

REQUIRED SUPPLEMENTARY INFORMATION



Schedule of Funding Progress Employee Retirement Systems and Plans

(amounts expressed in thousands)	Primary Government	-----Fiduciary in Nature Component Unit-----						TRF - Pre-1996 Account
	SPRF	PERF - State	EGC	JRS	PARF	LRS		
Valuation Date: July 1, 2012								
Actuarial value of assets	\$ 372,177	\$ 4,141,524	\$ 76,007	\$ 260,096	\$ 27,501	\$ 3,377	\$ 4,978,107	
Actuarial accrued liability (AAL)	504,814	5,542,414	113,283	437,854	56,080	4,503	16,522,015	
Excess of assets over (unfunded) AAL	(132,637)	(1,400,890)	(37,276)	(177,758)	(28,579)	(1,126)	(11,543,908)	
Funded ratio	74%	75%	67%	59%	49%	75%	30%	
Covered payroll	66,109	1,648,023	25,752	45,138	21,705	*	1,637,066	
Excess (unfunded) AAL as a percentage of covered payroll	-201%	-85%	-145%	-394%	-132%	*	-705%	
Valuation Date: July 1, 2011								
Actuarial value of assets	\$ 361,457	\$ 4,158,786 **	\$ 72,599	\$ 248,623	\$ 25,651	\$ 3,634	\$ 5,227,402	
Actuarial accrued liability (AAL)	470,852	5,264,131 **	101,534	400,274	53,252	4,621	16,318,404	
Excess of assets over (unfunded) AAL	(109,395)	(1,105,345)	(28,935)	(151,651)	(27,601)	(987)	(11,091,002)	
Funded ratio	77%	79% **	72%	62%	48%	79%	32%	
Covered payroll	64,948	1,641,686	24,028	45,764	18,082	*	1,762,750	
Excess (unfunded) AAL as a percentage of covered payroll	-168%	-67%	-120%	-331%	-153%	*	-629%	
Valuation Date: July 1, 2010								
Actuarial value of assets	\$ 363,487	\$ 4,374,385 **	\$ 70,327	\$ 242,143	\$ 26,166	\$ 4,075	\$ 5,382,410	
Actuarial accrued liability (AAL)	447,064	5,248,751 **	97,862	364,123	49,174	4,909	16,282,066	
Excess of assets over (unfunded) AAL	(83,577)	(874,366)	(27,535)	(121,980)	(23,008)	(834)	(10,899,656)	
Funded ratio	81%	83% **	72%	67%	53%	83%	33%	
Covered payroll	66,603	1,730,480	26,709	36,722	21,016	*	1,865,102	
Excess (unfunded) AAL as a percentage of covered payroll	-125%	-51%	-103%	-332%	-109%	*	-584%	
Valuation Date: July 1, 2009								
Actuarial value of assets	\$ 356,056	\$ 4,548,408 **	\$ 68,170	\$ 240,954	\$ 26,467	\$ 4,730	\$ 5,109,086	
Actuarial accrued liability (AAL)	453,688	4,869,898 **	89,296	330,551	44,632	5,087	16,027,093	
Excess of assets over (unfunded) AAL	(97,632)	(321,490)	(21,126)	(89,597)	(18,165)	(357)	(10,918,007)	
Funded ratio	78%	93% **	76%	73%	59%	93%	32%	
Covered payroll	68,283	1,749,781	25,238	36,196	20,782	*	2,030,484	
Excess (unfunded) AAL as a percentage of covered payroll	-143%	-18%	-84%	-248%	-87%	*	-538%	
SPRF - State Police Retirement Fund (Administered by the Treasurer of the State of Indiana) PERF - Public Employees' Retirement Fund (Administered by the INPRS Board of Trustees) EGC - Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Fund (Administered by the INPRS Board of Trustees) JRS - Judges' Retirement System (Administered by the INPRS Board of Trustees) PARF - Prosecuting Attorneys' Retirement Fund (Administered by the INPRS Board of Trustees) LRS - Legislators' Retirement System (Administered by the INPRS Board of Trustees) TRF - Teachers' Retirement Fund (Administered by the INPRS Board of Trustees)								
* The benefit formula is determined based on service rather than compensation. July 1, 2012: The unfunded liability is expressed per active participant and there were 6 active participants. The unfunded liability per active participant was \$187,726; July 1, 2011: The unfunded liability is expressed per active participant and there were 7 active participants. The unfunded liability per active participant was \$141,021; July 1, 2010: The unfunded liability is expressed per active participant and there were 20 active participants. The unfunded liability per active participant was \$41,702; July 1, 2009: The unfunded liability is expressed per active participant and there were 33 active participants. The unfunded liability per active participant was \$10,817.								
** Corrected PERF - State data for 2009 through 2011.								

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						
6/30/2012	\$ 44,008	\$ 36,643	\$ (7,365)	120.1%	\$ 1,166,823	-0.6%
6/30/2011	14,007	37,733	23,726	37.1%	1,187,028	2.0%
6/30/2010	-	51,306	51,306	0.0%	1,251,207	4.1%
Legislature's Healthcare Plan						
6/30/2012	-	11,956	11,956	0.0%	1,787	669.1%
6/30/2011	-	9,092	9,092	0.0%	1,696	536.1%
6/30/2010	-	8,402	8,402	0.0%	1,979	424.6%
Indiana State Police Healthcare Plan						
6/30/2012	17,033	291,148	274,115	5.9%	87,040	314.9%
6/30/2011	5,280	306,132	300,852	1.7%	86,192	349.0%
6/30/2010	-	407,846	407,846	0.0%	N/A	N/A
Conservation and Excise Police Healthcare Plan						
6/30/2012	5,773	41,804	36,031	13.8%	12,600	286.0%
6/30/2011	-	49,510	49,510	0.0%	12,900	383.8%
6/30/2010	-	57,305	57,305	0.0%	14,800	387.2%

Schedule of Employer Contributions Other Postemployment Benefits

(amounts expressed in thousands)

Year Ended June 30	State Personnel Healthcare Plan		Legislature's Healthcare Plan		Indiana State Police Healthcare Plan		Conservation and Excise Police Healthcare Plan		Retiree Health Benefit Trust Fund	
	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed
2012	\$ 2,964	1141.9%	\$ 815	59.9%	\$ 27,794	67.0%	\$ 3,675	187.5%	\$ 34,400	100.0%
2011	4,664	362.8%	561	62.8%	30,155	45.7%	4,423	30.2%	52,075	100.0%
2010	6,292	30.4%	519	60.3%	42,106	21.4%	5,373	24.3%	55,502	100.0%

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, but excludes the Armory Board and the Recreation funds at State institutions. The General Assembly enacts the budget through passage of specific appropriations, the sum of which may not exceed estimated revenues. Appropriations for programs funded from special revenue funds may allow expenditures in excess of original appropriations to the extent that revenues collected exceed estimated revenues.

The original budget is composed of the budget bill and continuing appropriations. The budget bill is enacted as the Appropriations Act that the Governor may veto, subject to legislative override. Continuing appropriations report budgeted expenditures as equal to the amount of revenues received during the year plus any balances carried forward from the previous year as determined by statute. 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 the uses and purposes of the funds concur and the transfers are within the same agency of the state to which the appropriation was originally made. Excess general fund revenue is used to cover non-budgeted recurring expenditures and overdrafts of budgeted amounts at the end of the current year. 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 (medical service payments, 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, 2012
(amounts expressed in thousands)

	General Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ 5,460,010	\$ 5,460,010	\$ 5,676,044	\$ 216,034
Sales	6,517,700	6,517,700	6,624,340	106,640
Gaming	706,600	706,600	88,375	(618,225)
Unemployment	-	-	-	-
Inheritance	145,000	145,000	175,954	30,954
Alcohol and tobacco	285,200	285,200	296,561	11,361
Insurance	177,200	177,200	203,123	25,923
Other	296,418	296,418	222,320	(74,098)
Total taxes	<u>13,588,128</u>	<u>13,588,128</u>	<u>13,286,717</u>	<u>(301,411)</u>
Current service charges	147,464	147,464	215,301	67,837
Investment income	25,000	25,000	15,073	(9,927)
Sales/rents	615	615	5,503	4,888
Grants	-	-	12,025	12,025
Other	<u>128,264</u>	<u>128,264</u>	<u>84,576</u>	<u>(43,688)</u>
Total revenues	<u>13,889,471</u>	<u>13,889,471</u>	<u>13,619,195</u>	<u>(270,276)</u>
Expenditures:				
Current:				
General government	1,140,503	1,874,777	1,122,190	752,587
Public safety	783,513	803,236	677,927	125,309
Health	42,216	52,632	42,619	10,013
Welfare	3,375,987	3,959,156	592,959	3,366,197
Conservation, culture and development	109,466	149,094	61,474	87,620
Education	8,749,854	8,711,346	8,686,898	24,448
Transportation	43,566	44,725	1,467	43,258
Total expenditures	<u>14,245,105</u>	<u>15,594,966</u>	<u>11,185,534</u>	<u>4,409,432</u>
Excess of revenues over (under) expenditures	(355,634)	(1,705,495)	2,433,661	(4,139,156)
Other financing sources (uses):				
Total other financing sources (uses)	<u>(1,715,446)</u>	<u>(1,715,446)</u>	<u>(1,715,446)</u>	<u>-</u>
Net change in fund balances	<u>\$ (2,071,080)</u>	<u>\$ (3,420,941)</u>	718,215	<u>\$ 4,139,156</u>
Fund balances July 1, as restated			<u>1,912,196</u>	
Fund balances June 30			<u>\$ 2,630,411</u>	

Public Welfare-Medicaid Assistance				Major Moves Construction Fund			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
116,137	116,137	677,313	561,176	-	-	-	-
-	-	-	-	156,980	156,980	59,144	(97,836)
4,441,972	4,441,972	4,573,095	131,123	-	-	-	-
4	4	20,552	20,548	-	-	-	-
<u>4,558,113</u>	<u>4,558,113</u>	<u>5,270,960</u>	<u>712,847</u>	<u>156,980</u>	<u>156,980</u>	<u>59,144</u>	<u>(97,836)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	9,759,273	6,618,232	3,141,041	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	530,000	585,306	41,964	543,342
-	<u>9,759,273</u>	<u>6,618,232</u>	<u>3,141,041</u>	<u>530,000</u>	<u>585,306</u>	<u>41,964</u>	<u>543,342</u>
4,558,113	(5,201,160)	(1,347,272)	(3,853,888)	(373,020)	(428,326)	17,180	(445,506)
<u>1,806,337</u>	<u>1,806,337</u>	<u>1,806,337</u>	<u>-</u>	<u>(543,342)</u>	<u>(543,342)</u>	<u>(543,342)</u>	<u>-</u>
<u>\$ 6,364,450</u>	<u>\$ (3,394,823)</u>	<u>459,065</u>	<u>\$ 3,853,888</u>	<u>\$ (916,362)</u>	<u>\$ (971,668)</u>	<u>(526,162)</u>	<u>\$ 445,506</u>
		119,947				1,702,894	
		<u>\$ 579,012</u>				<u>\$ 1,176,732</u>	

continued on next page

State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Budgetary Basis)
For the Year Ended June 30, 2012
(amounts expressed in thousands)

	ARRA of 2009 Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Gaming	-	-	-	-
Unemployment	1	1	58	57
Inheritance	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Other	-	-	-	-
Total taxes	1	1	58	57
Current service charges	252	252	-	(252)
Investment income	-	-	-	-
Sales/rents	-	-	-	-
Grants	1,180,443	1,180,443	337,400	(843,043)
Other	-	-	1	1
Total revenues	<u>1,180,696</u>	<u>1,180,696</u>	<u>337,459</u>	<u>(843,237)</u>
Expenditures:				
Current:				
General government	1,039	114,757	86,080	28,677
Public safety	2,887	11,619	9,079	2,540
Health	476	5,969	4,507	1,462
Welfare	1,313	803,316	85,842	717,474
Conservation, culture and development	8,171	22,547	5,848	16,699
Education	1,329	120,818	76,773	44,045
Transportation	12,852	95,943	54,688	41,255
Total expenditures	<u>28,067</u>	<u>1,174,969</u>	<u>322,817</u>	<u>852,152</u>
Excess of revenues over (under) expenditures	1,152,629	5,727	14,642	(8,915)
Other financing sources (uses):				
Total other financing sources (uses)	<u>(36)</u>	<u>(36)</u>	<u>(36)</u>	<u>-</u>
Net change in fund balances	<u>\$ 1,152,593</u>	<u>\$ 5,691</u>	<u>14,606</u>	<u>\$ 8,915</u>
Fund balances July 1, as restated			<u>(752)</u>	
Fund balances June 30			<u>\$ 13,854</u>	

U.S. Department of Transportation Fund				U.S. Department of Health and Human Services Fund			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
183	183	5	(178)	744	744	1,510	766
-	-	-	-	-	-	-	-
-	-	-	-	7	7	-	(7)
883,530	883,530	1,077,419	193,889	1,067,950	1,067,950	1,095,539	27,589
11	11	40	29	4,067	4,067	17	(4,050)
<u>883,724</u>	<u>883,724</u>	<u>1,077,464</u>	<u>193,740</u>	<u>1,072,768</u>	<u>1,072,768</u>	<u>1,097,066</u>	<u>24,298</u>
3	2,995	1,543	1,452	577	25,819	17,191	8,628
4,741	57,249	20,471	36,778	1,868	16,677	7,336	9,341
-	-	-	-	18,863	292,242	100,177	192,065
-	53	13	40	204,034	2,596,615	1,250,589	1,346,026
3,037	6,215	1,872	4,343	-	-	-	-
-	-	-	-	301	4,076	2,181	1,895
1,044,837	2,894,287	1,270,806	1,623,481	-	-	-	-
<u>1,052,618</u>	<u>2,960,799</u>	<u>1,294,705</u>	<u>1,666,094</u>	<u>225,643</u>	<u>2,935,429</u>	<u>1,377,474</u>	<u>1,557,955</u>
(168,894)	(2,077,075)	(217,241)	(1,859,834)	847,125	(1,862,661)	(280,408)	(1,582,253)
<u>76,094</u>	<u>76,094</u>	<u>76,094</u>	<u>-</u>	<u>337,219</u>	<u>337,219</u>	<u>337,219</u>	<u>-</u>
<u>\$ (92,800)</u>	<u>\$ (2,000,981)</u>	<u>(141,147)</u>	<u>\$ 1,859,834</u>	<u>\$ 1,184,344</u>	<u>\$ (1,525,442)</u>	<u>56,811</u>	<u>\$ 1,582,253</u>
		144,720				(142,906)	
		<u>\$ 3,573</u>				<u>\$ (86,095)</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	MAJOR MOVES CONSTRUCTION FUND	2009 ARRA FUND	U.S. DEPARTMENT OF TRANSPORTATION	U.S. DEPARTMENT OF HEALTH AND HUMAN	Total
Net change in fund balances (budgetary basis)	\$ 718,215	\$ 459,065	\$ (526,162)	\$ 14,606	\$ (141,147)	\$ 56,811	\$ 581,388
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)	112,248	441,474	(21,804)	10,930	(3,930)	(161,415)	377,503
Expenditures are recorded when the liability is incurred (GAAP) as opposed to when payment is made (budgetary)	(488,851)	(625,414)	(144)	17,952	(28,829)	(20,097)	(1,145,383)
Net change in fund balances (GAAP basis)	\$ 341,612	\$ 275,125	\$ (548,110)	\$ 43,488	\$ (173,906)	\$ (124,701)	\$ (186,492)



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

Roads	Average International Roughness Index (IRI)		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Interstate Roads (excluding Rest Areas and Weigh Stations)	82.8%	82.6%	82.3%
NHS Roads - Non-Interstate (excluding Rest Areas and Weigh Stations)	84.4%	83.6%	84.0%
Non-NHS Roads	94.2%	94.3%	94.2%

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 (above 170). It is the State's policy to maintain a network average of no more than 95 IRI. 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		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Interstate Bridges	89.1%	88.9%	88.8%
NHS Bridges - Non-Interstate	89.9%	89.9%	90.0%
Non-NHS Bridges	88.0%	87.4%	87.4%

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 Needed-to-Actual Maintenance/Preservation
(amounts expressed in thousands)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Roads					
Interstate Roads (including Rest Areas and Weigh Stations):					
Needed	\$ 205,878	\$ 222,707	\$ 241,935	\$ 263,764	\$ 120,147
Actual	165,740	194,727	226,401	246,089	256,482
NHS and Non-NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)					
Needed	296,337	314,282	381,433	391,641	419,001
Actual	337,507	364,173	423,949	571,000	374,770
Roads at State Institutions and Properties					
Needed	1,699	2,046	2,073	1,734	1,225
Actual	5,183	3,386	1,635	4,884	3,146
Total					
Needed	503,914	539,035	625,441	657,139	540,373
Actual	508,430	562,286	651,985	821,973	634,398
Bridges					
Interstate Bridges					
Needed	\$ 55,371	\$ 62,746	\$ 75,181	\$ 82,668	\$ 34,723
Actual	58,245	54,505	51,416	37,931	43,904
NHS Bridges - Non-Interstate					
Needed	41,395	27,240	25,706	24,438	4,695
Actual	26,733	27,085	24,299	7,794	13,568
Non-NHS Bridges					
Needed	106,891	84,736	79,055	48,214	26,694
Actual	102,491	73,713	60,861	39,707	34,138
Bridges at State Institutions and Properties					
Needed	1	-	5	-	-
Actual	108	-	354	253	3
Total					
Needed	203,658	174,722	179,947	155,320	66,112
Actual	187,577	155,303	136,930	85,685	91,613

Data provided by Comparative Report of Preservation Costs

