

# BASIC FINANCIAL STATEMENTS



# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**State of Indiana**  
**Statement of Net Assets**  
**June 30, 2012**  
(amounts expressed in thousands)

|   | Primary Government      |                          |                   | Component Units   |
|---|-------------------------|--------------------------|-------------------|-------------------|
|   | Governmental Activities | Business-type Activities | Total             |                   |
| <b>Assets:</b>  |                         |                          |                   |                   |
| Current assets:   |                         |                          |                   |                   |
| Cash, cash equivalents and investments                        | \$ 7,358,669            | \$ 108,674               | \$ 7,467,343      | \$ 4,054,799      |
| Securities lending collateral                                 | 142,338                 | -                        | 142,338           | 129,632           |
| Receivables (net)   | 2,737,998               | 99,677                   | 2,837,675         | 604,502           |
| Intergovernmental receivables                                 | -                       | -                        | -                 | 264,750           |
| Inventory   | 5,274                   | 555                      | 5,829             | 17,033            |
| Prepaid expenses  | -                       | 90                       | 90                | 8,577             |
| Loans   | 70,308                  | -                        | 70,308            | 216,685           |
| Due from component unit                                       | 4,786                   | -                        | 4,786             | -                 |
| Investment in direct financing lease                          | -                       | -                        | -                 | 66,934            |
| Funds held in trust by others                                 | -                       | -                        | -                 | 23,402            |
| Other current assets  | -                       | -                        | -                 | 84,739            |
| <b>Total current assets</b>                                   | <b>10,319,373</b>       | <b>208,996</b>           | <b>10,528,369</b> | <b>5,471,054</b>  |
| Noncurrent assets:  |                         |                          |                   |                   |
| Cash, cash equivalents and investments - restricted           | -                       | -                        | -                 | 3,520,770         |
| Taxes, interest, and penalties receivable                     | 552,466                 | -                        | 552,466           | -                 |
| Pollution remediation recovery                                | 17,855                  | -                        | 17,855            | -                 |
| Other receivables   | 129                     | -                        | 129               | 438,551           |
| Investments - unrestricted                                    | -                       | -                        | -                 | 4,648,386         |
| Loans   | 367,528                 | -                        | 367,528           | 3,185,101         |
| Bond issuance costs net of amortization                       | -                       | -                        | -                 | 40,667            |
| Intergovernmental loans                                       | -                       | -                        | -                 | 1,652,945         |
| Due from primary government                                   | -                       | -                        | -                 | 50,000            |
| Investment in direct financing lease                          | -                       | -                        | -                 | 2,196,175         |
| Deferred outflow - derivative instrument                      | -                       | -                        | -                 | 288,454           |
| Net pension assets  | 29,042                  | -                        | 29,042            | 1,727             |
| Other postemployment benefits                                 | 27,728                  | -                        | 27,728            | 26,407            |
| Other noncurrent assets                                       | -                       | -                        | -                 | 33,535            |
| Capital assets:   |                         |                          |                   |                   |
| Land  | 1,709,958               | -                        | 1,709,958         | 606,532           |
| Infrastructure  | 8,946,814               | -                        | 8,946,814         | 910,621           |
| Construction in progress                                      | 1,806,023               | -                        | 1,806,023         | 581,107           |
| Property, plant, and equipment                                | 2,110,654               | 410                      | 2,111,064         | 11,126,238        |
| Computer software   | 40,113                  | -                        | 40,113            | -                 |
| Less accumulated depreciation/amortization                    | (1,253,453)             | (350)                    | (1,253,803)       | (4,991,354)       |
| <b>Total capital assets, net of depreciation/amortization</b> | <b>13,360,109</b>       | <b>60</b>                | <b>13,360,169</b> | <b>8,233,144</b>  |
| <b>Total noncurrent assets</b>                                | <b>14,354,857</b>       | <b>60</b>                | <b>14,354,917</b> | <b>24,315,862</b> |
| <b>Total assets</b>   | <b>24,674,230</b>       | <b>209,056</b>           | <b>24,883,286</b> | <b>29,786,916</b> |
| <b>Liabilities:</b>   |                         |                          |                   |                   |
| Current liabilities:  |                         |                          |                   |                   |
| Accounts payable  | 2,022,256               | 536                      | 2,022,792         | 362,062           |
| Claims payable  | -                       | 3,888                    | 3,888             | 18,736            |
| Interest payable  | -                       | -                        | -                 | 147,065           |
| Current portion of long-term debt                             | -                       | -                        | -                 | 908,398           |
| Intergovernmental payable                                     | 169,670                 | -                        | 169,670           | -                 |
| Due to primary government                                     | -                       | -                        | -                 | 4,786             |
| Capital lease payable   | 51,198                  | -                        | 51,198            | 1,885             |
| Accrued prize liability                                       | -                       | -                        | -                 | 70,408            |
| Salaries, health, disability, and benefits payable            | 143,274                 | 356                      | 143,630           | 118,748           |
| Tax refunds payable   | 41,536                  | -                        | 41,536            | -                 |
| Unearned revenue  | 43                      | 4,552                    | 4,595             | 376,588           |
| Accrued liability for compensated absences                    | 77,295                  | 205                      | 77,500            | 85,684            |
| Due to federal government (net)                               | -                       | 1,716,825                | 1,716,825         | -                 |
| Pollution remediation payable                                 | 7,260                   | -                        | 7,260             | 766               |
| Securities lending payable                                    | 52                      | -                        | 52                | -                 |
| Securities lending collateral                                 | 142,338                 | -                        | 142,338           | 129,632           |
| Deposits held in custody for others                           | -                       | -                        | -                 | 91,400            |
| Other current liabilities                                     | 6,003                   | 598                      | 6,601             | 10,013            |
| <b>Total current liabilities</b>                              | <b>2,660,925</b>        | <b>1,726,960</b>         | <b>4,387,885</b>  | <b>2,326,170</b>  |

**State of Indiana**  
**Statement of Net Assets**  
**June 30, 2012**  
(amounts expressed in thousands)

|  | Primary Government      |                          |                      | Component Units      |
|--|-------------------------|--------------------------|----------------------|----------------------|
|  | Governmental Activities | Business-type Activities | Total                |                      |
| Long-term liabilities:                         |                         |                          |                      |                      |
| Accrued liability for compensated absences     | 63,754                  | 251                      | 64,005               | 69,890               |
| Claims payable                                 | -                       | 26,283                   | 26,283               | -                    |
| Intergovernmental payable                      | 20,000                  | -                        | 20,000               | -                    |
| Accrued prize liability                        | -                       | -                        | -                    | 124,241              |
| Net pension obligations                        | 1,344,297               | -                        | 1,344,297            | -                    |
| Other postemployment benefits                  | 119,631                 | -                        | 119,631              | 75,475               |
| Pollution remediation payable                  | 38,691                  | -                        | 38,691               | 2,797                |
| Due to component unit                          | 50,000                  | -                        | 50,000               | -                    |
| Unearned revenue                               | -                       | -                        | -                    | 3,439,716            |
| Capital lease payable                          | 1,158,779               | -                        | 1,158,779            | 2,611                |
| Funds held in trust for others                 | -                       | -                        | -                    | 181,223              |
| Advances from federal government               | -                       | -                        | -                    | 30,653               |
| Revenue bonds/notes payable                    | -                       | -                        | -                    | 11,292,774           |
| Derivative instrument liability                | -                       | -                        | -                    | 288,454              |
| Other noncurrent liabilities                   | -                       | -                        | -                    | 87,662               |
| Total long-term liabilities                    | 2,795,152               | 26,534                   | 2,821,686            | 15,595,496           |
| <b>Total liabilities</b>                       | <b>5,456,077</b>        | <b>1,753,494</b>         | <b>7,209,571</b>     | <b>17,921,666</b>    |
| <b>Net Assets:</b>                             |                         |                          |                      |                      |
| Invested in capital assets net of related debt | 12,150,131              | 60                       | 12,150,191           | 4,209,228            |
| Restricted-nonexpendable:                      |                         |                          |                      |                      |
| Grants/constitutional restrictions             | -                       | -                        | -                    | 58,973               |
| Permanent funds                                | 501,125                 | -                        | 501,125              | 72,442               |
| Future debt service                            | -                       | -                        | -                    | 192,798              |
| Public safety programs                         | -                       | -                        | -                    | 2,713                |
| Capital projects                               | -                       | -                        | -                    | 5,231                |
| Pension fund distribution                      | -                       | -                        | -                    | 425                  |
| Instruction and research                       | -                       | -                        | -                    | 700,842              |
| Student aid                                    | -                       | -                        | -                    | 740,945              |
| Other purposes                                 | -                       | -                        | -                    | 298,717              |
| Total restricted-nonexpendable                 | 501,125                 | -                        | 501,125              | 2,073,086            |
| Restricted-expendable:                         |                         |                          |                      |                      |
| Instruction and research                       | -                       | -                        | -                    | 587,321              |
| Grants/constitutional restrictions             | 363,212                 | -                        | 363,212              | 8,418                |
| Endowments                                     | -                       | -                        | -                    | 407,214              |
| Future debt service                            | -                       | -                        | -                    | 307,722              |
| Public safety programs                         | -                       | -                        | -                    | 6,599                |
| Student aid                                    | -                       | -                        | -                    | 705,529              |
| Auxiliary enterprises                          | -                       | -                        | -                    | 2,396                |
| Capital projects                               | -                       | -                        | -                    | 223,210              |
| Repairs and rehabilitation                     | -                       | -                        | -                    | 167                  |
| Water pollution and drinking water projects    | -                       | -                        | -                    | 1,189,748            |
| Other purposes                                 | -                       | -                        | -                    | 474,160              |
| Total restricted-expendable                    | 363,212                 | -                        | 363,212              | 3,912,484            |
| Unrestricted                                   | 6,203,685               | (1,544,498)              | 4,659,187            | 1,670,451            |
| <b>Total net assets</b>                        | <b>\$ 19,218,153</b>    | <b>\$ (1,544,438)</b>    | <b>\$ 17,673,715</b> | <b>\$ 11,865,249</b> |

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, 2012**  
 (amounts expressed in thousands)

|   | Net (Expense) Revenue and Changes in Net Assets |                      |                                    |                                  |                         |                      |
|---|---|----------------------|------------------------------------|----------------------------------|-------------------------|----------------------|
|   | Expenses  | Program Revenues     |                                    | Primary Government               |                         | Component Units      |
|   |   | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |                      |
| <b>Functions/Programs</b>                   |   |                      |                                    |                                  |                         |                      |
| <b>Primary government:</b>                  |   |                      |                                    |                                  |                         |                      |
| Governmental activities:                    |   |                      |                                    |                                  |                         |                      |
| General government                          | \$ 2,642,538                                    | \$ 705,733           | \$ 335,985                         | \$ (1,600,820)                   | \$ (1,600,820)          | \$ -                 |
| Public safety                               | 1,352,723                                       | 467,629              | 164,712                            | (720,382)                        | (720,382)               | -                    |
| Health                                      | 305,292   | 8,407                | 243,295                            | (53,590)                         | (53,590)                | -                    |
| Welfare                                     | 11,157,862                                      | 861,089              | 7,642,677                          | (2,654,096)                      | (2,654,096)             | -                    |
| Conservation, culture and development       | 589,248   | 155,943              | 272,867                            | (160,438)                        | (160,438)               | -                    |
| Education                                   | 10,277,808                                      | 4,381                | 1,204,174                          | (9,069,253)                      | (9,069,253)             | -                    |
| Transportation                              | 1,535,689                                       | 54,977               | 1,223,744                          | (256,968)                        | (256,968)               | -                    |
| Unallocated interest expense                | 662   | -                    | -                                  | (662)                            | (662)                   | -                    |
| Total governmental activities               | <u>27,861,822</u>                               | <u>2,258,159</u>     | <u>11,087,454</u>                  | <u>(14,516,209)</u>              | <u>(14,516,209)</u>     | <u>-</u>             |
| Business-type activities                    |   |                      |                                    |                                  |                         |                      |
| Unemployment Compensation Fund              | 1,844,794                                       | 983,708              | 1,002,329                          | -                                | 141,243                 | 141,243              |
| Malpractice Insurance Authority             | 2,045   | 2,098                | -                                  | -                                | 53                      | 53                   |
| Inns and Concessions                        | 21,018  | 24,088               | -                                  | -                                | 3,070                   | 3,070                |
| Total business-type activities              | <u>1,867,857</u>                                | <u>1,009,894</u>     | <u>1,002,329</u>                   | <u>-</u>                         | <u>144,366</u>          | <u>-</u>             |
| Total primary government                    | <u>\$ 29,729,679</u>                            | <u>\$ 3,268,053</u>  | <u>\$ 12,089,783</u>               | <u>(14,516,209)</u>              | <u>(14,371,843)</u>     | <u>-</u>             |
| <b>Component units:</b>                     |   |                      |                                    |                                  |                         |                      |
| Governmental                                | 43,162  | 240                  | 11,309                             | -                                | -                       | (31,613)             |
| Proprietary                                 | 2,045,267                                       | 1,465,160            | 758,801                            | 324                              | -                       | 179,018              |
| Colleges and universities                   | 6,203,281                                       | 3,293,396            | 1,120,681                          | 56,765                           | -                       | (1,732,449)          |
| Total component units                       | <u>\$ 8,291,710</u>                             | <u>\$ 4,758,796</u>  | <u>\$ 1,890,791</u>                | <u>\$ 57,079</u>                 | <u>-</u>                | <u>(1,585,041)</u>   |
| <b>General Revenues:</b>                    |   |                      |                                    |                                  |                         |                      |
| Income tax                                  |   |                      |                                    | \$ 5,411,333                     | \$ -                    | \$ 5,411,333         |
| Sales tax                                   |   |                      |                                    | 6,519,533                        | -                       | 6,519,533            |
| Fuels tax                                   |   |                      |                                    | 760,991                          | -                       | 760,991              |
| Gaming tax                                  |   |                      |                                    | 867,055                          | -                       | 867,055              |
| Unemployment tax                            |   |                      |                                    | 102                              | -                       | 102                  |
| Inheritance tax                             |   |                      |                                    | 169,769                          | -                       | 169,769              |
| Alcohol & Tobacco tax                       |   |                      |                                    | 478,794                          | -                       | 478,794              |
| Insurance tax                               |   |                      |                                    | 206,733                          | -                       | 206,733              |
| Financial Institutions tax                  |   |                      |                                    | 73,194                           | -                       | 73,194               |
| Other tax                                   |   |                      |                                    | 240,854                          | -                       | 240,854              |
| Total taxes                                 |   |                      |                                    | <u>14,728,358</u>                | <u>-</u>                | <u>14,728,358</u>    |
| Revenue not restricted to specific programs |   |                      |                                    | -                                | -                       | -                    |
| Investment earnings                         |   |                      |                                    | 16,345                           | 3,753                   | 20,098               |
| Payments from State of Indiana              |   |                      |                                    | -                                | -                       | -                    |
| Other                                       |   |                      |                                    | 90,078                           | -                       | 90,078               |
| Transfers within primary government         |   |                      |                                    | 2,101                            | (2,101)                 | -                    |
| Total general revenues and transfers        |   |                      |                                    | <u>14,836,882</u>                | <u>1,652</u>            | <u>14,838,534</u>    |
| Changes in net assets                       |   |                      |                                    | 320,673                          | 146,018                 | 466,691              |
| Net assets - beginning, as restated         |   |                      |                                    | 18,897,480                       | (1,690,456)             | 17,207,024           |
| Net assets - ending                         |   |                      |                                    | <u>\$ 19,218,153</u>             | <u>\$ (1,544,438)</u>   | <u>\$ 17,673,715</u> |

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, 2012

(amounts expressed in thousands)

|   | <u>General Fund</u> | <u>Public Welfare-<br/>Medicaid<br/>Assistance Fund</u> | <u>Major Moves<br/>Construction<br/>Fund</u> | <u>ARRA of 2009</u> |
|---|---------------------|---|--|---------------------|
| <b>Assets:</b>                                      |                     |   |  |                     |
| Cash, cash equivalents and investments-unrestricted | \$ 2,401,239        | \$ 579,016  | \$ 1,181,875                                 | \$ 14,146           |
| Securities lending collateral                       | 82,386              | -   | 49,938                                       | -                   |
| Receivables:  |                     |   |  |                     |
| Taxes (net of allowance for uncollectible accounts) | 1,630,025           | -   | -  | -                   |
| Securities lending                                  | 24                  | -   | 24   | -                   |
| Accounts  | 13,913              | 164,738   | -  | 39                  |
| Grants  | 2                   | 541,307   | -  | 3,945               |
| Interest  | 6,387               | -   | -  | -                   |
| Interfund loans                                     | 81,915              | -   | -  | -                   |
| Due from component unit                             | 1,693               | -   | -  | -                   |
| Loans   | 12,026              | -   | -  | -                   |
|   | <u>\$ 4,229,610</u> | <u>\$ 1,285,061</u>                                     | <u>\$ 1,231,837</u>                          | <u>\$ 18,130</u>    |
| Total assets  |                     |   |  |                     |
|   | <u>\$ 4,229,610</u> | <u>\$ 1,285,061</u>                                     | <u>\$ 1,231,837</u>                          | <u>\$ 18,130</u>    |
| <b>Liabilities:</b>                                 |                     |   |  |                     |
| Accounts payable                                    | \$ 146,766          | \$ 871,027  | \$ 38  | \$ 4,177            |
| Salaries and benefits payable                       | 43,261              | -   | -  | -                   |
| Interfund loans                                     | -                   | -   | -  | -                   |
| Interfund services used                             | 2,489               | -   | -  | 22                  |
| Intergovernmental payable                           | 40,913              | -   | -  | -                   |
| Tax refunds payable                                 | 27,807              | -   | -  | -                   |
| Deferred revenue                                    | 508,304             | -   | -  | -                   |
| Accrued liability for compensated absences-current  | 2,965               | -   | -  | -                   |
| Pollution remediation payable                       | 3                   | -   | -  | -                   |
| Securities lending payable                          | 24                  | -   | 24   | -                   |
| Securities lending collateral                       | 82,386              | -   | 49,938                                       | -                   |
|   | <u>854,918</u>      | <u>871,027</u>  | <u>50,000</u>                                | <u>4,199</u>        |
| Total liabilities                                   |                     |   |  |                     |
|   | <u>854,918</u>      | <u>871,027</u>  | <u>50,000</u>                                | <u>4,199</u>        |
| <b>Fund balance:</b>                                |                     |   |  |                     |
| Nonspendable  | -                   | -   | -  | -                   |
| Restricted  | 363,212             | -   | -  | -                   |
| Committed   | 20,859              | -   | -  | -                   |
| Assigned  | 652,032             | 414,034   | 1,181,837                                    | 13,931              |
| Unassigned  | 2,338,589           | -   | -  | -                   |
|   | <u>3,374,692</u>    | <u>414,034</u>  | <u>1,181,837</u>                             | <u>13,931</u>       |
| Total fund balances                                 |                     |   |  |                     |
|   | <u>3,374,692</u>    | <u>414,034</u>  | <u>1,181,837</u>                             | <u>13,931</u>       |
| <b>Total liabilities and fund balances</b>          | <u>\$ 4,229,610</u> | <u>\$ 1,285,061</u>                                     | <u>\$ 1,231,837</u>                          | <u>\$ 18,130</u>    |

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

| <u>US Department<br/>of Transportation</u> | <u>US Department<br/>of Health &amp;<br/>Human Services</u> | <u>Non-Major<br/>Governmental<br/>Funds</u> | <u>Total</u>         |
|--|---|---|----------------------|
| \$ -                                       | \$ -  | \$ 3,111,098                                | \$ 7,287,374         |
| -  | -   | 10,014                                      | 142,338              |
| -  | -   | 148,502                                     | 1,778,527            |
| -  | -   | 4   | 52                   |
| 6,062                                      | -   | 41,405                                      | 226,157              |
| 95,684                                     | 78,370  | 159,015                                     | 878,323              |
| -  | -   | 85  | 6,472                |
| -  | -   | -   | 81,915               |
| -  | -   | 3,093                                       | 4,786                |
| -  | -   | 425,809                                     | 437,835              |
| <u>\$ 101,746</u>                          | <u>\$ 78,370</u>  | <u>\$ 3,899,025</u>                         | <u>\$ 10,843,779</u> |
| \$ 163,869                                 | \$ 91,173   | 207,581                                     | \$ 1,484,631         |
| 51   | 7,663   | 40,816                                      | 91,791               |
| 18,582                                     | 58,560  | 4,773                                       | 81,915               |
| 7  | 1,042   | 3,391                                       | 6,951                |
| -  | -   | 118,757                                     | 159,670              |
| -  | -   | 13,729                                      | 41,536               |
| -  | -   | 49,997                                      | 558,301              |
| 3  | 530   | 2,750                                       | 6,248                |
| -  | -   | 72  | 75                   |
| -  | -   | 4   | 52                   |
| -  | -   | 10,014                                      | 142,338              |
| <u>182,512</u>                             | <u>158,968</u>  | <u>451,884</u>                              | <u>2,573,508</u>     |
| -  | -   | 501,125                                     | 501,125              |
| -  | -   | -   | 363,212              |
| -  | -   | 1,058,919                                   | 1,079,778            |
| -  | -   | 1,984,283                                   | 4,246,117            |
| <u>(80,766)</u>                            | <u>(80,598)</u>   | <u>(97,186)</u>                             | <u>2,080,039</u>     |
| <u>(80,766)</u>                            | <u>(80,598)</u>   | <u>3,447,141</u>                            | <u>8,270,271</u>     |
| <u>\$ 101,746</u>                          | <u>\$ 78,370</u>  | <u>\$ 3,899,025</u>                         | <u>\$ 10,843,779</u> |



**State of Indiana**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**June 30, 2012**  
(amounts expressed in thousands)

**Total fund balances-governmental funds** \$ 8,270,271

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                                      | \$ 1,709,958 |            |
| Infrastructure assets                     | 8,946,814    |            |
| Construction in progress                  | 1,806,023    |            |
| Property, plant, and equipment            | 2,081,440    |            |
| Accumulated depreciation                  | (1,202,846)  |            |
| Total capital assets, net of depreciation |              | 13,341,389 |

The State's pension funds have net pension assets not reported as assets in the funds. 29,042

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    | 558,263 |         |
| Accounts receivable | 64,837  |         |
|                     |         | 623,100 |

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

|                        |           |           |
|------------------------|-----------|-----------|
| Accounts payable       | (249,607) |           |
| Litigation liabilities | (6,000)   |           |
| Pollution remediation  | (28,021)  |           |
|                        |           | (283,628) |

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. 56,204

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   | (130,120)   |             |
| Other postemployment benefits                | (91,903)    |             |
| Loan from the Indiana Board for Depositories | (50,000)    |             |
| Capital lease payable                        | (1,201,905) |             |
| Net pension obligations                      | (1,344,297) |             |
| Total long-term liabilities                  |             | (2,818,225) |

**Net assets of governmental activities** \$ 19,218,153

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, 2012**  
(amounts expressed in thousands)

|   | <u>General Fund</u>        | <u>Public Welfare-<br/>Medicaid<br/>Assistance Fund</u> | <u>Major Moves<br/>Construction<br/>Fund</u> | <u>ARRA of 2009</u>     |
|---|----------------------------|---|--|-------------------------|
| <b>Revenues:</b>  |                            |   |  |                         |
| Taxes:  |                            |   |  |                         |
| Income  | \$ 5,759,944               | \$ -  | \$ -   | \$ -                    |
| Sales   | 6,643,529                  | -   | -  | -                       |
| Fuels   | -                          | -   | -  | -                       |
| Gaming  | 88,806                     | -   | -  | -                       |
| Unemployment  | -                          | -   | -  | 58                      |
| Inheritance   | 169,792                    | -   | -  | -                       |
| Alcohol and tobacco                                       | 299,117                    | -   | -  | -                       |
| Insurance   | 202,437                    | -   | -  | -                       |
| Financial Institutions                                    | -                          | -   | -  | -                       |
| Other   | 229,771                    | -   | -  | -                       |
| Total taxes   | <u>13,393,396</u>          | <u>-</u>  | <u>-</u>                                     | <u>58</u>               |
| Current service charges                                   | 219,472                    | 771,336   | -  | -                       |
| Investment income   | 16,344                     | -   | 37,340                                       | -                       |
| Sales/rents   | 5,503                      | -   | -  | -                       |
| Grants  | 12,151                     | 4,920,546   | -  | 348,329                 |
| Other   | 84,576                     | 20,552  | -  | 1                       |
| Total revenues  | <u>13,731,442</u>          | <u>5,712,434</u>  | <u>37,340</u>                                | <u>348,388</u>          |
| <b>Expenditures:</b>                                      |                            |   |  |                         |
| Current:  |                            |   |  |                         |
| General government  | 1,599,461                  | -   | -  | 85,667                  |
| Public safety   | 708,233                    | -   | -  | 8,778                   |
| Health  | 42,650                     | -   | -  | 4,335                   |
| Welfare   | 601,031                    | 7,243,646   | -  | 88,645                  |
| Conservation, culture and development                     | 53,859                     | -   | -  | 6,067                   |
| Education   | 8,696,505                  | -   | -  | 61,345                  |
| Transportation  | 1,295                      | -   | 42,108                                       | 50,027                  |
| Total expenditures  | <u>11,703,034</u>          | <u>7,243,646</u>  | <u>42,108</u>                                | <u>304,864</u>          |
| Excess (deficiency) of revenues over (under) expenditures | <u>2,028,408</u>           | <u>(1,531,212)</u>                                      | <u>(4,768)</u>                               | <u>43,524</u>           |
| <b>Other financing sources (uses):</b>                    |                            |   |  |                         |
| Transfers in  | 1,401,233                  | 1,984,049   | -  | -                       |
| Transfers (out)   | (3,116,679)                | (177,712)   | (543,342)                                    | (36)                    |
| Proceeds from capital lease                               | 28,650                     | -   | -  | -                       |
| Total other financing sources (uses)                      | <u>(1,686,796)</u>         | <u>1,806,337</u>  | <u>(543,342)</u>                             | <u>(36)</u>             |
| <b>Net change in fund balances</b>                        | <u>341,612</u>             | <u>275,125</u>  | <u>(548,110)</u>                             | <u>43,488</u>           |
| <b>Fund Balance July 1, as restated</b>                   | <u>3,033,080</u>           | <u>138,909</u>  | <u>1,729,947</u>                             | <u>(29,557)</u>         |
| <b>Fund Balance June 30</b>                               | <u><b>\$ 3,374,692</b></u> | <u><b>\$ 414,034</b></u>                                | <u><b>\$ 1,181,837</b></u>                   | <u><b>\$ 13,931</b></u> |

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

| <u>US Department<br/>of Transportation</u> | <u>US Department<br/>of Health &amp;<br/>Human Services</u> | <u>Non-Major<br/>Governmental<br/>Funds</u> | <u>Total</u>        |
|--|---|---|---------------------|
| \$ -                                       | \$ -  | \$ 178                                      | \$ 5,760,122        |
| -  | -   | 9,347                                       | 6,652,876           |
| -  | -   | 779,081                                     | 779,081             |
| -  | -   | 778,267                                     | 867,073             |
| -  | -   | 44  | 102                 |
| -  | -   | -   | 169,792             |
| -  | -   | 177,561                                     | 476,678             |
| -  | -   | 4,297                                       | 206,734             |
| -  | -   | 94,490                                      | 94,490              |
| -  | -   | 20,622                                      | 250,393             |
| -  | -   | 1,863,887                                   | 15,257,341          |
| 5  | 1,510   | 1,225,239                                   | 2,217,562           |
| -  | -   | 31,783                                      | 85,467              |
| -  | -   | 23,020                                      | 28,523              |
| 1,073,489                                  | 934,124   | 3,561,659                                   | 10,850,298          |
| 40   | 17  | 55,585                                      | 160,771             |
| <u>1,073,534</u>                           | <u>935,651</u>  | <u>6,761,173</u>                            | <u>28,599,962</u>   |
| 1,529                                      | 17,346  | 893,361                                     | 2,597,364           |
| 20,206                                     | 7,531   | 598,467                                     | 1,343,215           |
| -  | 101,581   | 160,428                                     | 308,994             |
| 13   | 1,268,961   | 1,869,878                                   | 11,072,174          |
| 2,044                                      | -   | 476,324                                     | 538,294             |
| -  | 2,175   | 1,429,001                                   | 10,189,026          |
| 1,299,742                                  | -   | 1,051,418                                   | 2,444,590           |
| <u>1,323,534</u>                           | <u>1,397,594</u>  | <u>6,478,877</u>                            | <u>28,493,657</u>   |
| <u>(250,000)</u>                           | <u>(461,943)</u>  | <u>282,296</u>                              | <u>106,305</u>      |
| 168,635                                    | 352,170   | 2,160,656                                   | 6,066,743           |
| (92,541)                                   | (14,951)  | (2,079,931)                                 | (6,025,192)         |
| -  | 23  | 3,144                                       | 31,817              |
| <u>76,094</u>                              | <u>337,242</u>  | <u>83,869</u>                               | <u>73,368</u>       |
| (173,906)                                  | (124,701)   | 366,165                                     | 179,673             |
| 93,140                                     | 44,103  | 3,080,976                                   | 8,090,598           |
| <u>\$ (80,766)</u>                         | <u>\$ (80,598)</u>  | <u>\$ 3,447,141</u>                         | <u>\$ 8,270,271</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, 2012**  
(amounts expressed in thousands)

|   |                   |
|---|-------------------|
| Net change in fund balances-total governmental funds  | \$ 179,673        |
| 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.             | 839,935           |
| 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 (\$119,771) exceeds depreciation of \$67,639 in the current period. | (52,132)          |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  |                   |
| Tax revenue   | (529,271)         |
| Non-tax revenue   | 205               |
| 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  | 30,567            |
| Statutory expenses  | 10,000            |
| Amounts due to component units  | 15,145            |
| 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  | (1,572)           |
| Increase in net pension obligations   | (136,393)         |
| The change in other postemployment benefits do not provide or require the use of current financial resources.   | 26,326            |
| 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.                                     | (61,810)          |
| Change in net assets of governmental activities.  | <u>\$ 320,673</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, 2012**

(amounts expressed in thousands)

|   | Unemployment<br>Compensation Fund | Non-Major Enterprise<br>Funds | Total                        | Internal Service<br>Funds |
|---|-----------------------------------|-------------------------------|------------------------------|---------------------------|
| <b>Assets</b>   |                                   |                               |                              |                           |
| Current assets:                                       |                                   |                               |                              |                           |
| Cash, cash equivalents and investments - unrestricted | \$ 34,658                         | \$ 74,016                     | \$ 108,674                   | \$ 71,293                 |
| Receivables:  |                                   |                               |                              |                           |
| Accounts  | 96,359                            | 786                           | 97,145                       | 25,354                    |
| Interest  | -                                 | 541                           | 541                          | -                         |
| Grants  | 1,991                             | -                             | 1,991                        | -                         |
| Interfund services provided                           | -                                 | -                             | -                            | 6,951                     |
| Inventory   | -                                 | 555                           | 555                          | 5,274                     |
| Prepaid expenses                                      | -                                 | 90                            | 90                           | -                         |
| Total current assets                                  | <u>133,008</u>                    | <u>75,988</u>                 | <u>208,996</u>               | <u>108,872</u>            |
| Noncurrent assets:                                    |                                   |                               |                              |                           |
| Capital assets:                                       |                                   |                               |                              |                           |
| Property, plant, and equipment                        | -                                 | 410                           | 410                          | 69,327                    |
| Less accumulated depreciation                         | -                                 | (350)                         | (350)                        | (50,607)                  |
| Total capital assets, net of depreciation             | <u>-</u>                          | <u>60</u>                     | <u>60</u>                    | <u>18,720</u>             |
| Total noncurrent assets                               | <u>-</u>                          | <u>60</u>                     | <u>60</u>                    | <u>18,720</u>             |
| <b>Total assets</b>                                   | <b><u>133,008</u></b>             | <b><u>76,048</u></b>          | <b><u>209,056</u></b>        | <b><u>127,592</u></b>     |
| <b>Liabilities</b>                                    |                                   |                               |                              |                           |
| Current liabilities:                                  |                                   |                               |                              |                           |
| Accounts payable                                      | -                                 | 536                           | 536                          | 7,144                     |
| Claims payable  | -                                 | 3,888                         | 3,888                        | -                         |
| Salaries and benefits payable                         | -                                 | 356                           | 356                          | 2,688                     |
| Capital lease payable                                 | -                                 | -                             | -                            | 306                       |
| Health/disability benefits payable                    | -                                 | -                             | -                            | 48,795                    |
| Accrued liability for compensated absences            | -                                 | 205                           | 205                          | 2,554                     |
| Due to federal government (net)                       | 1,716,825                         | -                             | 1,716,825                    | -                         |
| Deferred revenue                                      | -                                 | 4,552                         | 4,552                        | 5                         |
| Other liabilities                                     | -                                 | 598                           | 598                          | 3                         |
| Total current liabilities                             | <u>1,716,825</u>                  | <u>10,135</u>                 | <u>1,726,960</u>             | <u>61,495</u>             |
| Noncurrent liabilities:                               |                                   |                               |                              |                           |
| Accrued liability for compensated absences            | -                                 | 251                           | 251                          | 2,127                     |
| Capital lease payable                                 | -                                 | -                             | -                            | 7,766                     |
| Claims payable  | -                                 | 26,283                        | 26,283                       | -                         |
| Total noncurrent liabilities                          | <u>-</u>                          | <u>26,534</u>                 | <u>26,534</u>                | <u>9,893</u>              |
| <b>Total liabilities</b>                              | <b><u>1,716,825</u></b>           | <b><u>36,669</u></b>          | <b><u>1,753,494</u></b>      | <b><u>71,388</u></b>      |
| <b>Net assets</b>                                     |                                   |                               |                              |                           |
| Invested in capital assets net of related debt        | -                                 | 60                            | 60                           | 10,647                    |
| Unrestricted  | <u>(1,583,817)</u>                | <u>39,319</u>                 | <u>(1,544,498)</u>           | <u>45,557</u>             |
| <b>Total net assets</b>                               | <b><u>\$ (1,583,817)</u></b>      | <b><u>\$ 39,379</u></b>       | <b><u>\$ (1,544,438)</u></b> | <b><u>\$ 56,204</u></b>   |

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, 2012**

(amounts expressed in thousands)

|  | Unemployment<br>Compensation Fund | Non-Major<br>Enterprise<br>Funds | Total                 | Internal Service<br>Funds |
|--|-----------------------------------|----------------------------------|-----------------------|---------------------------|
| <b>Operating revenues:</b>                       |                                   |                                  |                       |                           |
| Sales/rents/premiums                             | \$ -                              | \$ 25,993                        | \$ 25,993             | \$ 509,972                |
| Employer contributions                           | 983,708                           | -                                | 983,708               | -                         |
| Charges for services                             | -                                 | -                                | -                     | 7,874                     |
| Federal revenues                                 | 996,911                           | -                                | 996,911               | -                         |
| Other  | -                                 | 193                              | 193                   | 1,129                     |
| <b>Total operating revenues</b>                  | <b>1,980,619</b>                  | <b>26,186</b>                    | <b>2,006,805</b>      | <b>518,975</b>            |
| Cost of sales                                    | -                                 | 4,248                            | 4,248                 | 23,670                    |
| <b>Gross margin</b>                              | <b>1,980,619</b>                  | <b>21,938</b>                    | <b>2,002,557</b>      | <b>495,305</b>            |
| <b>Operating expenses:</b>                       |                                   |                                  |                       |                           |
| General and administrative expense               | 2,183                             | 17,256                           | 19,439                | 142,710                   |
| Claims expense                                   | -                                 | 1,501                            | 1,501                 | -                         |
| Health / disability benefit payments             | -                                 | -                                | -                     | 353,753                   |
| Unemployment compensation benefits               | 1,782,305                         | -                                | 1,782,305             | -                         |
| Depreciation and amortization                    | -                                 | 24                               | 24                    | 6,726                     |
| Other  | -                                 | 34                               | 34                    | 14,029                    |
| <b>Total operating expenses</b>                  | <b>1,784,488</b>                  | <b>18,815</b>                    | <b>1,803,303</b>      | <b>517,218</b>            |
| <b>Operating income (loss)</b>                   | <b>196,131</b>                    | <b>3,123</b>                     | <b>199,254</b>        | <b>(21,913)</b>           |
| <b>Nonoperating revenues (expenses):</b>         |                                   |                                  |                       |                           |
| Interest and other investment income             | -                                 | 3,753                            | 3,753                 | 1                         |
| Interest and other investment expense            | (60,306)                          | -                                | (60,306)              | (662)                     |
| Gain (Loss) on disposition of assets             | -                                 | -                                | -                     | 204                       |
| Federal grants                                   | 5,418                             | -                                | 5,418                 | -                         |
| Other  | -                                 | -                                | -                     | 10                        |
| <b>Total nonoperating revenues (expenses)</b>    | <b>(54,888)</b>                   | <b>3,753</b>                     | <b>(51,135)</b>       | <b>(447)</b>              |
| <b>Income before contributions and transfers</b> | <b>141,243</b>                    | <b>6,876</b>                     | <b>148,119</b>        | <b>(22,360)</b>           |
| Transfers in                                     | -                                 | -                                | -                     | 550                       |
| Transfers (out)                                  | -                                 | (2,101)                          | (2,101)               | (40,000)                  |
| <b>Change in net assets</b>                      | <b>141,243</b>                    | <b>4,775</b>                     | <b>146,018</b>        | <b>(61,810)</b>           |
| <b>Total net assets, July 1, as restated</b>     | <b>(1,725,060)</b>                | <b>34,604</b>                    | <b>(1,690,456)</b>    | <b>118,014</b>            |
| <b>Total net assets, June 30</b>                 | <b>\$ (1,583,817)</b>             | <b>\$ 39,379</b>                 | <b>\$ (1,544,438)</b> | <b>\$ 56,204</b>          |

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, 2012**

(amounts expressed in thousands)

|  | Unemployment<br>Compensation<br>Fund | Non-Major<br>Enterprise Funds | Total             | Internal Service<br>Funds |
|--|--------------------------------------|-------------------------------|-------------------|---------------------------|
| <b>Cash flows from operating activities:</b>                         |                                      |                               |                   |                           |
| Cash received from customers   | \$ 1,046,126                         | \$ 26,229                     | \$ 1,072,355      | \$ 515,476                |
| Cash paid for general and administrative                             | (2,183)                              | (17,383)                      | (19,566)          | (156,065)                 |
| Cash paid for salary/health/disability benefit payments              | -                                    | -                             | -                 | (347,979)                 |
| Cash paid to suppliers   | -                                    | (4,251)                       | (4,251)           | (24,957)                  |
| Cash paid for claims expense   | (2,728,160)                          | (4,393)                       | (2,732,553)       | -                         |
| Net cash provided (used) by operating activities                     | (1,684,217)                          | 202                           | (1,684,015)       | (13,525)                  |
| <b>Cash flows from noncapital financing activities:</b>              |                                      |                               |                   |                           |
| Transfers in   | -                                    | -                             | -                 | 550                       |
| Transfers out  | -                                    | (2,101)                       | (2,101)           | (40,000)                  |
| Loan from federal government   | 2,639,785                            | -                             | 2,639,785         | -                         |
| Repayment of loan from federal government                            | (922,958)                            | -                             | (922,958)         | -                         |
| Federal grants   | 6,890                                | -                             | 6,890             | -                         |
| Net cash provided (used) by noncapital financing activities          | 1,723,717                            | (2,101)                       | 1,721,616         | (39,450)                  |
| <b>Cash flows from capital and related financing activities:</b>     |                                      |                               |                   |                           |
| Acquisition/construction of capital assets                           | -                                    | -                             | -                 | (5,409)                   |
| Proceeds from sale of assets   | -                                    | -                             | -                 | 555                       |
| Principal payments -- capital leases                                 | -                                    | -                             | -                 | (306)                     |
| Interest paid  | -                                    | -                             | -                 | (662)                     |
| Net cash provided (used) by capital and related financing activities | -                                    | -                             | -                 | (5,822)                   |
| <b>Cash flows from investing activities:</b>                         |                                      |                               |                   |                           |
| Proceeds from sales of investments                                   | -                                    | 5,000                         | 5,000             | -                         |
| Purchase of investments  | -                                    | (2,758)                       | (2,758)           | -                         |
| Interest income (expense) on investments                             | (60,306)                             | 2,473                         | (57,833)          | 1                         |
| Net cash provided (used) by investing activities                     | (60,306)                             | 4,715                         | (55,591)          | 1                         |
| <b>Net increase (decrease) in cash and cash equivalents</b>          | (20,806)                             | 2,816                         | (17,990)          | (58,796)                  |
| <b>Cash and cash equivalents, July 1</b>                             | 55,464                               | 5,235                         | 60,699            | 130,089                   |
| <b>Cash and cash equivalents, June 30</b>                            | <b>\$ 34,658</b>                     | <b>\$ 8,051</b>               | <b>\$ 42,709</b>  | <b>\$ 71,293</b>          |
| <b>Reconciliation of cash , cash equivalents and investments:</b>    |                                      |                               |                   |                           |
| Cash and cash equivalents unrestricted at end of year                | \$ 34,658                            | \$ 8,051                      | \$ 42,709         | \$ 71,293                 |
| Investments unrestricted   | -                                    | 65,965                        | 65,965            | -                         |
| <b>Cash, cash equivalents and investments per balance sheet</b>      | <b>\$ 34,658</b>                     | <b>\$ 74,016</b>              | <b>\$ 108,674</b> | <b>\$ 71,293</b>          |
| <b>Noncash investing, capital and financing activities:</b>          |                                      |                               |                   |                           |
| Increase (Decrease) in fair value of investments                     | \$ -                                 | \$ 1,351                      | \$ 1,351          | \$ -                      |

**State of Indiana**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2012**

(amounts expressed in thousands)

|   | <b>Unemployment<br/>Compensation<br/>Fund</b> | <b>Non-Major<br/>Enterprise Funds</b> | <b>Total</b>          | <b>Internal Service<br/>Funds</b> |
|---|---|---------------------------------------|-----------------------|-----------------------------------|
| <b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>        |   |                                       |                       |                                   |
| Operating income (loss)   | \$ 196,131                                    | \$ 3,123                              | \$ 199,254            | \$ (21,913)                       |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |   |                                       |                       |                                   |
| Depreciation/amortization expense   | -   | 24                                    | 24                    | 6,726                             |
| (Increase) decrease in receivables  | (11,533)                                      | 68                                    | (11,465)              | (2,913)                           |
| (Increase) decrease in interfund services provided  | -   | -                                     | -                     | (242)                             |
| (Increase) decrease in inventory  | -   | (3)                                   | (3)                   | (851)                             |
| (Increase) decrease in prepaid expenses   | -   | (15)                                  | (15)                  | -                                 |
| Increase (decrease) in claims payable   | -   | (2,892)                               | (2,892)               | -                                 |
| Increase (decrease) in health and disability benefits payable   | -   | -                                     | -                     | 5,775                             |
| Increase (decrease) in accounts payable   | (1,868,815)                                   | (15)                                  | (1,868,830)           | (1,034)                           |
| Increase (decrease) in deferred revenue   | -   | (62)                                  | (62)                  | (304)                             |
| Increase (decrease) in salaries payable   | -   | (116)                                 | (116)                 | 746                               |
| Increase (decrease) in compensated absences   | -   | (16)                                  | (16)                  | 484                               |
| Increase (decrease) in other payables   | -   | 106                                   | 106                   | 1                                 |
| Net cash provided (used) by operating activities  | <u>\$ (1,684,217)</u>                         | <u>\$ 202</u>                         | <u>\$ (1,684,015)</u> | <u>\$ (13,525)</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, 2012**  
(amounts expressed in thousands)

|  | Pension and Other<br>Employee Benefit<br>Trust Funds | Private-Purpose<br>Trust Funds | Investment Trust<br>Fund | Agency Funds             |
|--|--|--------------------------------|--------------------------|--------------------------|
| <b>Assets:</b>   |  |                                |                          |                          |
| Cash, cash equivalents and non-pension investments               | \$ 292,365   | \$ 54,441                      | \$ -                     | \$ 369,259               |
| Securities lending collateral                                    | 902,596  | -                              | -                        | -                        |
| Repurchase agreements  | 97,490   | -                              | -                        | -                        |
| Receivables:   |  |                                |                          |                          |
| Taxes  | -  | 4,384                          | -                        | 143,583                  |
| Contributions  | 201,334  | -                              | -                        | -                        |
| Interest   | 87,664   | 3                              | 49                       | -                        |
| Member loans   | 228  | -                              | -                        | -                        |
| From investment sales  | 1,700,515  | -                              | -                        | -                        |
| Other  | 1,213  | -                              | -                        | 53                       |
| Total receivables  | <u>1,990,954</u>                                     | <u>4,387</u>                   | <u>49</u>                | <u>143,636</u>           |
| Pension and other employee benefit investments at fair value:    |  |                                |                          |                          |
| Short term investments   | 2,494,039  | -                              | -                        | -                        |
| Equity Securities  | 6,318,255  | -                              | -                        | -                        |
| Debt Securities  | 11,911,678   | -                              | -                        | -                        |
| Mutual Funds and Collective Trust Funds                          | 131,336  | -                              | -                        | -                        |
| Other  | 6,219,243  | -                              | -                        | -                        |
| Total investments  | <u>27,074,551</u>                                    | <u>-</u>                       | <u>-</u>                 | <u>-</u>                 |
| Pool Investments at Amortized Cost:                              |  |                                |                          |                          |
| Cash and cash equivalents  | -  | -                              | 224,075                  | -                        |
| U.S. Government Agencies   | -  | -                              | 39,079                   | -                        |
| Commercial Paper   | -  | -                              | 110,667                  | -                        |
| Total investments  | <u>-</u>   | <u>-</u>                       | <u>373,821</u>           | <u>-</u>                 |
| Other assets   | 125  | -                              | -                        | -                        |
| Property, plant and equipment<br>net of accumulated depreciation | <u>10,929</u>  | <u>-</u>                       | <u>-</u>                 | <u>-</u>                 |
| <b>Total assets</b>  | <b><u>30,369,010</u></b>                             | <b><u>58,828</u></b>           | <b><u>373,870</u></b>    | <b><u>\$ 512,895</u></b> |
| <b>Liabilities:</b>  |  |                                |                          |                          |
| Accounts/escrows payable   | 6,309  | 1,497                          | -                        | \$ 497,737               |
| Salaries and benefits payable                                    | 2,116  | -                              | -                        | -                        |
| Management fee payable   | -  | -                              | 31                       | -                        |
| Benefits payable   | 1,195  | -                              | -                        | -                        |
| Distributions payable  | -  | -                              | 4                        | -                        |
| Intergovernmental payable  | -  | 2,451                          | -                        | -                        |
| Investment purchases payable                                     | 3,067,466  | -                              | -                        | -                        |
| Securities purchased payable                                     | 155,631  | -                              | -                        | -                        |
| Securities lending collateral                                    | 902,596  | -                              | -                        | -                        |
| Other  | -  | -                              | 16                       | 15,158                   |
| <b>Total liabilities</b>   | <b><u>4,135,313</u></b>                              | <b><u>3,948</u></b>            | <b><u>51</u></b>         | <b><u>\$ 512,895</u></b> |
| <b>Net assets:</b>   |  |                                |                          |                          |
| Held in trust for:   |  |                                |                          |                          |
| Employees' pension benefits                                      | 25,935,649   | -                              | -                        | -                        |
| OPEB benefits  | 281,161  | -                              | -                        | -                        |
| Future death benefits  | 12,366   | -                              | -                        | -                        |
| Local units  | 4,521  | -                              | -                        | -                        |
| Trust beneficiaries  | -  | 54,880                         | -                        | -                        |
| Local government investment pool participants                    | -  | -                              | 373,819                  | -                        |
| <b>Total net assets</b>  | <b><u>\$ 26,233,697</u></b>                          | <b><u>\$ 54,880</u></b>        | <b><u>\$ 373,819</u></b> | <b><u>-</u></b>          |

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, 2012**

(amounts expressed in thousands)

|   | Pension and Other<br>Employee Benefit<br>Trust Funds | Private-Purpose<br>Trust Funds | Investment Trust<br>Fund |
|---|--|--------------------------------|--------------------------|
| <b>Additions:</b>                             |  |                                |                          |
| Member contributions                          | \$ 341,611   | \$ 3,988                       | \$ 428,966               |
| Employer contributions                        | 1,695,631  | -                              | -                        |
| Contributions from the State of Indiana       | 89,763   | -                              | -                        |
| Net investment income (loss)                  | 300,315  | 48                             | 1,164                    |
| Taxes   | -  | 84,243                         | -                        |
| Less investment expense                       | (119,318)  | -                              | (1)                      |
| Federal reimbursements                        | 481  | -                              | -                        |
| Donations/escheats                            | -  | 112,083                        | -                        |
| Transfers in                                  | 20,339   | -                              | -                        |
| Reinvestment of distributions                 | -  | -                              | 564                      |
| Other   | 300  | -                              | -                        |
| <b>Total additions</b>                        | <b>2,329,122</b>                                     | <b>200,362</b>                 | <b>430,693</b>           |
| <b>Deductions:</b>                            |  |                                |                          |
| Pension and disability benefits               | 2,063,840  | -                              | -                        |
| Retiree health benefits                       | 13,163   | -                              | -                        |
| Death benefits                                | 938  | -                              | -                        |
| Payments to participants/beneficiaries        | -  | 187,625                        | 565                      |
| Refunds of contributions and interest         | 95,431   | -                              | 675,382                  |
| Administrative                                | 31,984   | -                              | 414                      |
| Pension relief distributions                  | 224,220  | -                              | -                        |
| Capital projects                              | 9,359  | -                              | -                        |
| Transfers out                                 | 20,339   | -                              | -                        |
| Other   | 250  | -                              | 186                      |
| <b>Total deductions</b>                       | <b>2,459,524</b>                                     | <b>187,625</b>                 | <b>676,547</b>           |
| <b>Net increase (decrease) in net assets</b>  | <b>(130,402)</b>                                     | <b>12,737</b>                  | <b>(245,854)</b>         |
| Net assets held in trust, July 1, as restated | 26,364,099   | 42,143                         | 619,673                  |
| <b>Net assets held in trust, June 30</b>      | <b>\$ 26,233,697</b>                                 | <b>\$ 54,880</b>               | <b>\$ 373,819</b>        |

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, 2012**  
**(amounts expressed in thousands)**

|  | Governmental      | Proprietary       | Colleges and Universities | Total                |
|--|-------------------|-------------------|---------------------------|----------------------|
| <b>Assets:</b>                                     |                   |                   |                           |                      |
| Current assets:                                    |                   |                   |                           |                      |
| Cash, cash equivalents and investment              | \$ 138,007        | \$ 2,040,668      | \$ 1,876,124              | \$ 4,054,799         |
| Securities lending collateral                      | -                 | 76,035            | 53,597                    | 129,632              |
| Receivables (net)                                  | 153               | 189,627           | 414,722                   | 604,502              |
| Intergovernmental receivable                       | -                 | 264,750           | -                         | 264,750              |
| Inventory  | -                 | 680               | 16,353                    | 17,033               |
| Prepaid expenses                                   | -                 | 2,800             | 5,777                     | 8,577                |
| Loans receivable                                   | 910               | 215,775           | -                         | 216,685              |
| Investment in direct financing lease               | -                 | 66,934            | -                         | 66,934               |
| Funds held in trust by other:                      | -                 | -                 | 23,402                    | 23,402               |
| Other current assets                               | -                 | 14,734            | 70,005                    | 84,739               |
| <b>Total current assets</b>                        | <b>139,071</b>    | <b>2,872,003</b>  | <b>2,459,980</b>          | <b>5,471,054</b>     |
| Noncurrent assets                                  |                   |                   |                           |                      |
| Cash, cash equivalents and investments - restricte | -                 | 1,320,081         | 2,200,689                 | 3,520,770            |
| Other receivables                                  | -                 | 1,506             | 437,045                   | 438,551              |
| Investments - unrestricte                          | -                 | 400,522           | 4,247,864                 | 4,648,386            |
| Loans receivable                                   | 28,328            | 3,156,773         | -                         | 3,185,101            |
| Bond issuance costs net of amortization            | -                 | 37,714            | 2,953                     | 40,667               |
| Intergovernmental loan:                            | -                 | 1,652,945         | -                         | 1,652,945            |
| Due from primary government                        | -                 | 50,000            | -                         | 50,000               |
| Investment in direct financing lease               | -                 | 2,196,175         | -                         | 2,196,175            |
| Deferred outflow - derivative instrumen            | -                 | 285,068           | 3,386                     | 288,454              |
| Net pension assets                                 | -                 | 1,727             | -                         | 1,727                |
| Other postemployment benefits                      | -                 | -                 | 26,407                    | 26,407               |
| Other noncurrent asset:                            | -                 | 5,662             | 27,873                    | 33,535               |
| Capital assets:                                    |                   |                   |                           |                      |
| Land   | -                 | 242,135           | 364,397                   | 606,532              |
| Infrastructure                                     | -                 | 538,207           | 372,414                   | 910,621              |
| Construction in progres:                           | -                 | 54,654            | 526,453                   | 581,107              |
| Property, plant, and equipmen                      | 381               | 1,434,436         | 9,691,421                 | 11,126,238           |
| Less accumulated depreciator                       | (155)             | (623,701)         | (4,367,498)               | (4,991,354)          |
| Capital assets, net of accumulated depreciator     | 226               | 1,645,731         | 6,587,187                 | 8,233,144            |
| Total noncurrent asset:                            | 28,554            | 10,753,904        | 13,533,404                | 24,315,862           |
| <b>Total assets</b>                                | <b>167,625</b>    | <b>13,625,907</b> | <b>15,993,384</b>         | <b>29,786,916</b>    |
| <b>Liabilities:</b>                                |                   |                   |                           |                      |
| Current liabilities                                |                   |                   |                           |                      |
| Accounts payable                                   | 2,254             | 46,996            | 312,812                   | 362,062              |
| Claims payable                                     | -                 | 18,736            | -                         | 18,736               |
| Interest payable                                   | -                 | 115,415           | 31,650                    | 147,065              |
| Current portion of long-term deb                   | -                 | 646,360           | 262,038                   | 908,398              |
| Due to primary governmen                           | -                 | 3,093             | 1,693                     | 4,786                |
| Capital lease payable                              | -                 | -                 | 1,885                     | 1,885                |
| Accrued prize liability                            | -                 | 70,408            | -                         | 70,408               |
| Salaries, health, disability, and benefits payabl  | 318               | 173               | 118,257                   | 118,748              |
| Deferred revenue                                   | 19,896            | 108,035           | 248,657                   | 376,588              |
| Accrued liability for compensated absence:         | 263               | 177               | 85,244                    | 85,684               |
| Pollution remediation payable                      | -                 | 482               | 284                       | 766                  |
| Securities lending collateral                      | -                 | 76,035            | 53,597                    | 129,632              |
| Deposits held in custody for other:                | -                 | 32,529            | 58,871                    | 91,400               |
| Other current liabilities:                         | -                 | 4,746             | 5,267                     | 10,013               |
| <b>Total current liabilities:</b>                  | <b>22,730</b>     | <b>1,123,185</b>  | <b>1,180,255</b>          | <b>2,326,170</b>     |
| Long-term liabilities                              |                   |                   |                           |                      |
| Accrued liability for compensated absence:         | 103               | 199               | 69,588                    | 69,890               |
| Accrued prize liability                            | -                 | 124,241           | -                         | 124,241              |
| Other postemployment benefits                      | -                 | -                 | 75,475                    | 75,475               |
| Pollution remediation payable                      | -                 | 2,797             | -                         | 2,797                |
| Deferred revenue                                   | -                 | 3,402,662         | 37,054                    | 3,439,716            |
| Capital lease payable                              | -                 | -                 | 2,611                     | 2,611                |
| Funds held in trust for other:                     | -                 | -                 | 181,223                   | 181,223              |
| Advances from federal governmen                    | -                 | 1,830             | 28,823                    | 30,653               |
| Revenue bonds/notes payable                        | -                 | 8,608,434         | 2,684,340                 | 11,292,774           |
| Derivative instrument liability:                   | -                 | 285,068           | 3,386                     | 288,454              |
| Other noncurrent liabilities:                      | -                 | 3,786             | 83,876                    | 87,662               |
| <b>Total long-term liabilities</b>                 | <b>103</b>        | <b>12,429,017</b> | <b>3,166,376</b>          | <b>15,595,496</b>    |
| <b>Total liabilities</b>                           | <b>22,833</b>     | <b>13,552,202</b> | <b>4,346,631</b>          | <b>17,921,666</b>    |
| <b>Net Assets:</b>                                 |                   |                   |                           |                      |
| Invested in capital assets net of related det      | 226               | 391,459           | 3,817,543                 | 4,209,228            |
| Restricted-nonexpendable                           |                   |                   |                           |                      |
| Grants/constitutional restriction:                 | -                 | 58,973            | -                         | 58,973               |
| Permanent funds                                    | -                 | -                 | 72,442                    | 72,442               |
| Future debt service                                | -                 | 192,798           | -                         | 192,798              |
| Public safety programs                             | -                 | -                 | 2,713                     | 2,713                |
| Capital projects                                   | -                 | 673               | 4,558                     | 5,231                |
| Pension fund distributor                           | -                 | 425               | -                         | 425                  |
| Instruction and researc                            | -                 | -                 | 700,842                   | 700,842              |
| Student aid  | -                 | 217               | 740,728                   | 740,945              |
| Other purposes                                     | -                 | -                 | 298,717                   | 298,717              |
| <b>Total restricted-nonexpendable</b>              | <b>-</b>          | <b>253,086</b>    | <b>1,820,000</b>          | <b>2,073,086</b>     |
| Restricted-expendable                              |                   |                   |                           |                      |
| Instruction and researc                            | -                 | -                 | 587,321                   | 587,321              |
| Grants/constitutional restriction:                 | -                 | 1,688             | 6,730                     | 8,418                |
| Endowments   | -                 | 113               | 407,101                   | 407,214              |
| Future debt service                                | -                 | 281,014           | 26,708                    | 307,722              |
| Public safety programs                             | -                 | -                 | 6,599                     | 6,599                |
| Student aid  | -                 | -                 | 705,529                   | 705,529              |
| Auxiliary enterprises:                             | -                 | -                 | 2,396                     | 2,396                |
| Capital projects                                   | -                 | 17,459            | 205,751                   | 223,210              |
| Repairs and rehabilitator                          | -                 | 167               | -                         | 167                  |
| Water pollution and drinking water project:        | -                 | 1,189,748         | -                         | 1,189,748            |
| Other purposes                                     | -                 | 1,865             | 472,295                   | 474,160              |
| <b>Total restricted-expendable</b>                 | <b>-</b>          | <b>1,492,054</b>  | <b>2,420,430</b>          | <b>3,912,484</b>     |
| Unrestricted                                       | 144,565           | (2,062,894)       | 3,588,780                 | 1,670,451            |
| <b>Total net assets</b>                            | <b>\$ 144,791</b> | <b>\$ 73,705</b>  | <b>\$ 11,646,753</b>      | <b>\$ 11,865,249</b> |

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, 2012  
 (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                | Governmental | Proprietary | Colleges and Universities | Net (Expense) Revenue |
| Governmental                                | \$ 43,162        | \$ 240               | \$ 11,309                          | \$ -  | \$ (31,613)  | \$ -        | \$ -                      | \$ (31,613)           |
| Proprietary                                 | 2,045,267        | 1,465,160            | 758,801                            | 324   | -            | 179,018     | -                         | 179,018               |
| Colleges and universities                   | 6,203,281        | 3,293,396            | 1,120,681                          | 56,755  | -            | -           | (1,732,449)               | (1,732,449)           |
| Total component units                       | \$ 8,291,710     | \$ 4,758,796         | \$ 1,890,791                       | \$ 57,079                                       | (31,613)     | 179,018     | (1,732,449)               | (1,585,044)           |
| General Revenues:                           |                  |                      |                                    |   |              |             |                           |                       |
| Gaming tax                                  |                  |                      |                                    |   | 1,005        | -           | -                         | 1,005                 |
| Revenue not restricted to specific programs |                  |                      |                                    |   | -            | 101,358     | 101,432                   | 202,790               |
| Investment earnings                         |                  |                      |                                    |   | 43,298       | 17,837      | 1,429,864                 | 1,490,999             |
| Payments from State of Indiana              |                  |                      |                                    |   | -            | 5,833       | 656,567                   | 662,400               |
| Other                                       |                  |                      |                                    |   | 44,303       | 125,028     | 2,187,863                 | 2,357,194             |
| Total general revenues                      |                  |                      |                                    |   | 12,690       | 304,046     | 455,414                   | 772,150               |
| Change in net assets                        |                  |                      |                                    |   | 132,101      | (230,341)   | 11,191,339                | 11,093,099            |
| Net assets - beginning, as restated         |                  |                      |                                    |   | \$ 144,791   | \$ 73,705   | \$ 11,646,753             | \$ 11,865,249         |
| 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, 2012**  
(amounts expressed in thousands)

|   | Indiana Finance Authority | Indiana Bond Bank | Indiana Housing and<br>Community Development<br>Authority | Board for Depositories | Secondary Market for<br>Education Loans |
|---|---------------------------|-------------------|---|------------------------|---|
| <b>Assets</b>                                       |                           |                   |   |                        |   |
| Current assets:                                     |                           |                   |   |                        |   |
| Cash, cash equivalents and investments              | \$ 1,107,422              | \$ 99,667         | \$ 367,469  | \$ 149,651             | \$ 158,973                              |
| Securities lending collateral                       | -                         | -                 | -   | -                      | -                                       |
| Receivables (net)                                   | 95,678                    | 21,476            | 4,170   | 607                    | 35,669                                  |
| Intergovernmental receivable                        | -                         | 264,750           | -   | -                      | -                                       |
| Inventory   | -                         | -                 | -   | -                      | -                                       |
| Prepaid expenses                                    | -                         | -                 | -   | 7                      | 1,398                                   |
| Loans   | 124,311                   | -                 | 17,950  | -                      | 73,514                                  |
| Investment in direct financing lease                | 66,754                    | -                 | -   | -                      | -                                       |
| Other current assets                                | 9                         | -                 | 14,725  | -                      | -                                       |
| <b>Total current assets</b>                         | <b>1,394,174</b>          | <b>385,893</b>    | <b>404,314</b>  | <b>150,265</b>         | <b>269,554</b>                          |
| Noncurrent assets:                                  |                           |                   |   |                        |   |
| Cash, cash equivalents and investments - restricted | -                         | 29,775            | 1,032,609   | 100,171                | -                                       |
| Other receivables                                   | -                         | -                 | 1,498   | -                      | -                                       |
| Investments - unrestricted                          | 342,383                   | -                 | 40,161  | -                      | 17,978                                  |
| Loans receivable                                    | 2,813,597                 | -                 | 29,854  | -                      | 1,290,274                               |
| Bond issuance costs, net of amortization            | 12,644                    | 17,630            | 7,127   | -                      | -                                       |
| Intergovernmental loans                             | -                         | 1,652,945         | -   | -                      | -                                       |
| Due from primary government                         | -                         | -                 | -   | 50,000                 | -                                       |
| Investment in direct financing lease                | 1,241,795                 | -                 | -   | -                      | -                                       |
| Deferred outflow - derivative instrument            | 252,801                   | 14,617            | 17,649  | -                      | -                                       |
| Net pension assets                                  | -                         | -                 | -   | -                      | -                                       |
| Other noncurrent assets                             | 125                       | -                 | 131   | -                      | 5,186                                   |
| Capital assets:                                     |                           |                   |   |                        |   |
| Land  | 85,330                    | -                 | -   | -                      | -                                       |
| Infrastructure                                      | 483,460                   | -                 | -   | -                      | -                                       |
| Construction in progress                            | 40,515                    | -                 | -   | -                      | -                                       |
| Property, plant, and equipment                      | 1,278,568                 | -                 | 6,268   | 237                    | 1,491                                   |
| Less accumulated depreciation                       | (482,303)                 | -                 | (4,059)   | (204)                  | (1,264)                                 |
| <b>Total capital assets, net of depreciation</b>    | <b>1,405,570</b>          | <b>-</b>          | <b>2,209</b>  | <b>33</b>              | <b>227</b>                              |
| <b>Total noncurrent assets</b>                      | <b>6,068,915</b>          | <b>1,714,967</b>  | <b>1,131,238</b>  | <b>150,204</b>         | <b>1,313,665</b>                        |
| <b>Total assets</b>                                 | <b>7,463,089</b>          | <b>2,100,860</b>  | <b>1,535,552</b>  | <b>300,469</b>         | <b>1,583,219</b>                        |
| <b>Liabilities</b>                                  |                           |                   |   |                        |   |
| Current liabilities:                                |                           |                   |   |                        |   |
| Accounts payable                                    | 5,177                     | 598               | 13,515  | 50                     | 7,608                                   |
| Claims payable                                      | -                         | -                 | -   | -                      | -                                       |
| Interest payable                                    | 63,740                    | 33,409            | 17,756  | -                      | 272                                     |
| Current portion of long-term debt                   | 247,854                   | 312,640           | 53,695  | -                      | 30,500                                  |
| Due to primary government                           | -                         | -                 | -   | -                      | -                                       |
| Accrued prize liability                             | -                         | -                 | -   | -                      | -                                       |
| Salaries, health, disability, and benefits payable  | -                         | -                 | -   | -                      | -                                       |
| Deferred revenue                                    | 65,585                    | -                 | 30,909  | -                      | -                                       |
| Accrued liability for compensated absences          | -                         | -                 | -   | -                      | -                                       |
| Pollution remediation payable                       | 482                       | -                 | -   | -                      | -                                       |
| Securities lending collateral                       | -                         | -                 | -   | -                      | -                                       |
| Deposits held in custody for others                 | -                         | 32,529            | -   | 4                      | -                                       |
| Other current liabilities                           | 1,005                     | -                 | -   | -                      | -                                       |
| <b>Total current liabilities</b>                    | <b>383,843</b>            | <b>379,176</b>    | <b>115,875</b>  | <b>54</b>              | <b>38,380</b>                           |
| Long-term liabilities:                              |                           |                   |   |                        |   |
| Accrued liability for compensated absences          | -                         | -                 | -   | -                      | -                                       |
| Accrued prize liability                             | -                         | -                 | -   | -                      | -                                       |
| Pollution remediation payable                       | 2,797                     | -                 | -   | -                      | -                                       |
| Deferred revenue                                    | 3,402,174                 | 488               | -   | -                      | -                                       |
| Advances from federal government                    | 1,830                     | -                 | -   | -                      | -                                       |
| Revenue bonds/notes payable                         | 4,469,365                 | 1,687,468         | 1,018,734   | -                      | 1,423,331                               |
| Derivative instrument liability                     | 252,801                   | 14,617            | 17,649  | -                      | -                                       |
| Other noncurrent liabilities                        | -                         | -                 | 785   | -                      | 2,155                                   |
| <b>Total long-term liabilities</b>                  | <b>8,128,967</b>          | <b>1,702,573</b>  | <b>1,037,168</b>  | <b>-</b>               | <b>1,425,486</b>                        |
| <b>Total liabilities</b>                            | <b>8,512,810</b>          | <b>2,081,749</b>  | <b>1,153,043</b>  | <b>54</b>              | <b>1,463,866</b>                        |
| <b>Net assets</b>                                   |                           |                   |   |                        |   |
| Invested in capital assets net of related debt      | 163,703                   | -                 | 2,209   | 33                     | 227                                     |
| Restricted-nonexpendable                            |                           |                   |   |                        |   |
| Grants/constitutional restrictions                  | -                         | -                 | 58,139  | -                      | -                                       |
| Future debt service                                 | -                         | 3,542             | 189,256   | -                      | -                                       |
| Capital projects                                    | -                         | -                 | -   | -                      | -                                       |
| Pension fund distribution                           | -                         | -                 | -   | 425                    | -                                       |
| Student aid   | -                         | -                 | -   | -                      | -                                       |
| Other purposes                                      | -                         | -                 | -   | -                      | -                                       |
| <b>Total restricted-nonexpendable</b>               | <b>-</b>                  | <b>3,542</b>      | <b>247,395</b>  | <b>425</b>             | <b>-</b>                                |
| Restricted-expendable                               |                           |                   |   |                        |   |
| Instruction and research                            | -                         | -                 | -   | -                      | -                                       |
| Grants/constitutional restrictions                  | -                         | -                 | -   | -                      | -                                       |
| Endowments  | -                         | -                 | -   | -                      | -                                       |
| Future debt service                                 | 265,970                   | -                 | -   | -                      | 10,880                                  |
| Capital projects                                    | -                         | -                 | -   | -                      | -                                       |
| Repairs and rehabilitation                          | -                         | -                 | -   | -                      | -                                       |
| Water pollution and drinking water projects         | 1,189,748                 | -                 | -   | -                      | -                                       |
| Other purposes                                      | -                         | -                 | -   | -                      | -                                       |
| <b>Total restricted-expendable</b>                  | <b>1,455,718</b>          | <b>-</b>          | <b>-</b>  | <b>-</b>               | <b>10,880</b>                           |
| Unrestricted (deficit)                              | (2,669,142)               | 15,569            | 132,905   | 299,957                | 108,246                                 |
| <b>Total net assets</b>                             | <b>\$ (1,049,721)</b>     | <b>\$ 19,111</b>  | <b>\$ 382,509</b>   | <b>\$ 300,415</b>      | <b>\$ 119,353</b>                       |

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

continued on next page

| State Lottery Commission | Indiana Stadium and Convention Building Authority | Non-Major         | IFA & ISCBA Elimination | Total Component Units |
|--------------------------|---|-------------------|-------------------------|-----------------------|
| \$ 53,591                | \$ 47,169   | \$ 56,726         | \$ -                    | \$ 2,040,668          |
| 76,035                   | -   | -                 | -                       | 76,035                |
| 32,482                   | 1,843   | 6,639             | (8,937)                 | 189,627               |
| -                        | -   | -                 | -                       | 264,750               |
| 264                      | -   | 416               | -                       | 680                   |
| 977                      | -   | 418               | -                       | 2,800                 |
| -                        | -   | -                 | -                       | 215,775               |
| -                        | -   | 180               | -                       | 66,934                |
| -                        | -   | -                 | -                       | 14,734                |
| <u>163,349</u>           | <u>49,012</u>                                     | <u>64,379</u>     | <u>(8,937)</u>          | <u>2,872,003</u>      |
| 153,455                  | -   | 4,071             | -                       | 1,320,081             |
| -                        | -   | 8                 | -                       | 1,506                 |
| -                        | -   | -                 | -                       | 400,522               |
| -                        | -   | -                 | (976,952)               | 3,156,773             |
| -                        | -   | 313               | -                       | 37,714                |
| -                        | -   | -                 | -                       | 1,652,945             |
| -                        | -   | -                 | -                       | 50,000                |
| -                        | 954,099   | 281               | -                       | 2,196,175             |
| -                        | 252,801   | -                 | (252,800)               | 285,068               |
| 1,716                    | -   | 11                | -                       | 1,727                 |
| -                        | -   | 220               | -                       | 5,662                 |
| -                        | -   | 156,805           | -                       | 242,135               |
| -                        | -   | 54,747            | -                       | 538,207               |
| -                        | -   | 14,139            | -                       | 54,654                |
| 8,246                    | -   | 139,626           | -                       | 1,434,436             |
| (5,847)                  | -   | (130,024)         | -                       | (623,701)             |
| <u>2,399</u>             | <u>-</u>  | <u>235,293</u>    | <u>-</u>                | <u>1,645,731</u>      |
| <u>157,570</u>           | <u>1,206,900</u>                                  | <u>240,197</u>    | <u>(1,229,752)</u>      | <u>10,753,904</u>     |
| <b>320,919</b>           | <b>1,255,912</b>                                  | <b>304,576</b>    | <b>(1,238,689)</b>      | <b>13,625,907</b>     |
| 17,942                   | 382   | 1,749             | (25)                    | 46,996                |
| -                        | -   | 18,736            | -                       | 18,736                |
| -                        | 8,911   | 239               | (8,912)                 | 115,415               |
| -                        | -   | 1,671             | -                       | 646,360               |
| 3,093                    | -   | -                 | -                       | 3,093                 |
| 70,408                   | -   | -                 | -                       | 70,408                |
| -                        | -   | 173               | -                       | 173                   |
| 528                      | -   | 11,013            | -                       | 108,035               |
| -                        | -   | 177               | -                       | 177                   |
| -                        | -   | -                 | -                       | 482                   |
| 76,035                   | -   | -                 | -                       | 76,035                |
| -                        | -   | -                 | -                       | 32,529                |
| 1,536                    | -   | 2,201             | -                       | 4,746                 |
| <u>169,542</u>           | <u>9,293</u>                                      | <u>35,959</u>     | <u>(8,937)</u>          | <u>1,123,185</u>      |
| -                        | -   | 199               | -                       | 199                   |
| 124,241                  | -   | -                 | -                       | 124,241               |
| -                        | -   | -                 | -                       | 2,797                 |
| -                        | -   | -                 | -                       | 3,402,662             |
| -                        | -   | -                 | -                       | 1,830                 |
| -                        | 976,952   | 9,536             | (976,952)               | 8,608,434             |
| -                        | 252,801   | -                 | (252,800)               | 285,068               |
| -                        | 835   | 11                | -                       | 3,786                 |
| <u>124,241</u>           | <u>1,230,588</u>                                  | <u>9,746</u>      | <u>(1,229,752)</u>      | <u>12,429,017</u>     |
| <b>293,783</b>           | <b>1,239,881</b>                                  | <b>45,705</b>     | <b>(1,238,689)</b>      | <b>13,552,202</b>     |
| 2,399                    | -   | 222,888           | -                       | 391,459               |
| -                        | -   | 834               | -                       | 58,973                |
| -                        | -   | -                 | -                       | 192,798               |
| -                        | -   | 673               | -                       | 673                   |
| -                        | -   | -                 | -                       | 425                   |
| -                        | -   | 217               | -                       | 217                   |
| -                        | -   | -                 | -                       | -                     |
| -                        | -   | 1,724             | -                       | 253,086               |
| -                        | -   | -                 | -                       | -                     |
| -                        | -   | 1,688             | -                       | 1,688                 |
| -                        | -   | 113               | -                       | 113                   |
| -                        | -   | 4,164             | -                       | 281,014               |
| -                        | 16,031  | 1,428             | -                       | 17,459                |
| -                        | -   | 167               | -                       | 167                   |
| -                        | -   | -                 | -                       | 1,189,748             |
| -                        | -   | 1,865             | -                       | 1,865                 |
| -                        | 16,031  | 9,425             | -                       | 1,492,054             |
| <u>24,737</u>            | <u>-</u>  | <u>24,834</u>     | <u>-</u>                | <u>(2,062,894)</u>    |
| <b>\$ 27,136</b>         | <b>\$ 16,031</b>                                  | <b>\$ 258,871</b> | <b>\$ -</b>             | <b>\$ 73,705</b>      |



**State of Indiana  
Combining Statement of Activities  
Discretely Presented Component Units -  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2012**  
(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 (IFA)                           | \$ 315,682          | \$ 391,814           | \$ 88,119                          | \$ -                             | \$ 164,251                                      | \$ -              | \$ -  |
| Indiana Bond Bank   | 96,482              | 545                  | 95,718                             | -                                | -   | (219)             | -   |
| Indiana Housing and Community Development Authority       | 571,067             | 59,106               | 538,450                            | -                                | -   | -                 | 26,489  |
| Board for Depositories                                    | 761                 | -                    | 703                                | -                                | -   | -                 | -   |
| Secondary Market for Educational Loans                    | 24,297              | -                    | 30,727                             | -                                | -   | -                 | -   |
| State Lottery Commission                                  | 850,220             | 855,741              | -                                  | -                                | -   | -                 | -   |
| Indiana Stadium and Convention Building Authority (ISCBA) | 54,855              | 42,421               | 6,202                              | -                                | -   | -                 | -   |
| Non-Major Proprietary                                     | 182,980             | 162,188              | 3,304                              | 324                              | -   | -                 | -   |
| IFA & ISCBA Interfund Eliminations                        | (51,077)            | (46,655)             | (4,422)                            | -                                | -   | -                 | -   |
| <b>Total component units</b>                              | <b>\$ 2,045,267</b> | <b>\$ 1,465,160</b>  | <b>\$ 758,801</b>                  | <b>\$ 324</b>                    | <b>\$ 164,251</b>                               | <b>(219)</b>      | <b>26,489</b>                                       |
| General revenues:   |                     |                      |                                    |                                  |   |                   |   |
| Investment earnings                                       |                     |                      |                                    |                                  | 56,442  | 239               | 27,641  |
| Payments from State of Indiana                            |                     |                      |                                    |                                  | -   | -                 | -   |
| Other   |                     |                      |                                    |                                  | -   | -                 | -   |
| Total general revenues                                    |                     |                      |                                    |                                  | 56,442  | 239               | 27,641  |
| Change in net assets                                      |                     |                      |                                    |                                  | 220,693   | 20                | 54,130  |
| Net assets - beginning, as restated                       |                     |                      |                                    |                                  | (1,270,414)                                     | 19,091            | 328,379   |
| Net assets - ending                                       |                     |                      |                                    |                                  | \$ (1,049,721)                                  | \$ 19,111         | \$ 382,509  |

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, 2012**  
(amounts expressed in thousands)

|   | Net (Expense) Revenue and Changes in Net Assets |   |                             |   |            |  |                          |
|---|---|---|-----------------------------|---|------------|--|--------------------------|
|   | Board for<br>Depositories                       | Secondary<br>Market for<br>Education<br>Loans | State Lottery<br>Commission | Indiana<br>Stadium and<br>Convention<br>Building<br>Authority | Non-Major  | IFA & ISCBA<br>Interfund<br>Eliminations | Net (Expense)<br>Revenue |
| Indiana Finance Authority (IFA)                           | -   | -   | -                           | -   | -          | -  | \$ 164,251               |
| Indiana Bond Bank   | -   | -   | -                           | -   | -          | -  | (219)                    |
| Indiana Housing and Community Development Authority       | -   | -   | -                           | -   | -          | -  | 26,489                   |
| Board for Depositories                                    | (58)  | -   | -                           | -   | -          | -  | (58)                     |
| Secondary Market for Educational Loans                    | -   | 6,430   | -                           | -   | -          | -  | 6,430                    |
| State Lottery Commission                                  | -   | -   | 5,521                       | -   | -          | -  | 5,521                    |
| Indiana Stadium and Convention Building Authority (ISCBA) | -   | -   | -                           | (6,232)   | -          | -  | (6,232)                  |
| Non-Major Proprietary                                     | -   | -   | -                           | -   | (17,164)   | -  | (17,164)                 |
| IFA and ISCBA Interfund Eliminations                      | -   | -   | -                           | -   | -          | -  | -                        |
| Total component units                                     | (58)  | 6,430   | 5,521                       | (6,232)   | (17,164)   | -  | 179,018                  |
| General revenues:   |   |   |                             |   |            |  |                          |
| Investment earnings                                       | -   | -   | 16,615                      | 43  | 378        | -  | 101,358                  |
| Payments from State of Indiana                            | -   | -   | -                           | -   | 17,837     | -  | 17,837                   |
| Other   | -   | -   | -                           | -   | 5,833      | -  | 5,833                    |
| Total general revenues                                    | -   | -   | 16,615                      | 43  | 24,048     | -  | 125,028                  |
| Change in net assets                                      | (58)  | 6,430   | 22,136                      | (6,189)   | 6,884      | -  | 304,046                  |
| Net assets - beginning, as restated                       | 300,473   | 112,923                                       | 5,000                       | 22,220  | 251,987    | -  | (230,341)                |
| Net assets - ending                                       | \$ 300,415                                      | \$ 119,353                                    | \$ 27,136                   | \$ 16,031   | \$ 258,871 | \$ -                                     | \$ 73,705                |

**State of Indiana**  
**Combining Statement of Net Assets**  
**Discretely Presented Component Units -**  
**Colleges and Universities**  
**June 30, 2012**  
(amounts expressed in thousands)

|   | Indiana University  | Purdue University   | Non-Major Colleges<br>and Universities | Totals               |
|---|---------------------|---------------------|--|----------------------|
| <b>Assets</b>                                       |                     |                     |  |                      |
| Current assets:                                     |                     |                     |  |                      |
| Cash, cash equivalents and investments              | \$ 911,034          | \$ 501,705          | \$ 463,385                             | \$ 1,876,124         |
| Securities lending collateral                       | 53,597              | -                   | -                                      | 53,597               |
| Receivables (net)                                   | 132,631             | 135,222             | 146,869                                | 414,722              |
| Inventory   | 11,389              | -                   | 4,964                                  | 16,353               |
| Prepaid expenses                                    | -                   | -                   | 5,777                                  | 5,777                |
| Funds held in trust by others                       | -                   | -                   | 23,402                                 | 23,402               |
| Other current assets                                | 37,777              | 30,447              | 1,781                                  | 70,005               |
| Total current assets                                | 1,146,428           | 667,374             | 646,178                                | 2,459,980            |
| Noncurrent assets:                                  |                     |                     |  |                      |
| Cash, cash equivalents and investments - restricted | -                   | 2,134,609           | 66,080                                 | 2,200,689            |
| Other receivables                                   | 301,685             | 80,496              | 54,864                                 | 437,045              |
| Investments - unrestricted                          | 2,629,952           | 806,680             | 811,232                                | 4,247,864            |
| Bond issuance costs net of amortization             | -                   | -                   | 2,953                                  | 2,953                |
| Deferred outflow - derivative instrument            | -                   | -                   | 3,386                                  | 3,386                |
| Other postemployment benefits                       | -                   | -                   | 26,407                                 | 26,407               |
| Other noncurrent assets                             | -                   | 13,801              | 14,072                                 | 27,873               |
| Capital assets:                                     |                     |                     |  |                      |
| Land  | 94,615              | 97,340              | 172,442                                | 364,397              |
| Infrastructure                                      | 164,285             | 76,914              | 131,215                                | 372,414              |
| Construction in progress                            | 146,311             | 305,902             | 74,240                                 | 526,453              |
| Property, plant, and equipment                      | 4,032,901           | 3,118,618           | 2,539,902                              | 9,691,421            |
| Less accumulated depreciation                       | (1,849,546)         | (1,506,944)         | (1,011,008)                            | (4,367,498)          |
| Total capital assets, net of depreciation           | 2,588,566           | 2,091,830           | 1,906,791                              | 6,587,187            |
| Total noncurrent assets                             | 5,520,203           | 5,127,416           | 2,885,785                              | 13,533,404           |
| <b>Total assets</b>                                 | <b>6,666,631</b>    | <b>5,794,790</b>    | <b>3,531,963</b>                       | <b>15,993,384</b>    |
| <b>Liabilities</b>                                  |                     |                     |  |                      |
| Current liabilities:                                |                     |                     |  |                      |
| Accounts payable                                    | 188,139             | 61,895              | 62,778                                 | 312,812              |
| Interest payable                                    | 12,973              | 16,686              | 1,991                                  | 31,650               |
| Current portion of long-term debt                   | 53,654              | 136,243             | 72,141                                 | 262,038              |
| Due to primary government                           | 1,693               | -                   | -                                      | 1,693                |
| Capital lease payable                               | 1,538               | -                   | 347                                    | 1,885                |
| Salaries, health, disability, and benefits payable  | 54,130              | 33,940              | 30,187                                 | 118,257              |
| Deferred revenue                                    | 177,913             | 41,271              | 29,473                                 | 248,657              |
| Accrued liability for compensated absences          | 44,471              | 26,164              | 14,609                                 | 85,244               |
| Pollution remediation payable                       | -                   | -                   | 284                                    | 284                  |
| Securities lending collateral                       | 53,597              | -                   | -                                      | 53,597               |
| Deposits held in custody for others                 | -                   | 35,013              | 23,858                                 | 58,871               |
| Other current liabilities                           | -                   | -                   | 5,267                                  | 5,267                |
| Total current liabilities                           | 588,108             | 351,212             | 240,935                                | 1,180,255            |
| Long-term liabilities:                              |                     |                     |  |                      |
| Accrued liability for compensated absences          | 19,671              | 33,523              | 16,394                                 | 69,588               |
| Other postemployment benefits                       | 22,758              | 30,694              | 22,023                                 | 75,475               |
| Deferred revenue                                    | 35,102              | -                   | 1,952                                  | 37,054               |
| Capital lease payable                               | 1,853               | -                   | 758                                    | 2,611                |
| Funds held in trust for others                      | 90,128              | 58,898              | 32,197                                 | 181,223              |
| Advances from federal government                    | -                   | 19,924              | 8,899                                  | 28,823               |
| Revenue bonds/notes payable                         | 931,392             | 926,956             | 825,992                                | 2,684,340            |
| Derivative instrument liability                     | -                   | -                   | 3,386                                  | 3,386                |
| Other noncurrent liabilities                        | 46,864              | 8,487               | 28,525                                 | 83,876               |
| Total long-term liabilities                         | 1,147,768           | 1,078,482           | 940,126                                | 3,166,376            |
| <b>Total liabilities</b>                            | <b>1,735,876</b>    | <b>1,429,694</b>    | <b>1,181,061</b>                       | <b>4,346,631</b>     |
| <b>Net assets</b>                                   |                     |                     |  |                      |
| Invested in capital assets net of related debt      | 1,694,440           | 1,094,127           | 1,028,976                              | 3,817,543            |
| Restricted-nonexpendable                            |                     |                     |  |                      |
| Permanent funds                                     | 26,842              | -                   | 45,600                                 | 72,442               |
| Public safety programs                              | -                   | -                   | 2,713                                  | 2,713                |
| Capital projects                                    | 2,143               | -                   | 2,415                                  | 4,558                |
| Instruction and research                            | 374,661             | 293,391             | 32,790                                 | 700,842              |
| Student aid   | 370,748             | 269,218             | 100,762                                | 740,728              |
| Other purposes                                      | 245,288             | 35,375              | 18,054                                 | 298,717              |
| Total restricted-nonexpendable                      | 1,019,682           | 597,984             | 202,334                                | 1,820,000            |
| Restricted-expendable                               |                     |                     |  |                      |
| Instruction and research                            | 272,409             | 243,941             | 70,971                                 | 587,321              |
| Grants/constitutional restrictions                  | -                   | -                   | 6,730                                  | 6,730                |
| Endowments  | -                   | 401,254             | 5,847                                  | 407,101              |
| Future debt service                                 | 20,271              | -                   | 6,437                                  | 26,708               |
| Public safety programs                              | -                   | -                   | 6,599                                  | 6,599                |
| Student aid   | 139,711             | 501,077             | 64,741                                 | 705,529              |
| Auxiliary enterprises                               | -                   | -                   | 2,396                                  | 2,396                |
| Capital projects                                    | 82,113              | 32,550              | 91,088                                 | 205,751              |
| Other purposes                                      | 338,334             | 123,047             | 10,914                                 | 472,295              |
| Total restricted-expendable                         | 852,838             | 1,301,869           | 265,723                                | 2,420,430            |
| Unrestricted (deficit)                              | 1,363,795           | 1,371,116           | 853,869                                | 3,588,780            |
| <b>Total net assets</b>                             | <b>\$ 4,930,755</b> | <b>\$ 4,365,096</b> | <b>\$ 2,350,902</b>                    | <b>\$ 11,646,753</b> |

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 Year Ended June 30, 2012**  
(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                  | \$ 2,738,091        | \$ 1,621,795         | \$ 589,001                         | \$ 33,932                                       | \$ (493,363)        | \$ -                | \$ -                                | \$ (493,363)          |
| Purdue University                   | 1,885,783           | 1,045,406            | 411,531                            | 13,832  | -                   | (415,014)           | -                                   | (415,014)             |
| Non-Major Colleges and Universities | 1,579,407           | 626,195              | 120,149                            | 8,991   | -                   | -                   | (824,072)                           | (824,072)             |
| Total component units               | <u>\$ 6,203,281</u> | <u>\$ 3,293,396</u>  | <u>\$ 1,120,681</u>                | <u>\$ 56,755</u>                                | <u>(493,363)</u>    | <u>(415,014)</u>    | <u>(824,072)</u>                    | <u>(1,732,449)</u>    |
| General revenues:                   |                     |                      |                                    |   |                     |                     |                                     |                       |
| Investment earnings                 |                     |                      |                                    |   | 74,637              | 5,228               | 21,567                              | 101,432               |
| Payments from State of Indiana      |                     |                      |                                    |   | 515,421             | 389,078             | 525,365                             | 1,429,864             |
| Other                               |                     |                      |                                    |   | 133,451             | 122,240             | 400,876                             | 656,567               |
| Total general revenues              |                     |                      |                                    |   | <u>723,509</u>      | <u>516,546</u>      | <u>947,808</u>                      | <u>2,187,863</u>      |
| Change in net assets                |                     |                      |                                    |   | 230,146             | 101,532             | 123,736                             | 455,414               |
| Net assets - beginning, as restated |                     |                      |                                    |   | 4,700,609           | 4,263,564           | 2,227,166                           | 11,191,339            |
| Net assets - ending                 |                     |                      |                                    |   | <u>\$ 4,930,755</u> | <u>\$ 4,365,096</u> | <u>\$ 2,350,902</u>                 | <u>\$ 11,646,753</u>  |

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

