



Indiana Auditor of State
Suzanne Crouch

News Release

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Indiana Closes Fiscal Year on Strong Financial Footing

State ends Fiscal Year 2016 with a \$50.6 million surplus; reserves at highest amount ever

Indianapolis – Lieutenant Governor Eric Holcomb joined State Auditor Suzanne Crouch today to discuss the state's fiscal condition following the close of Fiscal Year 2016 (FY 2016). They released the state's 2016 Closeout Report, which highlights Indiana's accomplishments in the last year and demonstrates Indiana's sound fiscal health.

The report shows that the state ended FY 2016 with a structural surplus of \$50.6 million, despite revenues that were below forecast, primarily because of low gas prices. Reserves are at the highest amount ever in Indiana, at more than \$2.24 billion. This was achieved in spite of the fact that Indiana's total revenue growth in FY 2016 is \$111.3 million below the most recent, downward revised forecast and \$78.5 million below actual revenue collected in FY 2015.

"Hoosiers should be encouraged that Indiana's financial record remains strong and their tax dollars are being used wisely," said Governor Mike Pence. "In the last year, we provided additional funding to strengthen Indiana's roads and bridges, prioritized education, and bolstered regional collaboration and economic development by investing in our Regional Cities Initiative. We are able to cut taxes while still funding our priorities and maintaining our highest reserve level yet because of our prudent fiscal management and commonsense policies."

"Hoosiers deserve to know their hard-earned dollars are being spent in a responsible manner," said Lieutenant Governor Eric Holcomb. "In Indiana, every tax dollar is spent with serious consideration and respect for the individuals who earned those dollars. By keeping prudent reserves and identifying areas of potential growth, we can continue to make Indiana a fiscal leader."

Indiana remains fiscally strong and is one of only 12 states in the nation to maintain a AAA credit rating with all three major credit rating agencies. Standard and Poor's reaffirmed Indiana's AAA credit rating in April, and Fitch Ratings reaffirmed the state's AAA credit rating in June.

"Serving as Indiana's Chief Financial Officer, my office accounts for and reports on our state's income and expenditures," said State Auditor Suzanne Crouch. "By operating with a balanced budget and living

within our means, Indiana has maintained strong reserves as well as our AAA credit rating. Focusing on maximizing efficiency and ensuring every dollar is spent in a transparent and accountable manner, I'm proud to report back to hard-working Hoosiers that once again, Indiana remains a model of fiscal integrity."

The Governor signed into law the biennial budget for fiscal years 2016-2017 on May 7, 2015. The budget is honestly balanced, holds the line on spending, reduces state debt, and maintains reserves while also making historic investments in education, innovation, and reform.

The FY 2016 Closeout Report is available at <http://www.in.gov/sba/2362.htm>. FY 16 Closeout Statements can be found attached.

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Elected in 2014 as Indiana's 56th State Auditor, Suzanne Crouch serves as the state's Chief Financial Officer and the administrator of the [Indiana Transparency Portal](#). Prior to becoming State Auditor, Crouch served eight years as the State Representative for House District 78 in Evansville.
in.gov/auditor

**FY 2015-2016 CLOSE OUT
SURPLUS STATEMENT**
(Millions of Dollars)

	Actual FY 2016	Estimated FY 2017
Beginning Balance	2,141.2	2,244.5
Current Year Revenues		
Actual (Forecasted) Revenue	14,819.9	15,343.3
Hospital Assessment Fee (HAF)	160.0	160.0
Quality Assessment Fee (QAF)	49.0	49.0
Miscellaneous Unforecasted Revenue	12.2	12.2
Outside Acts (Revenues)	-	12.7
Total Current Year Revenues	15,041.1	15,577.2
Current Year Expenses		
HEA 1001-2015 Appropriations	15,219.4	15,678.7
Outside Acts (Unbudgeted Expenses)	-	3.6
Augmentations and Expenditure Adjustments	12.1	5.0
Judgments and Settlements	9.8	8.0
Stadium/Convention Center/State Fair Coliseum Reversion	(111.7)	(111.8)
Reversions	(139.1)	(134.3)
Total Current Year Expenditures	14,990.5	15,449.2
<i>Annual Rate of Change</i>	0.63%	3.06%
Annual Surplus / (Deficit) (Current Year Revenues - Current Year Expenses)	50.6	128.0

Other Sources and (Uses) of Cash

Reversions (Distributions, Capital and Reconciliations)	46.4	20.0
Unspent Prior Year Medicaid Appropriations	162.1	-
Rainy Day Fund Interest	1.3	2.1
Rainy Day Fund Loans/Repayments (Net)	1.2	1.0
Tuition Reserve Fund Interest	0.8	0.8
Line Item State Agency and University Capital	(55.3)	(17.7)
Major Moves 2020 Distributions	(100.0)	(100.0)
Political Subdivision Risk Management Fund Transfer	4.6	-
Unemployment Insurance Loan Payoff	(250.0)	-
Unemployment Insurance Loan Payoff Reimbursement	250.0	-
Tax Amnesty Remainder	11.9	-
TRF/PERF 13th Check	(20.3)	-
55% of Excess Reserves to State Highway Fund per HEA 1001-2016	-	(235.3)
45% of Excess Reserves to Local Road & Bridge Matching Grant Fund per HEA 1001-2016	-	(192.6)
Total Combined Balances	2,244.5	1,850.8
<i>Net Combined Balance as a Percent of the Following Year's Operating Appropriations</i>	14.3%	
<i>Net Combined Balance as a Percent of the Following Year's Total Appropriations</i>	14.2%	

Excess Reserves Calculation	427.9
	1,816.6
	11.50%

**FY 2015-2016 CLOSE OUT
GENERAL FUND
COMBINED STATEMENT OF ESTIMATED UNAPPROPRIATED RESERVE**

(Millions of Dollars)

	Actual FY 2016	Estimated FY 2017
<u>Resources:</u>		
Working Balance at July 1	887.0	776.3
Current Year Resources		
Actual Forecasted Revenue	14,819.9	15,343.3
Hospital Assessment Fee (HAF)	160.0	160.0
Quality Assessment Fee (QAF)	49.0	49.0
Miscellaneous Unforecasted Revenue	12.2	12.2
Outside Acts (Revenues)	-	12.7
Tax Amnesty Remainder	11.9	-
Political Subdivision Risk Management Fund Transfer	4.6	-
Total Current Year Resources	15,057.6	15,577.2
Total Resources	15,944.6	16,353.5
<u>Uses - Appropriations, Expenditures, and Reversions:</u>		
Appropriations		
HEA 1001-2015 Appropriations	15,219.4	15,678.7
TRF/PERF 13th Check	20.3	-
Line Item State Agency and University Capital	55.3	17.7
Major Moves 2020 Distributions	100.0	100.0
Total Appropriations	15,395.0	15,796.4
Other Expenditures and Transfers		
Augmentations and Expenditure Adjustments	12.1	5.0
Outside Acts (Unbudgeted Expenses)	-	3.6
55% of Excess Reserves to State Highway Fund	-	235.3
45% of Excess Reserves to Local Road & Bridge Matching Grant Fund	-	192.6
Unspent Prior Year Medicaid Appropriations	(162.1)	-
Stadium/Convention Center/State Fair Coliseum Reversion	(111.7)	(111.8)
Unemployment Insurance Loan Payoff	250.0	-
Unemployment Insurance Loan Payoff Reimbursement	(250.0)	-
Judgments and Settlements	9.8	8.0
Rainy Day Fund Transfer	165.5	93.4
Transfer of Tuition Support Reversion to Tuition Reserve	45.1	-
Total Appropriations and Expenditures	15,353.7	16,222.5
Reversions	(185.5)	(154.3)
Total Net Uses	15,168.2	16,068.2
General Fund Reserve Balance at June 30	776.3	285.3
<u>Reserved Balances:</u>		
Medicaid Reserve	577.6	577.6
State Tuition Reserve	345.9	346.7
Rainy Day Fund	544.6	641.1
Total Combined Balances	2,244.5	1,850.8
<i>Net Combined Balance as a Percent of Current Year Resources (Operating Revenues)</i>	14.9%	11.9%
<i>Net Combined Balance as a Percent of the Following Year's Total Appropriations</i>	14.2%	

Totals may not add due to rounding