash, cash equivalents and investments-unrestricted	\$ 1,751,004	\$ -	\$ 70,883	\$ 2,574,242
Securities lending collateral	1,570,046	-	-	309,347
Receivables:				
Taxes (net of allowance for uncollectible accounts)	1,830,245	23,089	-	-
Securities lending	3,075	-	-	484
Accounts	15,853	-	5,699	-
Grants	2,979	71	169,416	-
Interest	5,143	-	-	-
Interfund loans	150,989	63,277	-	-
Due from component unit	313	-	-	-
Prepaid expenditures	474	15	-	-
Loans	18,698	-	-	-
	<u>\$ 5,348,819</u>	<u>\$ 86,452</u>	<u>\$ 245,998</u>	<u>\$ 2,884,073</u>
Liabilities:				
Accounts payable	\$ 62,737	\$ 2,898	\$ 249,419	\$ -
Salaries and benefits payable	42,068	6,641	-	-
Interfund loans	-	12,405	-	-
Interfund services used	3,102	2,656	-	-
Intergovernmental payable	60,838	25,517	-	-
Due to component unit	-	-	-	-
Tax refunds payable	39,764	-	-	-
Deferred revenue	690,520	12,943	-	-
Accrued liability for compensated absences-current	2,764	69	-	-
Securities lending payable	3,075	-	-	484
Securities lending collateral	1,570,046	-	-	309,347
	<u>2,474,914</u>	<u>63,129</u>	<u>249,419</u>	<u>309,831</u>
Fund balance:				
Reserved:				
Encumbrances	44,737	4,754	-	-
Special purposes	-	-	-	-
Tuition support	400,000	-	-	-
Interfund loans	150,989	63,277	-	-
Long-term loans and advances	18,156	-	-	-
Restricted purposes	2,979	71	1,695	-
Unreserved:				
Unreserved fund balance reported in:				
General fund	2,257,044	-	-	-
Special revenue funds	-	(44,779)	(5,116)	2,574,242
Capital projects funds	-	-	-	-
Permanent funds	-	-	-	-
	<u>2,873,905</u>	<u>23,323</u>	<u>(3,421)</u>	<u>2,574,242</u>
Total fund balances	<u>\$ 2,873,905</u>	<u>\$ 23,323</u>	<u>\$ (3,421)</u>	<u>\$ 2,574,242</u>
Total liabilities and fund balances	<u>\$ 5,348,819</u>	<u>\$ 86,452</u>	<u>\$ 245,998</u>	<u>\$ 2,884,073</u>

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

<u>State Highway Department Fund</u>	<u>Property Tax Replacement Fund</u>	<u>Tobacco Settlement Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
\$ 162,656	\$ -	\$ 148,972	\$ 2,616,015	\$ 7,323,772
5,500	-	33,000	519,244	2,437,137
-	-	-	185,471	2,038,805
7	-	45	846	4,457
692	-	-	38,354	60,598
32,608	-	-	171,337	376,411
10	-	21	1,730	6,904
-	-	-	-	214,266
-	-	-	35,775	36,088
-	-	-	25	514
7,586	-	-	505,756	532,040
<u>\$ 209,059</u>	<u>\$ -</u>	<u>\$ 182,038</u>	<u>\$ 4,074,553</u>	<u>\$ 13,030,992</u>
\$ 17,842	\$ -	\$ 1,962	127,055	\$ 461,913
10,099	-	57	31,191	90,056
-	-	-	201,861	214,266
782	-	4	4,758	11,302
-	-	-	56,602	142,957
-	-	-	3,533	3,533
-	-	-	5,733	45,497
692	-	-	67,549	771,704
757	-	3	2,077	5,670
7	-	45	846	4,457
5,500	-	33,000	519,244	2,437,137
<u>35,679</u>	<u>-</u>	<u>35,071</u>	<u>1,020,449</u>	<u>4,188,492</u>
1,357,633	-	14,527	186,617	1,608,268
-	-	-	4,336	4,336
-	-	-	-	400,000
-	-	-	-	214,266
6,686	-	-	485,182	510,024
32,608	-	-	126,488	163,841
-	-	-	-	2,257,044
(1,223,547)	-	132,440	1,543,827	2,977,067
-	-	-	78,953	78,953
-	-	-	628,701	628,701
<u>173,380</u>	<u>-</u>	<u>146,967</u>	<u>3,054,104</u>	<u>8,842,500</u>
<u>\$ 209,059</u>	<u>\$ -</u>	<u>\$ 182,038</u>	<u>\$ 4,074,553</u>	<u>\$ 13,030,992</u>

State of Indiana
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2008
(amounts expressed in thousands)

Total fund balances-governmental funds \$ 8,842,500

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

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

Land	\$ 1,316,455	
Infrastructure assets	7,762,926	
Construction in progress	724,010	
Property, plant, and equipment	1,795,651	
Accumulated depreciation	(959,431)	
Total capital assets, net of depreciation		10,639,611

The State's pension funds have net pension assets not reported as assets in the funds. 181,362

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	\$ 760,564	
Accounts receivable	111,694	
		872,258

Some liabilities reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Accounts payable	\$ (124,463)	
Salaries, health, disability and benefits payable	(1,219)	
Due to component unit	(31,028)	
		(156,710)

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 assets. 116,125

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	(139,013)	
Other postemployment benefits	(35,745)	
Loan from the Indiana Board for Depositories	(50,000)	
Capital lease payable	(1,312,637)	
Net pension obligations	(10,833)	
Total long-term liabilities		(1,548,228)

Net assets of governmental activities \$ 18,946,918

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, 2008
(amounts expressed in thousands)

	<u>General Fund</u>	<u>Motor Vehicle Highway Fund</u>	<u>Medicaid Assistance Fund</u>	<u>Major Moves Construction Fund</u>
Revenues:				
Taxes:				
Income	\$ 5,728,520	\$ -	\$ -	\$ -
Sales	3,653,894	-	-	-
Fuels	-	311,886	-	-
Gaming	83,766	-	-	-
Inheritance	166,095	-	-	-
Alcohol and tobacco	345,478	-	-	-
Insurance	200,626	-	-	-
Financial Institutions	-	-	-	-
Other	212,776	173,846	-	-
Total taxes	<u>10,391,155</u>	<u>485,732</u>	<u>-</u>	<u>-</u>
Current service charges	195,981	134,977	123,594	-
Investment income	239,128	-	86	133,294
Sales/rents	3,710	5	-	-
Grants	10,406	12,593	4,122,329	-
Other	72,489	35,152	554,292	-
	<u>10,912,869</u>	<u>668,459</u>	<u>4,800,301</u>	<u>133,294</u>
Total revenues				
Expenditures:				
Current:				
General government	1,526,935	369,400	-	-
Public safety	682,091	230,705	-	-
Health	93,455	41	-	-
Welfare	284,049	-	6,536,774	-
Conservation, culture and development	87,121	-	-	-
Education	6,288,452	260	-	-
Transportation	1,509	833	-	88,291
	<u>8,963,612</u>	<u>601,239</u>	<u>6,536,774</u>	<u>88,291</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>1,949,257</u>	<u>67,220</u>	<u>(1,736,473)</u>	<u>45,003</u>
Other financing sources (uses):				
Transfers in	2,710,985	272,320	1,925,968	1,304
Transfers (out)	(4,169,456)	(353,980)	(151,851)	(175,000)
Proceeds from capital lease	228	69	-	-
	<u>(1,458,243)</u>	<u>(81,591)</u>	<u>1,774,117</u>	<u>(173,696)</u>
Total other financing sources (uses)				
Net change in fund balances	491,014	(14,371)	37,644	(128,693)
Fund Balance July 1, as restated	<u>2,382,891</u>	<u>37,694</u>	<u>(41,065)</u>	<u>2,702,935</u>
Fund Balance June 30	<u>\$ 2,873,905</u>	<u>\$ 23,323</u>	<u>\$ (3,421)</u>	<u>\$ 2,574,242</u>

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

<u>State Highway Department Fund</u>	<u>Property Tax Replacement Fund</u>	<u>Tobacco Settlement Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 112,950	\$ 5,841,470
-	2,060,875	-	138,813	5,853,582
-	-	-	359,278	671,164
-	-	-	742,574	826,340
-	-	-	-	166,095
-	-	-	211,326	556,804
-	-	-	2,484	203,110
-	-	-	38,777	38,777
-	-	-	193,365	579,987
-	2,060,875	-	1,799,567	14,737,329
5,400	-	147,475	1,107,585	1,715,012
569	-	6,486	69,796	449,359
1,532	-	-	17,947	23,194
667,939	-	-	3,273,947	8,087,214
85,766	-	225	442,899	1,190,823
<u>761,206</u>	<u>2,060,875</u>	<u>154,186</u>	<u>6,711,741</u>	<u>26,202,931</u>
180	2,088,998	20,050	1,178,728	5,184,291
-	-	-	474,600	1,387,396
-	-	34,297	261,506	389,299
-	-	1,091	2,337,472	9,159,386
-	-	111	504,464	591,696
-	-	-	1,112,213	7,400,925
1,693,484	-	-	247,733	2,031,850
<u>1,693,664</u>	<u>2,088,998</u>	<u>55,549</u>	<u>6,116,716</u>	<u>26,144,843</u>
<u>(932,458)</u>	<u>(28,123)</u>	<u>98,637</u>	<u>595,025</u>	<u>58,088</u>
591,143	1,854,445	1,771	2,088,703	9,446,639
(29,532)	(1,945,486)	(87,205)	(2,526,578)	(9,439,088)
26,315	-	-	108	26,720
<u>587,926</u>	<u>(91,041)</u>	<u>(85,434)</u>	<u>(437,767)</u>	<u>34,271</u>
(344,532)	(119,164)	13,203	157,258	92,359
<u>517,912</u>	<u>119,164</u>	<u>133,764</u>	<u>2,896,846</u>	<u>8,750,141</u>
<u>\$ 173,380</u>	<u>\$ -</u>	<u>\$ 146,967</u>	<u>\$ 3,054,104</u>	<u>\$ 8,842,500</u>

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, 2008
(amounts expressed in thousands)

Net change in fund balances-total governmental funds	\$	92,359
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.		606,123
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 (\$72,513) exceeds depreciation (\$59,307) in the current period.		13,206
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Tax revenue		23,402
Non-tax revenue		(30,754)
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		12,192
Statutory expenses		85,000
Amounts due to component units		9,877
Payment delays to colleges and universities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		31,132
The change in net pension assets and net pension obligations do not provide or require the use of current financial resources:		
Decrease in net pension assets		(24,323)
Decrease in net pension obligations		(507)
The change in other postemployment benefits do not provide or require the use of current financial resources.		(35,745)
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.		37,593
Change in net assets of governmental activities.	\$	<u>819,555</u>

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



State of Indiana
Statement of Fund Net Assets
Proprietary Funds
June 30, 2008

(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ 226,976	\$ 66,299	\$ 293,275	\$ 128,239
Receivables:				
Accounts	32,519	946	33,465	7,689
Interest	-	688	688	-
Grants	5,529	-	5,529	-
Interfund services provided	-	-	-	11,302
Inventory	-	608	608	5,802
Prepaid expenses	-	45	45	3,956
Total current assets	<u>265,024</u>	<u>68,586</u>	<u>333,610</u>	<u>156,988</u>
Noncurrent assets:				
Capital assets:				
Construction in progress	-	3,056	3,056	25
Property, plant, and equipment	-	22,802	22,802	47,309
Less accumulated depreciation	-	(12,185)	(12,185)	(25,662)
Total capital assets, net of depreciation	<u>-</u>	<u>13,673</u>	<u>13,673</u>	<u>21,672</u>
Other assets	-	-	-	5
Total noncurrent assets	<u>-</u>	<u>13,673</u>	<u>13,673</u>	<u>21,677</u>
Total assets	<u>265,024</u>	<u>82,259</u>	<u>347,283</u>	<u>178,665</u>
Liabilities				
Current liabilities:				
Accounts payable	11	576	587	10,635
Claims payable	-	2,737	2,737	-
Salaries and benefits payable	-	452	452	1,388
Capital lease payable	-	-	-	466
Health/disability benefits payable	-	-	-	37,302
Accrued liability for compensated absences	-	186	186	1,942
Deferred revenue	-	6,437	6,437	516
Other liabilities	-	418	418	41
Total current liabilities	<u>11</u>	<u>10,806</u>	<u>10,817</u>	<u>52,290</u>
Noncurrent liabilities:				
Accrued liability for compensated absences	-	237	237	1,760
Capital lease payable	-	-	-	8,490
Claims payable	-	46,974	46,974	-
Total noncurrent liabilities	<u>-</u>	<u>47,211</u>	<u>47,211</u>	<u>10,250</u>
Total liabilities	<u>11</u>	<u>58,017</u>	<u>58,028</u>	<u>62,540</u>
Net assets				
Invested in capital assets net of related debt	-	13,673	13,673	12,716
Restricted-expendable:				
Unemployment compensation	265,013	-	265,013	-
Unrestricted	-	10,569	10,569	103,409
Total net assets	<u>\$ 265,013</u>	<u>\$ 24,242</u>	<u>\$ 289,255</u>	<u>\$ 116,125</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 Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2008

(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Operating revenues:				
Sales/rents/premiums	\$ -	\$ 28,347	\$ 28,347	\$ 483,015
Employer contributions	617,737	-	617,737	-
Charges for services	-	-	-	1,392
Other	-	243	243	425
Total operating revenues	617,737	28,590	646,327	484,832
Cost of sales	-	4,013	4,013	35,648
Gross margin	617,737	24,577	642,314	449,184
Operating expenses:				
General and administrative expense	10,787	19,235	30,022	121,318
Claims expense	-	465	465	-
Health / disability benefit payments	-	-	-	272,537
Unemployment compensation benefits	835,169	-	835,169	-
Depreciation and amortization	-	582	582	5,744
Other	-	185	185	-
Total operating expenses	845,956	20,467	866,423	399,599
Operating income (loss)	(228,219)	4,110	(224,109)	49,585
Nonoperating revenues (expenses):				
Interest and other investment income	16,481	5,144	21,625	3
Interest and other investment expense	-	-	-	(724)
Gain (Loss) on disposition of assets	-	-	-	516
Other	134,559	-	134,559	(2,853)
Total nonoperating revenues (expenses)	151,040	5,144	156,184	(3,058)
Income before contributions and transfers	(77,179)	9,254	(67,925)	46,527
Capital contributions	-	-	-	2,316
Transfers in	-	3,699	3,699	2,880
Transfers (out)	-	-	-	(14,130)
Change in net assets	(77,179)	12,953	(64,226)	37,593
Total net assets, July 1, as restated	342,192	11,289	353,481	78,532
Total net assets, June 30	\$ 265,013	\$ 24,242	\$ 289,255	\$ 116,125

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, 2008

(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 619,004	\$ 27,727	\$ 646,731	\$ 483,956
Cash paid for general and administrative	(10,787)	(19,522)	(30,309)	(120,670)
Cash paid for salary/health/disability benefit payments	-	-	-	(259,125)
Cash paid to suppliers	-	(4,031)	(4,031)	(33,368)
Cash paid for claims expense	(835,176)	(3,184)	(838,360)	-
Net cash provided (used) by operating activities	(226,959)	990	(225,969)	70,793
Cash flows from noncapital financing activities:				
Transfers in	-	-	-	2,880
Transfers out	-	-	-	(14,130)
Other	133,967	-	133,967	(1,332)
Net cash provided (used) by noncapital financing activities	133,967	-	133,967	(12,582)
Cash flows from capital and related financing activities:				
Acquisition/construction of capital assets	-	(3,150)	(3,150)	(5,787)
Proceeds from sale of assets	-	-	-	961
Principal payments -- capital leases	-	-	-	(466)
Capital contributions	-	3,699	3,699	-
Interest paid	-	-	-	(724)
Net cash provided (used) by capital and related financing activities	-	549	549	(6,016)
Cash flows from investing activities:				
Proceeds from sales of investments	-	9,402	9,402	-
Purchase of investments	-	(12,555)	(12,555)	-
Interest income (expense) on investments	16,481	2,351	18,832	3
Net cash provided (used) by investing activities	16,481	(802)	15,679	3
Net increase (decrease) in cash and cash equivalents	(76,511)	737	(75,774)	52,198
Cash and cash equivalents, July 1, as restated	303,487	5,722	309,209	76,041
Cash and cash equivalents, June 30	<u>\$ 226,976</u>	<u>\$ 6,459</u>	<u>\$ 233,435</u>	<u>\$ 128,239</u>
Reconciliation of cash , cash equivalents and investments:				
Cash and cash equivalents unrestricted at end of year	\$ 226,976	\$ 6,459	\$ 233,435	\$ 128,239
Cash and cash equivalents restricted at end of year	-	-	-	-
Investments unrestricted	-	59,840	59,840	-
Cash, cash equivalents and investments per balance sheet	<u>\$ 226,976</u>	<u>\$ 66,299</u>	<u>\$ 293,275</u>	<u>\$ 128,239</u>
Noncash investing, capital and financing activities:				
Increase in fair value of investments	\$ -	\$ 2,796	\$ 2,796	\$ -

State of Indiana
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June
30, 2008

(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)	\$ (228,219)	\$ 4,110	\$ (224,109)	\$ 49,585
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	-	582	582	5,744
(Increase) decrease in receivables	1,267	(518)	749	1,237
(Increase) decrease in interfund services provided	-	-	-	(1,234)
(Increase) decrease in inventory	-	(18)	(18)	1,228
(Increase) decrease in prepaid expenses	-	(14)	(14)	383
(Increase) decrease in claims payable	-	(2,719)	(2,719)	-
Increase (decrease) in health and disability benefits payable	-	-	-	12,769
Increase (decrease) in accounts payable	(7)	59	52	1,364
Increase (decrease) in deferred revenue	-	(363)	(363)	(880)
Increase (decrease) in salaries payable	-	54	54	226
Increase (decrease) in compensated absences	-	17	17	331
Increase (decrease) in other payables	-	(200)	(200)	40
Net cash provided (used) by operating activities	<u>\$ (226,959)</u>	<u>\$ 990</u>	<u>\$ (225,969)</u>	<u>\$ 70,793</u>

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

State of Indiana
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008
(amounts expressed in thousands)

	Pension Trust Funds	Private-Purpose Trust Funds	Investment Trust Fund	Agency Funds
Assets:				
Cash, cash equivalents and non-pension investments	\$ 1,584,512	\$ 44,453	\$ -	\$ 517,564
Securities lending collateral	3,254,263	9,435	2,204	100,750
Receivables:				
Taxes	-	-	-	16,754
Contributions	209,829	-	-	-
Interest	75,471	6	366	-
Securities lending	-	11	5	188
Member loans	3,236	-	-	-
Due from other funds	19,454	-	-	-
Due from component unit	3,498	-	-	-
From investment sales	2,652,699	-	-	-
Other	-	-	-	74
Pension and other employee benefit investments at fair value:				
Equity Securities	11,328,897	-	-	-
Debt Securities	6,492,722	-	-	-
Mutual Funds	3,532,686	-	-	-
Other	1,684,076	-	-	-
Total investments	<u>23,038,382</u>	<u>-</u>	<u>-</u>	<u>-</u>
Pool Investments at Amortized Cost:				
Cash and cash equivalents	-	-	98,480	-
Money Market Mutual Funds	-	-	47,256	-
U.S. Government Agencies	-	-	17,223	-
Commercial Paper	-	-	27,879	-
Total investments	<u>-</u>	<u>-</u>	<u>190,838</u>	<u>-</u>
Other assets	-	-	-	152,505
Property, plant and equipment net of accumulated depreciation	<u>2,927</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>30,844,271</u>	<u>53,905</u>	<u>193,413</u>	<u>787,835</u>
Liabilities:				
Accounts/escrows payable	18,668	6,371	-	622,224
Securities purchased payable	2,885,502	-	-	-
Salaries and benefits payable	867	-	-	-
Management fee payable	-	-	23	-
Due to other funds	19,454	-	-	-
Securities lending payable	-	11	4	188
Distributions payable	-	-	12	-
Due to component unit	3,498	-	-	-
Compensated absences	374	-	-	-
Securities lending collateral	3,254,263	9,435	2,204	100,750
Other	159	-	16	64,673
Total liabilities	<u>6,182,784</u>	<u>15,817</u>	<u>2,259</u>	<u>\$ 787,835</u>
Net assets:				
Held in trust for:				
Employees' pension benefits	24,661,487	-	-	
Trust beneficiaries	-	38,088	-	
Local government investment pool participants	-	-	191,154	
Total net assets	<u>\$ 24,661,487</u>	<u>\$ 38,088</u>	<u>\$ 191,154</u>	

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

State of Indiana
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2008

(amounts expressed in thousands)

	Pension Trust Funds	Private-Purpose Trust Funds	Investment Trust Fund
Additions:			
Member contributions	\$ 325,744	\$ 83,110	\$ 246,307
Employer contributions	1,246,003	-	-
Contributions from the State of Indiana	92,038	-	-
Net investment income (loss)	(1,521,423)	1,209	1,019
Less investment expense	(253,172)	-	(3)
Donations/escheats	-	77,374	-
Transfers in	9,607	-	-
Reinvestment of distributions	-	-	954
Other	405	-	-
Total additions	(100,798)	161,693	248,277
Deductions:			
Pension and disability benefits	1,550,706	-	-
Death benefits	1,008	-	-
Payments to participants/beneficiaries	-	159,427	967
Refunds of contributions and interest	60,440	-	56,107
Administrative	31,987	-	26
Pension relief distributions	134,948	-	-
Depreciation	9	-	-
Transfers out	9,608	-	-
Other	2,422	-	23
Total deductions	1,791,128	159,427	57,123
Net increase (decrease) in net assets	(1,891,926)	2,266	191,154
Net assets held in trust, July 1, as restated	26,553,413	35,822	-
Net assets held in trust, June 30	\$ 24,661,487	\$ 38,088	\$ 191,154

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

State of Indiana
Combining Statement of Net Assets
Discretely Presented Component Units
June 30, 2008
(amounts expressed in thousands)

	Proprietary	Colleges and Universities	Total
Assets:			
Current assets:			
Cash, cash equivalents and investments	\$ 1,910,680	\$ 1,432,569	\$ 3,343,249
Securities lending collateral	149,787	399,169	548,956
Receivables (net)	324,674	342,137	666,811
Inventory	242	14,448	14,690
Prepaid expenses	5,321	16,832	22,153
Intergovernmental loans	1,068,689	-	1,068,689
Due from primary government	3,533	31,028	34,561
Investment in direct financing lease	53,090	-	53,090
Funds held in trust by others	-	18,159	18,159
Other postemployment benefits	-	6,303	6,303
Other current assets	5,397	55,347	60,744
Total current assets	3,521,413	2,315,992	5,837,405
Noncurrent assets:			
Cash, cash equivalents and investments - restricted	679,492	1,799,146	2,478,638
Taxes, interest, and penalties receivable	4,722	-	4,722
Other receivables	4,963,208	408,582	5,371,790
Investments - unrestricted	762,893	3,618,877	4,381,770
Loans	-	22	22
Bond issuance costs net of amortization	48,396	174	48,570
Intergovernmental loans	1,736,315	-	1,736,315
Due from primary government	50,000	-	50,000
Investment in direct financing lease	1,438,266	8,835	1,447,101
Other postemployment benefits	-	1,191	1,191
Other noncurrent assets	8,367	66,240	74,607
Capital assets:			
Land	165,465	190,409	355,874
Infrastructure	267,510	266,932	534,442
Construction in progress	850,429	453,436	1,303,865
Property, plant, and equipment	1,282,607	7,620,112	8,902,719
Less accumulated depreciation	(363,146)	(3,463,409)	(3,826,555)
Capital assets, net of accumulated depreciation	2,202,865	5,067,480	7,270,345
Total noncurrent assets	11,894,524	10,970,547	22,865,071
Total assets	15,415,937	13,286,539	28,702,476
Liabilities:			
Current liabilities:			
Accounts payable	91,417	317,610	409,027
Claims payable	11,109	-	11,109
Interest payable	147,584	2,818	150,402
Current portion of long-term debt	1,322,772	335,279	1,658,051
Line of credit	478,475	-	478,475
Due to primary government	36,088	-	36,088
Capital lease payable	-	1,561	1,561
Accrued prize liability	62,585	-	62,585
Salaries, health, disability, and benefits payable	94	31,069	31,163
Deferred revenue	86,058	213,748	299,806
Accrued liability for compensated absences	-	62,230	62,230
Other postemployment benefits	-	5,563	5,563
Securities lending collateral	149,787	399,169	548,956
Deposits held in custody for others	24,484	34,453	58,937
Other current liabilities	20,004	43,530	63,534
Total current liabilities	2,430,457	1,447,030	3,877,487
Long-term liabilities:			
Accrued liability for compensated absences	-	56,605	56,605
Accrued prize liability	80,630	-	80,630
Other postemployment benefits	-	7,834	7,834
Deferred revenue	3,657,947	51,288	3,709,235
Capital lease payable	-	9,083	9,083
Funds held in trust for others	-	160,067	160,067
Advances from federal government	6,643	28,874	35,517
Revenue bonds/notes payable	10,268,387	1,867,445	12,135,832
Other noncurrent liabilities	4,076	55,986	60,062
Total long-term liabilities	14,017,683	2,237,182	16,254,865
Total liabilities	16,448,140	3,684,212	20,132,352
Net Assets:			
Invested in capital assets net of related debt	154,886	2,894,678	3,049,564
Restricted-nonexpendable:			
Grants/constitutional restrictions	2,974	-	2,974
Future debt service	118,515	-	118,515
Instruction and research	-	198,481	198,481
Student aid	-	155,770	155,770
Other purposes	-	114,810	114,810
Total restricted-nonexpendable	121,489	469,061	590,550
Restricted-expendable:			
Instruction and research	-	430,105	430,105
Grants/constitutional restrictions	346	10,760	11,106
Endowments	-	510,015	510,015
Future debt service	224,829	24,536	249,365
Pension fund distribution	14,617	-	14,617
Public safety programs	-	7,016	7,016
Student aid	-	719,477	719,477
Auxiliary enterprises	-	8,076	8,076
Capital projects	155,241	251,702	406,943
Repairs and rehabilitation	-	806	806
Water pollution and drinking water projects	894,366	-	894,366
Unrealized gains	-	96,329	96,329
Other purposes	-	20,995	20,995
Total restricted-expendable	1,289,399	2,079,817	3,369,216
Unrestricted	(2,597,977)	4,158,771	1,560,794
Total net assets	\$ (1,032,203)	\$ 9,602,327	\$ 8,570,124

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, 2008
(amounts expressed in thousands)**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Proprietary	Colleges and Universities	Net (Expense) Revenue
Proprietary	\$ 1,870,055	\$ 1,451,797	\$ 568,389	\$ 101,038	\$ 251,169	\$ -	\$ 251,169
Colleges and universities	5,357,146	2,632,371	1,111,225	114,903	-	(1,498,647)	(1,498,647)
Total component units	\$ 7,227,201	\$ 4,084,168	\$ 1,679,614	\$ 215,941	251,169	(1,498,647)	(1,247,478)
General Revenues:							
					127,551	10,364	137,915
Investment earnings					1,157	1,429,095	1,430,252
Payments from State of Indiana					-	342,975	342,975
Other					128,708	1,782,434	1,911,142
Total general revenues					379,877	283,787	663,664
Change in net assets					(1,412,080)	9,318,540	7,906,460
Net assets - beginning, as restated					\$ (1,032,203)	\$ 9,602,327	\$ 8,570,124
Net assets - ending							

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

State of Indiana
Combining Statement of Net Assets
Discretely Presented Component Units -
Proprietary Funds
June 30, 2008
(amounts expressed in thousands)

	Indiana Finance Authority	Indiana Bond Bank	Indiana Housing and Community Development Authority	Board for Depositories
Assets				
Current assets:				
Cash, cash equivalents and investments	\$ 798,077	\$ 59,756	\$ 568,511	\$ 170,723
Securities lending collateral	-	-	-	149,787
Receivables (net)	135,302	29,549	1,089	1,902
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Intergovernmental loans	-	1,068,689	-	-
Due from primary government	3,533	-	-	-
Investment in direct financing lease	53,090	-	-	-
Other current assets	70	-	5,296	-
Total current assets	990,072	1,157,994	574,896	322,412
Noncurrent assets:				
Cash, cash equivalents and investments - restricted	-	42,331	546,790	-
Taxes, interest, and penalties receivable	-	-	4,722	-
Loans receivable	2,236,557	-	942,473	-
Investments - unrestricted	670,553	-	-	92,340
Bond issuance costs, net of amortization	15,454	22,721	10,221	-
Intergovernmental loans	-	1,736,315	-	-
Due from primary government	-	-	-	50,000
Investment in direct financing lease	1,438,266	-	-	-
Other noncurrent assets	151	-	-	6
Capital assets:				
Land	85,934	-	-	-
Infrastructure	267,510	-	-	-
Construction in progress	65,581	-	-	-
Property, plant, and equipment	1,226,766	-	2,387	200
Less accumulated depreciation	(343,040)	-	(1,836)	(166)
Total capital assets, net of depreciation	1,302,751	-	551	34
Total noncurrent assets	5,663,732	1,801,367	1,504,757	142,380
Total assets	6,653,804	2,959,361	2,079,653	464,792
Liabilities				
Current liabilities:				
Accounts payable	5,077	747	1,538	401
Claims payable	-	-	-	-
Interest payable	67,194	44,170	33,822	-
Current portion of long-term debt	213,452	1,089,490	19,830	-
Line of credit	-	-	478,475	-
Due to primary government	339	-	-	-
Accrued prize liability	-	-	-	-
Salaries, health, disability, and benefits payable	-	-	-	-
Deferred revenue	77,138	-	-	-
Securities lending collateral	-	-	-	149,787
Deposits held in custody for others	-	24,160	324	-
Other current liabilities	392	-	16,414	3
Total current liabilities	363,592	1,158,567	550,403	150,191
Long-term liabilities:				
Accrued prize liability	-	-	-	-
Deferred revenue	3,595,060	-	-	-
Advances from federal government	6,643	-	-	-
Revenue bonds/notes payable	4,588,693	1,785,115	1,330,518	-
Other noncurrent liabilities	-	494	35	-
Total long-term liabilities	8,190,396	1,785,609	1,330,553	-
Total liabilities	8,553,988	2,944,176	1,880,956	150,191
Net assets				
Invested in capital assets net of related debt	39,620	-	551	34
Restricted-nonexpendable				
Grants/constitutional restrictions	-	-	2,974	-
Future debt service	-	-	118,515	-
Total restricted-nonexpendable	-	-	121,489	-
Restricted-expendable				
Grants/constitutional restrictions	-	-	-	-
Future debt service	207,736	1,997	-	-
Pension fund distribution	-	-	-	14,617
Capital projects	-	-	-	-
Water pollution and drinking water projects	894,366	-	-	-
Total restricted-expendable	1,102,102	1,997	-	14,617
Unrestricted (deficit)	(3,041,906)	13,188	76,657	299,950
Total net assets	\$ (1,900,184)	\$ 15,185	\$ 198,697	\$ 314,601

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

Secondary Market for Education Loans	State Lottery Commission	Indiana Stadium and Convention Building Authority	Non-Major	Total Component Units
\$ 88,313	\$ 76,660	\$ 128,370	\$ 20,270	\$ 1,910,680
-	-	-	-	149,787
120,963	33,138	16	2,715	324,674
-	230	-	12	242
-	5,216	-	105	5,321
-	-	-	-	1,068,689
-	-	-	-	3,533
-	-	-	-	53,090
31	-	-	-	5,397
209,307	115,244	128,386	23,102	3,521,413
-	90,221	-	150	679,492
-	-	-	-	4,722
1,784,178	-	-	-	4,963,208
-	-	-	-	762,893
-	-	-	-	48,396
-	-	-	-	1,736,315
-	-	-	-	50,000
-	-	-	-	1,438,266
8,210	-	-	-	8,367
-	-	-	79,531	165,465
-	-	-	-	267,510
-	-	784,848	-	850,429
3,033	8,059	-	42,162	1,282,607
(1,302)	(4,322)	-	(12,480)	(363,146)
1,731	3,737	784,848	109,213	2,202,865
1,794,119	93,958	784,848	109,363	11,894,524
2,003,426	209,202	913,234	132,465	15,415,937
4,827	22,309	56,227	291	91,417
-	-	-	11,109	11,109
1,423	-	975	-	147,584
-	-	-	-	1,322,772
-	-	-	-	478,475
-	35,749	-	-	36,088
-	62,585	-	-	62,585
-	-	-	94	94
-	784	-	8,136	86,058
-	-	-	-	149,787
-	-	-	-	24,484
-	2,145	-	1,050	20,004
6,250	123,572	57,202	20,680	2,430,457
-	80,630	-	-	80,630
-	-	62,887	-	3,657,947
-	-	-	-	6,643
1,924,850	-	639,211	-	10,268,387
3,547	-	-	-	4,076
1,928,397	80,630	702,098	-	14,017,683
1,934,647	204,202	759,300	20,680	16,448,140
1,731	3,737	-	109,213	154,886
-	-	-	-	2,974
-	-	-	-	118,515
-	-	-	-	121,489
-	-	-	346	346
15,096	-	-	-	224,829
-	-	-	-	14,617
-	-	153,934	1,307	155,241
-	-	-	-	894,366
15,096	-	153,934	1,653	1,289,399
51,952	1,263	-	919	(2,597,977)
\$ 68,779	\$ 5,000	\$ 153,934	\$ 111,785	\$ (1,032,203)

State of Indiana
Combining Statement of Activities
Discretely Presented Component Units -
Proprietary Funds
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Indiana Finance Authority	Indiana Bond Bank	Indiana Housing and Community Development Authority
Indiana Finance Authority	\$ 319,156	\$ 475,642	\$ 30,011	\$ -	\$ 186,497	\$ -	\$ -
Indiana Bond Bank	128,722	261	128,731	-	-	270	-
Indiana Housing and Community Development Authority	361,611	62,309	272,997	-	-	-	(26,305)
Board for Depositories	22,389	-	23,491	-	-	-	-
Secondary Market for Educational Loans	106,735	-	95,593	-	-	-	-
State Lottery Commission	829,931	823,076	-	-	-	-	-
Indiana Stadium and Convention Building Authority	-	-	16,929	101,038	-	-	-
Non-Major Proprietary	101,511	90,509	637	-	-	-	-
Total component units	\$ 1,870,055	\$ 1,451,797	\$ 568,389	\$ 101,038	186,497	270	(26,305)
General revenues:							
Investment earnings					70,813	616	48,142
Payments from State of Indiana					-	-	-
Total general revenues					70,813	616	48,142
Change in net assets					257,310	886	21,837
Net assets - beginning, as restated					(2,157,494)	14,299	176,860
Net assets - ending					\$ (1,900,184)	\$ 15,185	\$ 198,697

continued on next page

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, 2008
(amounts expressed in thousands)

	Net (Expense) Revenue and Changes in Net Assets					
	Board for Depositories	Secondary Market for Education Loans	State Lottery Commission	Indiana Stadium and Convention Building Authority	Non-Major	Net (Expense) Revenue
Indiana Finance Authority	\$ -	-	-	-	-	\$ 186,497
Indiana Bond Bank	-	-	-	-	-	270
Indiana Housing and Community Development Authority	-	-	-	-	-	(26,305)
Board for Depositories	1,102	-	-	-	-	1,102
Secondary Market for Educational Loans	-	(11,142)	-	-	-	(11,142)
State Lottery Commission	-	-	(6,855)	-	-	(6,855)
Indiana Stadium and Convention Building Authority	-	-	-	117,967	-	117,967
Non-Major Proprietary	-	-	-	-	(10,365)	(10,365)
Total component units	1,102	(11,142)	(6,855)	117,967	(10,365)	251,169
General revenues:						
Investment earnings	-	-	6,855	-	1,125	127,551
Payments from State of Indiana	-	-	-	-	1,157	1,157
Total general revenues	-	-	6,855	-	2,282	128,708
Change in net assets	1,102	(11,142)	-	117,967	(8,083)	379,877
Net assets - beginning, as restated	313,499	79,921	5,000	35,967	119,868	(1,412,080)
Net assets - ending	\$ 314,601	\$ 68,779	\$ 5,000	\$ 153,934	\$ 111,785	\$ (1,032,203)

State of Indiana
Combining Statement of Net Assets
Discretely Presented Component Units -
Colleges and Universities
June 30, 2008
(amounts expressed in thousands)

	Indiana University	Purdue University	Non-Major Colleges and Universities	Totals
Assets				
Current assets:				
Cash, cash equivalents and investments	\$ 733,265	\$ 384,014	\$ 315,290	\$ 1,432,569
Securities lending collateral	273,778	125,391	-	399,169
Receivables (net)	112,944	98,926	130,267	342,137
Inventory	9,501	-	4,947	14,448
Prepaid expenses	-	-	16,832	16,832
Due from primary government	12,172	8,595	10,261	31,028
Funds held in trust by others	-	-	18,159	18,159
Other postemployment benefits	-	-	6,303	6,303
Other current assets	21,739	31,437	2,171	55,347
Total current assets	1,163,399	648,363	504,230	2,315,992
Noncurrent assets:				
Cash, cash equivalents and investments - restricted	-	1,739,307	59,839	1,799,146
Other receivables	300,193	85,864	22,525	408,582
Investments - unrestricted	2,043,187	804,065	771,625	3,618,877
Loans	-	22	-	22
Bond issuance costs net of amortization	-	-	174	174
Investment in direct financing lease	8,835	-	-	8,835
Other postemployment benefits	-	-	1,191	1,191
Other noncurrent assets	-	47,456	18,784	66,240
Capital assets:				
Land	52,962	22,721	114,726	190,409
Infrastructure	143,508	59,939	63,485	266,932
Construction in progress	226,497	137,698	89,241	453,436
Property, plant, and equipment	3,164,145	2,590,623	1,865,344	7,620,112
Less accumulated depreciation	(1,494,871)	(1,174,782)	(793,756)	(3,463,409)
Total capital assets, net of depreciation	2,092,241	1,636,199	1,339,040	5,067,480
Total noncurrent assets	4,444,456	4,312,913	2,213,178	10,970,547
Total assets	5,607,855	4,961,276	2,717,408	13,286,539
Liabilities				
Current liabilities:				
Accounts payable	199,426	59,426	58,758	317,610
Interest payable	-	-	2,818	2,818
Current portion of long-term debt	51,312	232,176	51,791	335,279
Capital lease payable	1,518	-	43	1,561
Salaries, health, disability, and benefits payable	-	10,809	20,260	31,069
Deferred revenue	138,069	41,983	33,696	213,748
Accrued liability for compensated absences	36,308	24,644	1,278	62,230
Other postemployment benefits	-	4,880	683	5,563
Securities lending collateral	273,778	125,391	-	399,169
Deposits held in custody for others	-	22,576	11,877	34,453
Other current liabilities	-	21,275	22,255	43,530
Total current liabilities	700,411	543,160	203,459	1,447,030
Long-term liabilities:				
Accrued liability for compensated absences	14,060	27,653	14,892	56,605
Other postemployment benefits	3,755	1,254	2,825	7,834
Deferred revenue	48,729	-	2,559	51,288
Capital lease payable	9,064	-	19	9,083
Funds held in trust for others	83,512	61,278	15,277	160,067
Advances from federal government	-	20,052	8,822	28,874
Revenue bonds/notes payable	750,874	488,588	627,983	1,867,445
Other noncurrent liabilities	32,308	3,149	20,529	55,986
Total long-term liabilities	942,302	601,974	692,906	2,237,182
Total liabilities	1,642,713	1,145,134	896,365	3,684,212
Net assets				
Invested in capital assets net of related debt	1,336,766	913,478	644,434	2,894,678
Restricted-nonexpendable				
Instruction and research	-	197,569	912	198,481
Student aid	-	149,752	6,018	155,770
Other purposes	67,508	28,043	19,259	114,810
Total restricted-nonexpendable	67,508	375,364	26,189	469,061
Restricted-expendable				
Instruction and research	85,480	250,159	94,466	430,105
Grants/constitutional restrictions	-	-	10,760	10,760
Endowments	-	490,583	19,432	510,015
Future debt service	21,536	-	3,000	24,536
Public safety programs	-	-	7,016	7,016
Student aid	23,182	590,466	105,829	719,477
Auxiliary enterprises	-	4,584	3,492	8,076
Capital projects	14,122	96,893	140,687	251,702
Repairs and rehabilitation	-	-	806	806
Unrealized gains	-	96,329	-	96,329
Other purposes	-	-	20,995	20,995
Total restricted-expendable	144,320	1,529,014	406,483	2,079,817
Unrestricted (deficit)	2,416,548	998,286	743,937	4,158,771
Total net assets	\$ 3,965,142	\$ 3,816,142	\$ 1,821,043	\$ 9,602,327

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 Fiscal Year Ended June 30, 2008**
(amounts expressed in thousands)

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Indiana University	Purdue University	Non-Major Colleges and Universities	Net (Expense) Revenue
Indiana University	\$ 2,446,436	\$ 1,308,221	\$ 685,168	\$ 23,082	\$ (429,965)	\$ -	\$ -	\$ (429,965)
Purdue University	1,660,653	813,937	319,004	85,348	-	(442,364)	-	(442,364)
Non-Major Colleges and Universities	1,250,057	510,213	107,053	6,473	-	-	(626,318)	(626,318)
Total component units	\$ 5,357,146	\$ 2,632,371	\$ 1,111,225	\$ 114,903	(429,965)	(442,364)	(626,318)	(1,498,647)
General revenues:								
Investment earnings					(47,248)	22,231	35,381	10,364
Payments from State of Indiana					558,022	377,004	494,069	1,429,095
Other					59,149	104,974	178,852	342,975
Total general revenues					569,923	504,209	708,302	1,782,434
Change in net assets					139,958	61,845	81,984	283,787
Net assets - beginning, as restated					3,825,184	3,754,297	1,739,059	9,318,540
Net assets - ending					\$ 3,965,142	\$ 3,816,142	\$ 1,821,043	\$ 9,602,327

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

