

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						
6/30/2015	\$ 44,133	\$ 44,263	\$ 130	99.7%	\$ 1,180,296	0.0%
6/30/2014	44,067	36,355	(7,712)	121.2%	1,219,424	-0.6%
6/30/2013	44,011	39,999	(4,012)	110.0%	1,178,197	-0.3%
Legislature's Healthcare Plan						
6/30/2015	-	11,964	11,964	0.0%	3,504	341.4%
6/30/2014	-	11,768	11,768	0.0%	3,623	324.8%
6/30/2013	-	12,078	12,078	0.0%	3,204	377.0%
Indiana State Police Healthcare Plan						
6/30/2015	53,909	341,219	287,310	15.8%	92,130	311.9%
6/30/2014	38,014	294,840	256,826	12.9%	93,630	274.3%
6/30/2013	21,133	297,104	275,971	7.1%	93,680	294.6%
Conservation and Excise Police Healthcare Plan						
6/30/2015	10,464	41,831	31,367	25.0%	15,106	207.6%
6/30/2014	9,023	38,063	29,040	23.7%	15,969	181.9%
6/30/2013	7,446	38,810	31,364	19.2%	16,038	195.6%

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

	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	6/30/2006
Actuarially determined contribution	\$ 13,886	\$ 13,869	\$ 14,509	\$ 14,517	\$ 12,267	\$ 14,230	\$ 10,362	\$ 9,174	\$ 9,472	\$ 12,666
Contributions in relation to the actuarially determined contribution	10,218	10,603	12,367	44,040	9,450	9,471	9,472	9,412	12,114	7,536
Contribution deficiency (excess)	3,668	3,266	2,142	(29,523)	2,817	4,759	890	(238)	(2,642)	5,130
Covered-employee payroll	68,219	68,490	63,347	66,083	64,948	66,603	68,283	65,421	59,863	54,156
Contributions as a percentage of covered-employee payroll	15.0%	15.5%	19.5%	66.6%	14.6%	14.2%	13.9%	14.4%	20.2%	13.9%

Notes to Schedule:

- Valuation date June 30, 2015
- Actuarial cost method Entry age normal cost
- Amortization method Level percentage of payroll, closed
- Remaining amortization period 25 years
- Asset valuation method 4 year smoothed value
- Inflation 3.5%
- 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.
- 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.

RP-2014 Blue Collar Mortality Tables adjusted to 2006 with MP-2015 Mortality.

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. For the 7/1/15 actuarial valuation, the mortality tables were revised from the 2014 IRS separate non-annuitant and annuitant mortality tables to the RP-2014 Blue Collar Mortality Tables adjusted to 2006 with MP-2015 Mortality Improvement Scale.

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)

	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Actuarially determined contribution	\$ 4,820	\$ 5,341	\$ 4,794
Contributions in relation to the actuarially determined contribution	5,215	5,359	19,740
Contribution deficiency (excess)	(395)	(18)	(14,946)
Covered-employee payroll	25,133	25,825	24,675
Contributions as a percentage of covered-employee payroll	20.7%	20.8%	80.0%

Notes to Schedule:*Valuation date*

June 30, 2015

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

30 years, closed

Asset valuation method

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

Inflation

2.25%

Salary increases

2.5%

Investment rate of return

6.75%

Mortality

RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2016

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. Member census data as of June 30, 2014 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2014 and June 30, 2015. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2014 to the June 30, 2015. Prior to the June 30, 2014 valuation, census data as of the valuation date was used.

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)

	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Actuarially determined contribution	\$ 1,419	\$ 2,345	\$ 2,542
Contributions in relation to the actuarially determined contribution	1,063	1,174	19,443
Contribution deficiency (excess)	356	1,171	(16,901)
Covered-employee payroll	21,145	20,608	18,805
Contributions as a percentage of covered-employee payroll	5.0%	5.7%	103.4%

Notes to Schedule:*Valuation date*

June 30, 2015

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

30 years, closed

Asset valuation method

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

Inflation

2.25%

Salary increases

4.0%

Investment rate of return

6.75%

Mortality

RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2016

Other information

The actuarially determined contribution amounts are based on the actuarially determined contribution rates developed in the actuarial valuation completed one year prior to the beginning of the fiscal year, multiplied by actual payroll during the fiscal year. Member census data as of June 30, 2014 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2014 and June 30, 2015. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2014 to June 30, 2015. Prior to the June 30, 2014 valuation, census data as of the valuation date was used.

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)

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

Notes to Schedule:*Valuation date*

June 30, 2015

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

30 years, closed

Asset valuation method

4 year smoothing of gains and losses on the market 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 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2016

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, 2014 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2014 and June 30, 2015. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2014 to June 30, 2015. Prior to the June 30, 2014 valuation, census data as of the valuation date was used. N/A is not applicable as this is a closed plan with no payroll.

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
Judges' Retirement System
(amounts expressed in thousands)

	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Actuarially determined contribution	\$ 18,865	\$ 27,648	\$ 25,458
Contributions in relation to the actuarially determined contribution	21,020	20,895	111,419
Contribution deficiency (excess)	(2,155)	6,753	(85,961)
Covered-employee payroll	48,582	46,041	47,595
Contributions as a percentage of covered-employee payroll	43.3%	45.4%	234.1%

Notes to Schedule:*Valuation date*

June 30, 2015

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

30 years, closed

Asset valuation method

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

Inflation

2.25%

Salary increases

2.5%

Investment rate of return

6.75%

Mortality

2013 IRS Static Mortality projected 5 years with Scale AA

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. Member census data as of June 30, 2014 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2014 and June 30, 2015. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2014 to June 30, 2015. Prior to the June 30, 2014 valuation, census data as of the valuation date was used.

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)

	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Actuarially determined contribution	\$ 133,755	\$ 134,976	\$ 114,353
Contributions in relation to the actuarially determined contribution	<u>133,755</u>	<u>134,976</u>	<u>114,353</u>
Contribution deficiency (excess)	-	-	-
State's covered-employee payroll	1,162,622	1,213,031	1,173,716
Contributions as a percentage of covered-employee payroll	11.5%	11.1%	9.7%

Notes to Schedule:*Valuation date*

June 30, 2015

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

30 years, closed

Asset valuation method

4 year smoothing of gains and losses on the market 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 2016

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 actual dollar amount of the State's contributions depends on the actual payroll for the fiscal year.

Member census data as of June 30, 2014 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2014 and June 30, 2015. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2014 to June 30, 2015. Prior to the June 30, 2014 valuation, census data as of the valuation date was used.

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)

	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Statutorily determined contribution	\$ 845,774	\$ 825,617	\$ 1,003,847
Contributions in relation to the statutorily required contribution	<u>845,774</u>	<u>825,617</u>	<u>1,003,847</u>
Contribution deficiency (excess)	-	-	-

Notes to Schedule:*Valuation date*

June 30, 2015

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

30 years, closed

Asset valuation method

4 year smoothing of gains and losses on the market 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 2016

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 actual dollar amount of the State's contributions depends on the actual payroll for the fiscal year.

Member census data as of June 30, 2014 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2014 and June 30, 2015. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2014 to June 30, 2015. Prior to the June 30, 2014 valuation, census data as of the valuation date was used.

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)

	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Actuarially determined contribution	\$ 772	\$ 735	\$ 761
Contributions in relation to the actuarially determined contribution	<u>772</u>	<u>735</u>	<u>761</u>
Contribution deficiency (excess)	-	-	-
State's covered-employee payroll	10,288	10,380	10,150
Contributions as a percentage of covered-employee payroll	7.5%	7.1%	7.5%

Notes to Schedule:*Valuation date*

June 30, 2015

Actuarial cost method

Entry age normal (Level Percent of Payroll)

Amortization method

Level dollar

Remaining amortization period

30 years, closed

Asset valuation method

4 year smoothing of gains and losses on the market 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 2016

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 actual dollar amount of the State's contributions depends on the actual payroll for the fiscal year.

Member census data as of June 30, 2014 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2014 and June 30, 2015. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2014 to June 30, 2015. Prior to the June 30, 2014 valuation, census data as of the valuation date was used.

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		Legislature's Healthcare Plan		Indiana State Police Healthcare Plan		Conservation and Excise Police Healthcare Plan		Retiree Health Benefit Trust Fund	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2015	\$ 1,839	194.0%	\$ 842	65.8%	\$ 29,604	85.5%	\$ 3,124	78.0%	\$ 43,300	100.0%
2014	1,010	316.9%	810	62.8%	26,030	95.4%	2,822	88.0%	38,200	100.0%
2013	941	446.9%	827	64.5%	27,419	42.6%	3,053	94.8%	34,400	100.0%

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

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

Notes to Schedule:

Measurement date: Actuarial valuation reports of the current fiscal year end as presented above.

Changes of assumptions. 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 Excise Police, Gaming Agent, Gaming Control Officer, and
Conservation Enforcement Officers' Retirement Plan**

(amounts expressed in thousands)

	<u>6/30/2014</u>	<u>6/30/2013</u>
Total pension liability		
Service cost	\$ 3,841	\$ 3,811
Interest	8,031	7,740
Differences between expected and actual experience	(430)	(1,845)
Changes of assumptions	-	(40)
Benefit payments, including refunds of employee contributions	(5,938)	(4,836)
Member reassignments	-	(15)
Net change in total pension liability	<u>5,504</u>	<u>4,815</u>
Total pension liability, beginning	118,097	113,282
Total pension liability, ending	<u><u>\$ 123,601</u></u>	<u><u>\$ 118,097</u></u>
Plan fiduciary net position		
Contributions, employer	\$ 5,359	\$ 19,740
Contributions, employee	1,019	1,006
Net investment income	13,339	4,702
Benefit payments, including refunds of employee contributions	(5,938)	(4,836)
Administrative expense	(141)	(121)
Member reassignments	-	(15)
Net change in plan fiduciary net position	<u>13,638</u>	<u>20,476</u>
Plan fiduciary net position, beginning	97,019	76,543
Plan fiduciary net position, ending	<u><u>\$ 110,657</u></u>	<u><u>\$ 97,019</u></u>
Net pension liability	<u><u>\$ 12,944</u></u>	<u><u>\$ 21,078</u></u>
Plan fiduciary net position as a percentage of the total pension liability	89.5%	82.2%
Covered employee payroll	25,825	24,675
Net pension liability as a percentage of covered employee payroll	50.1%	85.4%

Notes to Schedule:

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

Changes of assumptions. In 2013, the interest crediting rate on member contributions was changed to 3.5% from 6.75%.

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)

	<u>6/30/2014</u>	<u>6/30/2013</u>
Total pension liability		
Service cost	\$ 1,587	\$ 1,568
Interest	4,207	3,816
Changes of benefit terms	-	1,346
Differences between expected and actual experience	-	1,474
Changes of assumptions	-	(109)
Benefit payments, including refunds of employee contributions	(2,398)	(2,235)
Net change in total pension liability	3,396	5,860
Total pension liability, beginning	61,940	56,080
Total pension liability, ending	\$ 65,336	\$ 61,940
Plan fiduciary net position		
Contributions, employer	\$ 1,174	\$ 19,443
Contributions, employee	1,334	1,271
Net investment income	6,581	1,897
Benefit payments, including refunds of employee contributions	(2,398)	(2,235)
Administrative expense	(108)	(145)
Other	4	-
Net change in plan fiduciary net position	6,587	20,231
Plan fiduciary net position, beginning	47,920	27,689
Plan fiduciary net position, ending	\$ 54,507	\$ 47,920
Net pension liability	\$ 10,829	\$ 14,020
Plan fiduciary net position as a percentage of the total pension liability	83.4%	77.4%
Covered employee payroll	20,608	18,805
Net pension liability as a percentage of covered employee payroll	52.5%	74.6%

Notes to Schedule:

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

Benefit changes. 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%.

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)

	<u>6/30/2014</u>	<u>6/30/2013</u>
Total pension liability		
Service cost	\$ 3	\$ 2
Interest	277	291
Changes of benefit terms	-	-
Differences between expected and actual experience	(36)	(140)
Changes of assumptions	-	-
Benefit payments, including refunds of employee contributions	(363)	(365)
Member reassignments	-	-
Other	-	-
Net change in total pension liability	<u>(119)</u>	<u>(212)</u>
Total pension liability, beginning	<u>4,285</u>	<u>4,497</u>
Total pension liability, ending	<u><u>\$ 4,166</u></u>	<u><u>\$ 4,285</u></u>
Plan fiduciary net position		
Contributions, employer	\$ 138	\$ 150
Contributions, employee	-	-
Net investment income	439	201
Benefit payments, including refunds of employee contributions	(363)	(365)
Administrative expense	(62)	(34)
Member reassignments	-	-
Other	-	-
Net change in plan fiduciary net position	<u>152</u>	<u>(48)</u>
Plan fiduciary net position, beginning	<u>3,337</u>	<u>3,385</u>
Plan fiduciary net position, ending	<u><u>\$ 3,489</u></u>	<u><u>\$ 3,337</u></u>
Net pension liability	<u><u>\$ 677</u></u>	<u><u>\$ 948</u></u>
Plan fiduciary net position as a percentage of the total pension liability	83.7%	77.9%
Covered employee payroll	N/A	N/A
Net pension liability as a percentage of covered employee payroll	N/A	N/A

Notes to Schedule:

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

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)

	<u>6/30/2014</u>	<u>6/30/2013</u>
Total pension liability		
Service cost	\$ 15,302	\$ 16,084
Interest	30,992	30,047
Changes of benefit terms	-	-
Differences between expected and actual experience	(16,026)	(13,603)
Changes of assumptions	-	186
Benefit payments, including refunds of employee contributions	(18,527)	(17,579)
Member reassignments	4	121
Other	-	-
Net change in total pension liability	<u>11,745</u>	<u>15,256</u>
Total pension liability, beginning	<u>453,110</u>	<u>437,854</u>
Total pension liability, ending	<u><u>\$ 464,855</u></u>	<u><u>\$ 453,110</u></u>
Plan fiduciary net position		
Contributions, employer	\$ 20,895	\$ 111,419
Contributions, employee	2,856	2,631
Net investment income	51,890	16,955
Benefit payments, including refunds of employee contributions	(18,527)	(17,579)
Administrative expense	(146)	(126)
Member reassignments	4	121
Other	6	5
Net change in plan fiduciary net position	<u>56,978</u>	<u>113,426</u>
Plan fiduciary net position, beginning	<u>375,752</u>	<u>262,326</u>
Plan fiduciary net position, ending	<u><u>\$ 432,730</u></u>	<u><u>\$ 375,752</u></u>
Net pension liability	<u><u>\$ 32,125</u></u>	<u><u>\$ 77,358</u></u>
Plan fiduciary net position as a percentage of the total pension liability	93.1%	82.9%
Covered employee payroll	46,041	47,595
Net pension liability as a percentage of covered employee payroll	69.8%	162.5%

Notes to Schedule:

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

Changes of assumptions. In 2013, the interest crediting rate on member contributions was changed to 3.5% from 0.0%.

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>6/30/2014</u>	<u>6/30/2013</u>
State's proportion of the net pension liability (asset)	24.85%	24.45%
State's proportionate share of the net pension liability (asset)	\$ 652,920	\$ 837,311
State's covered-employee payroll	1,213,031	1,173,716
State's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	53.8%	71.3%
Plan fiduciary net position as a percentage of the total pension liability	84.3%	78.8%

Notes to Schedule:

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

Plan amendments. 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.

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

Notes to Schedule:

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

Changes of benefit terms. The 2014 House Enrolled Act No. 1075 added paragraphs 2.5 and 2.6 to IC 5-10.5-4, which prohibits INPRS from entering into an agreement with a third party provider to provide annuities for members who wish to annuitize their ASA balance prior to January 1, 2017, and defines the interest rate which must be used for converting ASA balances to annuities in the interim. It is anticipated that an agreement with a third party provider will be entered into effective January 1, 2017. This plan change resulted in a small decrease in Actuarial Accrued Liability and Normal Cost since the prescribed interest rates to be used for annuitization are lower than the rate previously in effect.

Changes of assumptions. There were no assumption changes applicable for the measurement of liabilities on June 30, 2014.

Plan amendments. 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.

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 1996 Account
(amounts expressed in thousands)**

	<u>6/30/2014</u>	<u>6/30/2013</u>
State's proportion of the net pension liability (asset)	0.40%	0.42%
State's proportionate share of the net pension liability (asset)	\$ 191	\$ 1,310
State's covered-employee payroll	10,380	10,150
State's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	1.8%	12.9%
Plan fiduciary net position as a percentage of the total pension liability	99.1%	93.4%

Notes to Schedule:

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

Plan amendments. 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.

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 Investment Returns
Annual Money-Weighted Rate of Return, Net of Investment Expense
Employee Retirement Systems and Plans**

	6/30/2015	6/30/2014	6/30/2013
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Single-employer defined benefit pension plan:

State Police Retirement Fund	-0.3%	10.4%	7.5%
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Notes:

1. 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.
2. 6/30/14 and 6/30/13 annual money-weighted rate of returns are corrected from the prior year.



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 (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, 2015
(amounts expressed in thousands)

	General Fund			
	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues:				
Taxes:				
Income	\$ 6,288,605	\$ 6,288,605	\$ 6,241,817	\$ (46,788)
Sales	7,442,100	7,442,100	7,197,472	(244,628)
Gaming	506,100	506,100	57,301	(448,799)
Inheritance	115,000	115,000	-	(115,000)
Alcohol and tobacco	275,300	275,300	269,659	(5,641)
Insurance	192,200	192,200	216,272	24,072
Other	233,690	233,690	305,648	71,958
Total taxes	15,052,995	15,052,995	14,289,889	(763,106)
Current service charges	61,933	61,933	156,590	94,657
Investment income	20,000	20,000	18,027	(1,973)
Sales/rents	2,117	2,117	471	(1,646)
Grants	-	-	6,071	6,071
Other	57,640	57,640	51,623	(6,017)
Total revenues	15,194,685	15,194,685	14,522,671	(672,014)
Expenditures:				
Current:				
General government	1,140,186	2,358,885	1,163,108	1,195,777
Public safety	1,427,670	915,490	887,881	27,609
Health	53,067	47,409	44,734	2,675
Welfare	3,647,102	1,043,291	704,227	339,064
Conservation, culture and development	133,219	71,791	59,033	12,758
Education	9,607,434	9,525,323	9,352,458	172,865
Transportation	243,000	2,587	547	2,040
Debt service:				
Capital lease principal	-	-	6,096	(6,096)
Capital lease interest	-	-	5,029	(5,029)
Total expenditures	16,251,678	13,964,776	12,223,113	1,741,663
Excess of revenues over (under) expenditures	(1,056,993)	1,229,909	2,299,558	(1,069,649)
Other financing sources (uses):				
Total other financing sources (uses)	(2,093,410)	(2,093,410)	(2,093,410)	-
Net change in fund balances	\$ (3,150,403)	\$ (863,501)	206,148	\$ 1,069,649
Fund balances July 1, as restated			2,543,350	
Fund balances June 30			\$ 2,749,498	

Public Welfare-Medicaid Assistance				Major Moves Construction Fund			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
946,978	946,978	877,195	(69,783)	-	-	-	-
-	-	-	-	4,796	4,796	8,995	4,199
5,942,798	5,942,798	6,665,936	723,138	-	-	-	-
29	29	-	(29)	-	-	-	-
<u>6,889,805</u>	<u>6,889,805</u>	<u>7,543,131</u>	<u>653,326</u>	<u>4,796</u>	<u>4,796</u>	<u>8,995</u>	<u>4,199</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	13,024,471	9,332,498	3,691,973	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,600	40,981	40,981	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	13,024,471	9,332,498	3,691,973	2,600	40,981	40,981	-
6,889,805	(6,134,666)	(1,789,367)	(4,345,299)	2,196	(36,185)	(31,986)	(4,199)
1,996,054	1,996,054	1,996,054	-	102,225	102,225	102,225	-
<u>\$ 8,885,859</u>	<u>\$ (4,138,612)</u>	206,687	<u>\$ 4,345,299</u>	<u>\$ 104,421</u>	<u>\$ 66,040</u>	70,239	<u>\$ 4,199</u>
		348,306				637,302	
		<u>\$ 554,993</u>				<u>\$ 707,541</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	Total
Net change in fund balances (budgetary basis)	\$ 206,148	\$ 206,687	\$ 70,239	\$ 483,074
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)	8,082	(249,656)	(3,582)	(245,155)
Expenditures are recorded when the liability is incurred (GAAP) as opposed to when payment is made (budgetary)	50,236	110,573	(264)	160,545
Net change in fund balances (GAAP basis)	\$ 264,465	\$ 67,605	\$ 66,394	\$ 398,464

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

Roads	Average International Roughness Index (IRI), Right Wheal Path (RWP)		
	2015	2014	2013
Interstate Roads (excluding Rest Areas and Weigh Stations)	78.6	78.6	85.1
NHS Roads - Non-Interstate (excluding Rest Areas and Weigh Stations)	90.9	92.0	100.1
Non-NHS Roads	100.9	99.3	102.2

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 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.

The State changed its methodology for reporting IRI from all wheel paths collected to right wheel path in 2014. The 2013 averages are restated.

Bridges	Average Sufficiency Rating		
	2015	2014	2013
Interstate Bridges	90.1%	90.1%	90.1%
NHS Bridges - Non-Interstate	90.2%	90.0%	89.7%
Non-NHS Bridges	90.2%	89.3%	88.8%

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.

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Roads					
Interstate Roads (including Rest Areas and Weigh Stations):					
Planned	\$ 89,148	\$ 161,222	\$ 189,542	\$ 205,878	\$ 222,707
Actual	104,327	160,064	123,699	165,740	194,727
NHS and Non-NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)					
Planned	146,134	260,501	282,843	296,337	314,282
Actual	167,298	245,864	298,356	337,507	364,173
Roads at State Institutions and Properties					
Planned	-	868	1,030	1,699	2,046
Actual	-	322	3,132	5,183	3,386
Total					
Planned	235,282	422,591	473,415	503,914	539,035
Actual	271,625	406,250	425,187	508,430	562,286
Bridges					
Interstate Bridges					
Planned	\$ 59,637	\$ 40,755	\$ 46,568	\$ 55,371	\$ 62,746
Actual	44,736	28,728	36,820	58,245	54,505
NHS Bridges - Non-Interstate					
Planned	46,121	37,982	51,418	41,395	27,240
Actual	38,240	32,121	28,553	26,733	27,085
Non-NHS Bridges					
Planned	79,775	63,939	76,918	106,891	84,736
Actual	67,345	49,030	80,470	102,491	73,713
Bridges at State Institutions and Properties					
Planned	-	-	-	1	-
Actual	-	-	752	108	-
Total					
Planned	185,533	142,676	174,904	203,658	174,722
Actual	150,321	109,879	146,595	187,577	155,303

Source: Indiana Department of Transportation